

IHRSA Introduces

Sibling Entrepreneurs to Anytime Fitness

By Liane Cassavoy

Working in the fitness industry is more than just a career for Justin McDonell and his sister, Jacinta McDonell Jimenez. For a long time, for both of them, it's been—and continues to be—a way of life.

When Justin was 10 years old and Jacinta was just eight, their parents opened a fitness facility called Club Fitness, near Sydney, Australia. Before long, the two found themselves working in the family business, doing everything from cleaning floors, to teaching classes, to selling memberships.

A lot has changed since then.

Today, the McDonell siblings man the helm of what's poised to become one of the largest fitness franchises in Australia. They've acquired the master-franchise rights for Anytime Fitness—not only for all of Australia, but for New Zealand, as well—and plan to open 350 clubs over the next five years.

How did this brother-and-sister duo make such a big leap—from sweeping floors to overseeing what, potentially, might become one of the largest fitness-franchise operations Down Under?

McDonell and Jimenez say it might not have been possible if they hadn't been involved with IHRSA. The two had attended a total of five IHRSA meetings in the U.S., learning more about the industry, its potential, and its prospects. But it was a magazine article—"Fitness Franchises Continue to Flourish,"

which appeared in the May 2007 issue of *CBI*—that introduced them to Anytime Fitness. "That issue of *CBI* detailed the fastest-growing fitness franchises," Jimenez recalls. "We read about all of the different types of franchises, and the Anytime Fitness model was the one that caught our attention."

Anytime Fitness facilities are accessible 24 hours a day via a keycard, but are only staffed about 40 hours a week. This allows them to become profitable with fewer clients than their competitors. While a traditional gym may require 3,000 members to break even, an Anytime Fitness club can be successful with only 400 members, McDonell estimates.

When the pair read about Anytime Fitness in *CBI*, there weren't any 24-hour key clubs of the sort in Australia. McDonell and Jimenez were convinced that this business model would work just as well for busy Australians as it had for Americans.

That *CBI* story also provided some tantalizing figures about the success that Anytime Fitness had experienced in the U.S.—impressive figures that increased the siblings' interest and confidence. The company, which had been launched in 2002, grew 348% between 2005 and 2007. Its revenue had climbed from \$2.9 million in 2005 to more than \$13 million in 2007. The company estimates that, when the final tally is in, it will have surpassed \$20 million in revenues for 2008.

McDonell and Jimenez knew they were onto something and wasted no time; within six weeks, they'd taken a flight to the company's headquarters in Hastings, Minnesota. But before sitting down to talk to the fitness franchise's executives, they



Jeff Thames



Justin McDonell,
Jacinta Jimenez

spent a week touring several Anytime Fitness facilities in the area. They studied the clubs' locations, the competition, and the demographics of the members and the local population.

... And they liked what they saw.

"When we sat down with Jeff Thames, Anytime Fitness' chief operating officer, we told him that we were very keen to get the rights for all of Australia, and New Zealand, too," says Jimenez.

McDonell, in the past, had owned a few franchised clubs, and, at the time he and his sister met with Anytime Fitness, they were the co-owners of two women-only gyms in Sydney. But neither of them had had any experience with a project as substantial as the one they were now pitching to Anytime Fitness. Still, they had no doubts about their ability to rise to the challenge... and, as it turned out, neither did the executives at Anytime Fitness.

Chuck Runyon, the company's cofounder, cites the pair's passion for the fitness industry as one of the

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key factors that led him to choose McDonell and Jimenez as the master franchisor for Australia and New Zealand—even though they weren't the only bidders. "Justin and Jacinta are very warm, dynamic, down-to-earth people," he explains. "Because they're people that, instinctively, you'd want to share a car ride with, they're also people that you'd be comfortable doing business with." (Anytime Fitness cofounder Jeff Klinger is a member of the association's board of directors and serves on its public-policy committee. All 954 Anytime Fitness



Anytime Fitness founders Jeff Klinger, L., Chuck Runyon

franchisees are IHRSA members. Runyon serves on the executive committee of the Industry Leadership Council, or ILC.)

"IHRSA has played a major role in all of this," notes Jimenez. "I think that one of the most important things that its magazine, meetings, research publications, and updates does is expose us to the fact that, at any given time, in any particular market, the fitness industry can be more diverse than it currently is.

"It gives us perspective," she observes. "Knowing what's going on in the States has made us confident that, yes, we can open 350 clubs over here. Now, when we look at our market, we think, 'Wow, we've got such an amazing opportunity here.'"

McDonell and Jimenez have opened the first two Anytime Fitness locations in Australia, and have two more clubs in presell. They've sold 14 additional locations and are on track to open 20 clubs this year. Considering the results they've already seen, they're beginning to suspect that it might even be possible to surpass the 350-club goal that they'd originally set for themselves—with, they're quick to clarify, "the continued support of IHRSA." —

—Liane Cassavoy