

2018 CHANGE THE WORLD ISSUE

# FORTUNE

SEPTEMBER 2018 FORTUNE.COM

HOW TO  
PROFIT  
WHILE  
FIXING THE  
PLANET

MAKE



THE WORLD

LESSONS FROM

ABBOTT  
ADIDAS  
ALIBABA GROUP  
BANK OF AMERICA  
DIDI CHUXING  
HILTON  
HUMANA  
MERCK  
PAYPAL  
RELIANCE JIO  
& 53 MORE

GREAT

AGAIN

DISPLAY UNTIL 9.17.18





Shane Evans (above) had a back injury that was helped by frequent massages. Problem was, she couldn't always afford to pay spa prices. Frustrated, and inspired, she and her husband, Wayne, cashed in their investments and savings to start Massage Heights, a massage membership business that offers an upscale environment at affordable prices. Today the company has 147 franchisees in the U.S. and Canada and generated revenues of \$110 million in 2017.

# GOLDEN TOUCH

How to build a health and wellness empire. Interview by Dinah Eng

**I WAS ALWAYS INTERESTED** in health and wellness and was born into an entrepreneurial family: My parents owned different businesses where I grew up, in San Antonio. After high school, my dad said, "You either need to go to college or get a job, and we don't have the money to send you to college." So I looked through the newspaper and found a job at a President's Health Club.

The gym business was on fire in the late '80s and early '90s. I worked my way up the ranks, learning customer service and management skills. Wayne, my future husband, came to work there, and we were married in 1994.

When I was 21, I experienced a lower back injury and was in excruciating pain. Finally, I ended up going to a massage therapist who recognized the issue was muscular in nature. I'd always thought a massage was just a way to relax and didn't know that it had real health benefits. The massages worked wonders, but treatments were expensive, and I couldn't afford them often.

In December 2003, my husband arranged a massage at a spa for my birthday, and it wasn't a good experience. I was so disappointed that it made me think, There's got to be a way to offer great massage services at an affordable price. With our gym experience, we knew about membership-based, revenue-recurring models. There wasn't any competition in the massage space, so we decided to start our own business.

Some people say that when they meet their significant other, it hits them like a ton of bricks. That's how I felt getting the idea for Massage Heights. Four months later, we opened the first location, in San Antonio. It cost \$250,000 to do it.

We cashed out our 401(k)s, our kids' college fund, and our savings. We kept the >>

HOW I GOT STARTED

▷▷ cost down by doing a lot of our own work. My husband was the general contractor, and we painted it ourselves.

We used furniture I'd inherited from my grandmother. We didn't buy in bulk, which would have saved money, but bought supplies as needed because we didn't have the cash. We had to watch every expense. Family members were a big help with our kids, since we couldn't afford sitters or send them to a lot of extracurricular activities.

We made a lot of mistakes. We bought cheap clocks to monitor the time in each treatment room, but you could hear them ticking, which didn't make for a relaxing experience. We laid carpet down, but essential oils would drip and get into it. We had five treatment rooms and realized there was no room for supplies, laundry, or a place for therapists to sit while waiting for clients. One bathroom wasn't enough for everyone. But somehow, it became a success. We opened the second location nine months later.

Our first year's revenue was \$360,000. We thought we'd get women coming in just for relaxation at an affordable price, but men and women came with back pain, fibromyalgia, and other medical ailments, looking for therapeutic relief. They didn't have the time to sit and have tea or hang out in a steam room. They wanted a great massage more frequently at an affordable price.

Customers started coming from all over the city asking about our expansion plans, so we started franchising to friends and family in Texas.

In 2007 we found someone with franchising experience who helped us move forward nationally. Transitioning from being a small-business owner to being a franchisor brought different problems.

Brand consistency is key, and early on, a group of franchisees hired someone to create their own websites. I should have shut that down quickly, but I thought we could leverage what they created to drive traffic to the site we managed. By the time I realized it wouldn't work, it had cost us a lot of money. I should have been more direct. I wanted to protect the relationship, and instead, it caused a rift.

In 2008 we started a supply-chain business to provide a turnkey operation to our franchisees, making it easier for them to open.

## BEST ADVICE: LEADING WITH A MIND- BODY-SPIRIT CONNECTION

SHANE EVANS,  
COFOUNDER AND  
PRESIDENT OF  
MASSAGE HEIGHTS

AGE: 48

FROM: San Antonio

### START THE DAY WITH 10 MINUTES OF MEDITATION.

It gives you time to reflect and prepare for work.

### DO HIGH-INTENSITY INTERVAL TRAINING.

Short 30-minute workouts with weight training and cardio will raise your endorphins, give you energy, and clear your head.

### GET A MASSAGE.

It helps you relax, slows down the heart rate, and helps you reduce stress.

We have a truck that rolls in 48 hours after the floors go down, loaded with furniture, lotions, uniforms—everything needed to make a location operational over several days. That year, we made our first million in profit.

Back then, I had my hand in everything. I helped create training programs, worked in the field to support new franchisees, did product selection, headed marketing efforts, and dealt with legalities.

It can still be hard to control how our operators run their businesses. Last year a franchisee in Chattanooga shut its doors unexpectedly, and we offered to help the employees who were suddenly without jobs. Another franchisee nearby offered to hire people, and our family nonprofit gave each employee \$500 to help mitigate the pain.

Because of our success, people started asking us for advice on how to franchise their brands. My brother, Glenn Franson, who's a partner in our business, started talking with the founders of The Gents Place,

a members-only club that offers upscale men's grooming. We agreed to partner with them in 2016 to form a franchising company.

We then started Elevated Brands, with the hope of having three to five brands over time that we can partner with—like The Gents Place—to franchise in the health, wellness, and beauty space.

One thing that's hard with a family-owned business is work/life balance. As president of the company, I need to be able to go home and not have a conversation about work with my husband. Strategy decisions are now made with the board, not just by me, which has made it easier to leave work discussions at the office.

I'm proud of building a company with a caring culture that represents our family values. I'm especially proud of showing our daughters that with a dream, passion, diligence, and a plan, you can do anything you want in life. ■