

# PTI finds franchising is like a well-planned workout

By ADINA GENN

**F**irst company out of the gate with the latest gizmo wins. Or so the theory goes. But the gizmo better be marketable – and the company itself, in great physical shape. Otherwise, that firm loses, big time.

It's no different when you have a franchising concept. If it's any good, you'll want to be the first to franchise it. But you'll need to establish the optimal support system so you and your franchisees prosper.

Otherwise, you risk over-expansion, and even worse, "you can destroy the brand," says Evan Kaplan. As CEO and president of Personal Training Institute, he's a Smithtown franchisor who offers one-on-one personal training, which focuses on strength building, and personal nutritional counseling.

At 46, Kaplan has big plans for PTI. But he has taken a measured approach.

Founded in 1987, PTI has eight company-owned and now two franchise locations, with two more franchises under development. Kaplan expects to open 25 more in the Northeast and mid-Atlantic states next year. He plans for 125 locations by 2010.

Franchising has been Kaplan's mission since joining the firm in 2000.

"We thought we could grow quicker working with other professionals, as opposed to just our resources," Kaplan said.

Yet PTI didn't start franchising until January.

Why the long wait?

"It took us several years to get the procedures and policies in place," he says, and also to figure trainers, nutritionists and owners into the equation.

There are pros and cons to spending five years developing a franchise, said Harold Kestenbaum, a franchise attorney with Uniondale-based law firm Farrell Fritz. On the one hand, you "get the kinks out" but you also run the risk of someone else rolling out the concept first. Though PTI "chose to wait that long," Kestenbaum finds that most companies spend just a year planning a franchise. And those that "do it right the first time and have a good



Kaplan: A top-flight franchising plan takes some heavy lifting, good planning and patience for it to work out.

location" often flourish.

In Kaplan's case with PTI, before rolling out the first franchise he opened six new locations of his own on Long Island. The company documented every step of development, including site selection, lease negotiation, equipment purchase, space renovation, hiring and more.

As PTI rolled out new sites, it tested and revised its documentation. The process may have been painstaking but it was key in rendering the support and training foolproof.

But to receive that support, franchisees must be prepared to cough up a total estimated initial investment of between \$150,000 and \$200,000, which includes a \$19,500 franchise fee. And there are also monthly royalties of 5 percent of gross revenue.

Today Kaplan is pleased with the franchise program. He said the eight company stores shows its franchisees that PTI has a stake in how it runs its operation. "We're living and breathing it with them," he said.

Though Kaplan is focused primarily on the Northeast and Mid-Atlantic states, he will consider applicants interested in opening three or more locations outside these regions. Otherwise, he feels "it's tough to physically and economically support them."

He speaks from experience. Prior to

joining PTI, Kaplan served as president of what's now known as Altria Senior Quarters, a network of assisted living facilities. He helped develop 135 Senior Quarters locations around the country. Still, even with methodical planning, PTI faces challenges.

Competing in the crowded fitness industry, for instance, requires stamina. The International Franchise Association, a Washington, D.C. group that promotes the concept worldwide, says fitness is a crowded industry.

But Kaplan thinks his concept stands apart from competitors. PTI's one-on-one strength training and nutritional counseling delivers better results than mere circuit training or aerobic programs, he said.

"If you're on the treadmill for a half-hour, you've burned an Oreo. When you get off, you're not burning fat," he said. Add strength training though and "you burn calories for the next 48 hours" while the muscles repair themselves from the workout.

These are the points he highlights to prospects. Aside from coaching them on how to physically train clients, PTI also coaches them on how to fiscally thrive as entrepreneurs.

To Kaplan, there's simply no other way to roll out a concept: "It takes a mentor to support a franchise."