Lindora Franchise President Shares How the Franchise Is Embracing the Future of Wellness

Lou DeFrancisco discusses the company's unique approach to weight loss and wellness, highlighting its integration with Xponential's diverse fitness brands.



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The fusion of established weight loss expertise with cutting-edge medical advancements and fitness solutions is poised to revolutionize the wellness industry. <u>Lou DeFrancisco</u>, president of <u>Lindora Franchise</u>, an Xponential Fitness-backed brand empowering individuals to optimize their metabolic health and wellness, emphasized this potential during a recent episode of <u>1851 Franchise</u>'s "Meet the <u>Zor" podcast</u>.

"We're super excited about Lindora ... This is a true weight loss program that also offers weight loss medications and supporting products and services all tied into supporting someone on their journey of weight loss and changing their body and changing their life," DeFrancisco told 1851's Nick Powills.

Under DeFrancisco's leadership, Lindora has emerged as a comprehensive wellness ecosystem, integrating personalized weight loss programs, GLP-1 medications, nutritional guidance and access to diverse fitness modalities through Xponential's brands. This holistic approach addresses not just the immediate goal of weight loss, but also the long-term maintenance of a healthier lifestyle.

As DeFrancisco puts it, "Lindora is a mission-driven company ... [Its] mission is to empower people to live healthier, longer lives." This mission is embodied in every aspect of Lindora's offerings, making it a compelling option for those seeking sustainable weight loss and improved well-being.

A summarized transcript of the interview has been included below. It has been edited for clarity, brevity and style.

Nick Powills: My overused statement is I always bet on the jockey, not on the horse. I'm going to actually start with your story, then we'll get into the brand. How did you accidentally fall into franchising? What is your franchise backdrop? How did your franchise story start?

Lou DeFrancisco: Just like you said, I fell into it. I feel like I got lucky falling into it. First of all, I always tell people it's really important to figure out what you're passionate about and then figure out how to make money at it, and it was no different for me in my personal life. I graduated with a physics degree, of all things. Don't ask me why — I didn't go into that field after college. I went into IT consulting because it was a job. Like many people out of college, I just took a job because I needed one. And over time — we're talking four or five years — I found health and fitness first.

I had a good friend of mine that talked me into leaving my IT job and going to work for him. That was what I would call today a boutique health club. Single location, that was it — not a franchise. It was a health club that specializes in personal training and physical therapy. And I give a ton of credit to him — an early mentor for me — because he recognized we were friends first. He recognized I wasn't happy where I was at. He tried to help me move on and find something that I would enjoy, and I did! I fell in love with the world of health and fitness. I was in that for four or five years. As for me personally, I'm a learner — I've known that about myself for a long time — so I wanted to keep learning, keep growing personally and professionally.

That one location wasn't ever going to be more than one location. It's actually still in existence today as one location, which is great. And I did the old — this was early 2000s — Craigslist search for a job and came across a posting for a director of franchise support. And I was like, "Oh, that sounds interesting." It was a fitness franchise. It was looking for someone that knew how to operate in a fitness environment, but on the franchisor side, so I went for an interview and, like they say, the rest is history.

Powills: I love that story because ultimately for franchising, they go through much of the same, like they find a way to accidentally fall in franchising. And I often say this, I go to any franchise website, it's always like, "Buy my franchise." But if we all go back to the day before we

were in franchising, we had no idea what it was. So we're asking the candidate to go ahead, make a life decision just like that, and bounce into franchising. And so when people accidentally fall into it, there's a pathway to learn it.

For most franchisees, it's this hard trigger moment — either their job is shaky or they're looking for their next investment — but there's some sort of trigger moment that forces them to make this decision to go franchising. For you and I, obviously, we had time to build up those careers. But I go back to the first thing you said, which is find what you're passionate about and use that to make money. And that is, in essence, what franchising should allow someone to do.

So as you've been doing this, what wows you the most about franchising? Because you've worked with so many different franchises across multiple brands. What wows you about franchising? What still disappoints you?

DeFrancisco: What I'm still impressed with are the varied, wide variety of backgrounds that people have coming into a franchise system and that they can be successful. People will ask me, "What makes a successful franchisee?" And what I've developed as an answer over time — it took me a while to develop this — but the common themes I've found with people that are successful in any of the franchise brands that I've operated: One, you're passionate about that vertical or that modality or that industry. Two, you can execute on systems. That's really important. You have to be one of those rule followers. I'm going to stay in between the lines. I'm going to go out and execute on these marketing and sales systems in particular. And then three, and this is probably what I always tell people the most important, is you have to be a leader of your own organization.

So as the brand president of whatever brand it happens to be, I can't run your business for you. I can coach you on how to find real estate, negotiate the lease and go through construction and pre-sale and marketing and sales and how to recruit, how to train. But at the end of the day, it's your business. You have to make the ultimate hiring decisions, set goals, hold people accountable, make the ultimate firing decisions if that's where you have to go. And I'm still really impressed with the wide variety of backgrounds that come into a franchise system and that they're successful. It doesn't matter that you come from the corporate world or you've owned a business before, you haven't owned a business before, whatever it may be.

Lindora, the brand I'm operating now, that's a medical service business. You don't have to have a medical background. You don't have to be a nurse. You don't have to be a doctor to be successful. You need to know how to run a business at the end of the day, or you need to have the ability to learn how to run a business. So that always impresses me and part of my job that I love is I get to meet prospects and talk with them and help them figure out, "Is this the right fit?" I love that part of my job because what I've also learned over the years is that franchising is not for everyone. When we or they get that wrong, what disappoints me is that I've been franchising for 15, 16 years now and I've known. I worked for a franchise in the past that was focused on selling to sell. Xponential has done a great job of education and delivering an educational process for a prospect and giving them multiple touch points, and we actually went to even more of an extreme with Lindora because of the questions that we were getting around medical services, weight loss medications and the medical legalities of what we do.

So we really go above and beyond in trying to be as transparent as possible and educate as much as possible so that we don't get to that place down the road. It doesn't happen right away. It's, you know, two years down the road, three years down the road, like, "Oh, I just wasn't cut out for this. I'm going to get out and go do something else."

Powills: So a few quick comments. One, not to blow the smoke, but I think part of the magic is when you land at a brand that operationalizes the brand properly, it gives the ability for people of all walks of life to have success. Like if you zoom out of McDonald's and you say, "Well, it's not like they're perfect at hiring." They've operationalized a model so that when they plug someone in, even if there's turnover, the burger still comes out almost identical no matter where you go. So they've operationalized the business. And I think you've probably been a part of businesses where you've had influence to operationalize it so that we can plug in a franchisee and the odds of success increase because the system is set up. I also think the coaching side of franchising is often overlooked, but it ends up being the most valuable piece because for most franchise buyers, when they get into business — whether it's a Lindora or it's something else — they're going to understand some aspect or component of being an entrepreneur — maybe one thing or two things, maybe marketing, maybe sales, maybe operations. But when you're thrown into business, now all of a sudden you have to be an HR pro and supply chain management [expert]. It's all these things. So when the franchisor puts the coaching on top of an operational model, the odds of success go up. Then I swing it over to the franchisee.

As I've been doing this forever, early on, I would say, "Well, who's your ideal franchisee?" And every franchise would say the same thing. I mean, independently, it's qualified and ready to buy. But if you really break it down, in my opinion, it ends up being, are they coachable and are they self-aware? And those two elements end up being so critical towards whether or not they're going to be able to plug into the operational model.

So you've probably discredited yourself by not taking a little bit of a pat on the back, but when you've looked at the businesses, you've operationalized them so that it doesn't matter who you are, the odds of your success increase because of the business model you've put in place.

DeFrancisco: Yeah, absolutely. I think as a franchisor, you have to look at the business that way. You have to take that responsibility on and understand that, "Hey, I have a duty and obligation to these franchisees that are paying me a franchise fee, eventually a royalty, that I have a duty and obligation to put these systems in place — as many as possible — to continually test and refine those systems, to provide ongoing coaching — like you were mentioning, that is often an underlooked area.

The early days are gone of enfranchising: "Hey, here's the binder. good luck!" Everything is online and interactive now — these learning management systems that we're constantly updating multiple times a week with new content and new information, the ongoing webinars that we host on a weekly basis with the latest and greatest and best practices. What worked last month is not working this month because we're going to tweak our strategy. I feel like that's a given, but I shouldn't assume that everyone is doing that.

Powills: Well, you've been a part of some nicely successful brands, so there's magic in the structure of that, but because of the world that we're in, there are also plenty of suppliers that are willing to franchise anything. They don't look and say, "Is this franchise viable and will it be responsible to buyers?" That's why you have to compete against brands that aren't as viable as the ones that you've been a part of to get them into the system. When I think about Lindora, my viewpoint is it's not necessarily lightning in a bottle because the industry has been materializing for a while, but I would imagine there's somewhat of a sense of urgency to create scale, and obviously, when you guys brought them on, the largest multi-unit operator ends up being the corporate takeover. So, there are some really cool things in place. Give me kind of the state of the brand. Is there this urgency to get scale faster than normal because of the category and the attractiveness of it? Give me the state of the union.

DeFrancisco: We're super excited about Lindora. We have been looking at different wellness modalities over the last year and a half, two years, and for one reason or another, never pulled the trigger on anyone else, and then Lindora happened officially January 1 this year. Lindora is a unique business model; I think it was just kind of serendipitous that some of these other brands didn't work out because now we have this opportunity to leverage Lindora, which is a 50-plus-year-old company. It's been around since the early 70s that has this history of weight loss programs and utilizing weight loss medication.

As I said, I've been in health and fitness for 20-plus years. I've always been passionate about personally living a life of being careful and conscious of what I put in my body, moving my body, etc., and I've been in this world of health and fitness where the problem is you're just not motivated enough. You're not disciplined enough. That was always the mindset of those in the health and fitness space, of those that were overweight or obese, like, "Oh, you just need to work out more. You just need to eat less calories," which over the last bunch of years, we're finally shining that light on research that shows it's more than just discipline.

Different people have different DNA, and we're all wired differently, and we're just — I'm not an expert on this yet, I'm still doing a lot of my own homework — but we're just scratching the surface on what these new weight loss medications can do and where they can go, which is really cool to be a part of because, like I said earlier, I'm a learner. I like learning new things, so this typically is a medical services field. I've been in health and fitness, and I categorize Stretch Lab as wellness, but I've been in that field before of personal training, physical therapy, acupuncture and massage. I've been in those worlds, and the difference is that with Lindora, it's a medical services field, so there's a medical legal component to it. Once a franchise prospect gets over that hurdle of, "Hey, we have a vendor that handles all the legal compliance stuff for you," once they understand that, then they can start wrapping their brain around the actual business model, which is weight loss and wellness services.

Six months ago when I knew this was going to be happening, I started doing my research and reading articles about Lindora, reading articles about GLP-1 and Ozempic and Wacovi and all these name brands — diabetes drugs, weight loss drugs, FDA approval, compounded drugs — all of this stuff that was floating around. At the end of the day, these weight loss medications — GLP-1s or GIPs — are the most efficacious weight loss drugs that have ever been on the market, so that is a good thing.

We have an obesity problem in our country, and I'm passionate about helping others, and I've always done it through health, fitness, wellness. This is a true weight loss program that also offers weight loss medications and supporting products and services all tied into supporting someone on their journey of weight loss and changing their body and changing their life.

Lindora is a mission-driven company, so that was really important early on to Xponential as they were looking at Lindora. Their mission is to empower people to live healthier, longer lives, so every single person on the Lindora team at Xponential — as well as our 31 locations that we

currently have open, primarily in Southern California, and our new franchise owners that have come on board — they all believe in this mission. They're passionate about making a difference in people's lives.

One thing about Lindora that is pretty awesome — it's not a pop-up overnight, "Hey, we just started because we see a gold rush in these GLP-1 drugs." This company has been around for 50-plus years. It has a history of literally working with every single weight loss medication that's been on the market since the 70s, and pairing that with a weight loss program that focuses on making behavioral changes. So the popular articles right now that you read about Ozempic, Wegovi, GIPs, GLP-1s, whatever you're searching for, they mostly center around, "Oh, they don't work that well because once you get off of them, you gain the weight back." That's kind of like a no-duh moment for me and for many people in this industry.

Just like any diet or weight loss program, if you don't change your behaviors, meaning what you're eating and drinking, focusing on caloric intake, protein, etc., and moving your body, then you're not going to keep the results that you just gained by using a weight loss medication. A weight loss medication could only be temporary. That doesn't mean it doesn't work. That doesn't mean it's not good. That doesn't mean we shouldn't use it. What I think is just an excellent strategic move by Xponential was, "What do we have? We have eight other brands that are fitness modalities, and right now, this past month, we included our Xponential Plus platform for all Lindora members, which is our video-on-demand platform."

So every single Lindora member today is a part of a weight loss program, so they're focused on behavioral change, changing the way they eat, understanding macros, caloric intake, protein and carbs. They may or may not — up to them, obviously — be utilizing a weight loss medication like semi-glute dieters or Zepatide. We have supporting products. We preach a ketogenic diet, so we have supporting products for sales, snacks, protein drinks, etc., that support a ketogenic diet. If someone is on a weight loss journey, what we typically know is that they may be nervous about going into a workout studio or a gym. So we have these workout programs that are all on your device, phone, iPad, whatever you have access to, whether you want to do yoga, Pilates, strength training, bar fitness, jump on and do a cyclebar class.

The beauty is, what are you passionate about, Nick? What do you like doing? How do you like to move your body? We probably have something that would fit and get you excited about doing something, which is moving your body, and Lindora has always preached you should, but they've never had that component of, "Hey, here's a solution." That's the 30,000-foot view of Lindora. Your question initially was, are we trying to basically be faster than we normally are to market? I would say Xponential is faster than most other companies at trying to get to scale, and we're not changing anything. I wouldn't say we're moving faster. I wouldn't say we're slowing down. I'd say we're continuing to do the things we do — try to educate prospects and find great franchise partners that are going to be passionate, that can execute on our systems, that are going to be successful at bringing Lendora into their community.

I know that I'm going to make a difference in people's lives, not because I'm going to jab them with a needle and have some magic drug that's going to help them lose weight, but because I'm going to meet them face-to-face and coach them on behavioral change through weight loss programs, maybe utilize weight loss medications to help further, and also encourage them to move their body properly so that we get testimonials and — a year later, two years later, five years later, ten years later — those testimonials still look the way they look when they achieve their weight loss goals.

Powills: I love many things of what you just said. Now, part of that is I weighed 305 pounds in high school, and I took it off by doing the old school approach, but when I think about where weight loss is today, if I could have had the ability to accelerate my ability to push reset so that now I could incorporate all these other elements into my life, I probably would have.

One of the things I love about this business is how it's almost influencer marketing, like when those Ozempics of the world get hit by the celebrity bug and creates a wide range of human beings that are interested. There's been elements of this around in the past, but it just hasn't been as bought into. But you're right — when you look at the universal around Xponential, you can push reset, then you can change your lifestyle and then you can maintain it, so really, it's all about living that longer life, like it's designed to do that. I also love the fact that if I'm a franchise owner of one of your other brands, I'm looking at a way to leverage my data, and my data or my database of human beings that have bought into my concept, I can only sell them so much. The same with Lindora — there was only so much that they could sell. And so that now that it's integrated, I think that's an excellent opportunity for internal growth. Is that a part of the game plan, existing franchises saying, "Let me buy into this?"

DeFrancisco: Anytime we launch a new brand, we always launch it to our existing franchise partners and other brands first, and then we open it up to external. And the challenge with growing — we do have a few franchisees at Lindora that were part of the Xponential system previously — but then the challenge when you buy multiple locations and you have a development schedule is that you've got to open other

ones, too. So in my past experiences with other expo brands, as we've launched them, we definitely have that impact over time of getting more and more Xponential franchise owners from other brands that come in. Sometimes you have early adopters in the system. Other times you're like, "Hey, I'm going to wait on the sidelines and just see how this thing does. And then maybe I'll jump in." So we see all kinds, and now, with over 3,000 locations open globally across all of our brands, there are a lot of opportunities there.

Powills: Well, I think it also goes back to the validation of what Xponential is building, because you can pay the same franchisee to a one-brand shop that you can to you. But when you buy into a multi-brand shop, you get access to all the inventory, or the resources that come alongside that. So you can look at your peers and say, "Hey, we're running into this challenge, how do you solve that?" And most likely, you can find the solve internally. And then the supply and demand, when you have franchisees saying, "Well, I want more of what you guys bring in here. I want more of this." That's validation to the extreme, because they're saying, "I don't want new blood in here. I want this all to my own." That's part of the magic of the infrastructure that you've built around your business.

DeFrancisco: We had that vision from day one, that this was going to be a multi-brand parent company, and we were going to have these shared services across all brands. And this was going to be an opportunity to entice one brand franchisee to come over and buy into another brand, because essentially, the operating aspects of it — the blocking and tackling of marketing and sales — are the same. We're utilizing the same vendors on the back end, we're utilizing the same basic strategies, the actual offer is the same. Of course, that call-to-action is going to be slightly different, but the technology behind it — the systems behind following up, phone call, email, text message, all the classic sales strategies — are all the same. They're all replicable across the brands.

Powills: I imagine the data on the customer going reverse — Xponential into Lindora — can also be valuable as you continue to scale, because I think about my own weight loss story. I definitely hit plateaus along the route down, where I got stuck and I had to rejigger it to get over that hump. And obviously, now you have another solution to help do that. So that now it's a customer that has already said, "I trust you as my tool to help me," but now you can probably access some of that data and say, "Okay, we have a Nick that's been using System X — how do we make sure Nick has another tool or resource to help him on his health journey?"

DeFrancisco: Yeah, it's almost an unfair advantage that we have with Lindora, and I got to experience this to an extent with Stretch Lab. When we started Stretch Lab, and we had eventually four or five, six other brands, Stretch Lab was at one modality that was never competing, trying to get the same dollars out of someone's pocket. That was cycling class or Pilates class or rumble boxing — something like that. It was very complimentary. I think Lindora is even a step above Stretch Lab in terms of being complementary because everyone is looking to either lose a significant amount of weight, lose a little bit of weight or fine tune.

And that's the beauty of Lindora, scaling from the core of who they are — weight loss and weight loss programs, weight loss medications, supporting products — that then they also venture into — we just launched HRT and TRT services across all locations in Southern California. That is where I call that fine tuning in that wellness category. How do you live a healthier life longer? And it's optimizing your hormones. We're testing out IV therapy in Lindora locations right now. Same thing, it's optimizing, it's fine tuning to once you hit your goals. Now, obviously, these services can also help while you're on a weight loss journey, but also, depending on who the customer is, we can meet them based on where their needs are. And at Lindora, more than likely, we can provide them with a service that's going to help them reach what their personal goals are.

Powills: So, let's close on this. There's a candidate that has watched this up to this point.

They're obviously bought in — it's not hard to buy into this model. And I go back to the first statement that I made, you bet on the jockey, not on the horse. So, the jockey, in a sense, is Xponential and it's smooth. Is there anything else you want that buyer to know about you to make that reach out?

DeFrancisco: I'm a big believer in servant leadership. And I also — you'll hear me say often, that I'm a steward of the brands. And I say that because I believe it first. But second, I also want any franchise prospect to know that you shouldn't just be buying into a brand because I'm in the seat today, because I won't be in the seat forever. But Xponential — strong company, multiple brands, strong financially, ridiculously long history — I mean, it's rare that you see a company that's been around for 50-plus years, and we have a vision for it to be a leader in this vertical for another 50-plus years. I want you to believe that the team I put in place and the support we're going to provide our franchise partners is going to be best in class, best in the industry.

You're not going to find anything better anywhere else. And my job is to make sure that continues long after I'm gone. And I hope that gives any kind of franchise prospect confidence that this isn't a fly-by-night, overnight success. "Hey, let's start a website and start offering GLP1 online

and it'll show up in the mail and you stick yourself and hopefully we make a lot of money in six months." We're in this for the long run.