



**Complete Transcript: HALO Talks with Jeff Riney
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Pete Moore:

This is Pete Moore. I want to tell you about a company that is going to change the entire recruiting in the halo sector companies called game plan. We are game plan.com. What they do is they connect employer brands with D one D two D three athletes across the country. The power of the software that allows these employers to get in front of tens of thousands of athletes. If you watch the NCAA, a tournament, the hustle, grit, preparation, determination, and absolute desire to win, embodies every athlete out there. Now you're going to be able to put your brand in front of those athletes. Start to get them to understand after their college career, they can get into the halo sector, go work at a studio, a health club, fitness equipment, company, supplements, anything related to this industry. They can now parlay those skills and bring it into the sports and fitness industry that we are going to have the best athletes become the best employees and create the best companies. And that is the future of halo. 1, 2, 3, halo. We out game plan.com. Check it out.

Pete Moore:

This is Pete on halo talks, NYC. I, the pleasure of having Jeff Riney, we've been on parallel paths throughout the health club industry for many years. He is now with the St. James on complexes that have all sports in it, catering towards kids, adults. And he's going to tell us where that market's going and some of the lessons that he's learned. So Jeff, welcome to the show.

Jeff Riney:

Thanks Pete.

Pete Moore:

So you want to just start off and just, you know, talk about your, you know, health club and, and branding experience, and then, you know, how you were brought on here you know, to open up another location, but now you're immersed in the, you know, in the primary one.

Jeff Riney:

Sure. yeah, like a lot of people I got into the, the halo industry, the fitness industry by chance started back in 95 selling memberships to avoid, you know, their classic nine to five job and worked with a number of companies throughout the industry. A lot of the, the usual suspects started with B migrated

over to crunch after that acquisition happens was with crunch. You multi-site multi region, Chicago, Atlanta, orange county, Hollywood transitioned over to Equinox at that point, ran Chicago market as well as opening or Texas market. Went to fitness formula clubs, which is a regional player in Chicago. 11 locations was there for nine years and then came on with the St. James in through, at the end of 2019, November of 2019 and had been there ever since.

Pete Moore:

So, you know, as you went through some of, you know, when you talk about Equinox and, and crunch fitness formula, each one has their own, you know, different pricing model, different, you know, services amenities, as you think about where you are now with St. James, you know, what, what, what do you kind of pull from in the past to say these are some of the best, you know, either skills or, you know, focusing on employee retention or focusing on a sales system, or what, what are some of the things that stick out to you as like, this is when I go into a new company, I kind of diagnose these things that I might need to fix or that they're optimized.

Jeff Riney:

Yeah. It's funny. I, as I look back at my career, you know, I started with at the time, the biggest health company in the world, and every migration I've made has been to smaller locations. Right. And I've gone, I've gone down to one. We did this open a second location two weeks ago. But, you know, from a branding standpoint, you know, crunch and Equinox are really kind of the first big brands in the industry, going back to the nineties and understanding the relevance of a customer's relationship with a brand versus, you know, a commodity as, as we've all seen in the last decade or so this, this bifurcation of the industry from the H VLP sector up to the high touch, high price point you know, what I've learned is it's hard to play at the higher price point, and that's why there's less consumers there if there's certainly less customers, but there's also less players up there because it's, it's harder to, it's harder to deliver on. And so you know, certainly you hit on the big ones, employee retention, you're your team members as we call them. But your employees are the ones who are actually executing a service. And so you got to take care of them. Otherwise they're not going to take care of your customer. Right. And you know, those are some of the, the, the big platitudes and, and, and learnings that the biggest brands in, in consumer facing hospitality understand are the ones that really resonate with, with, with what we're doing now.

Pete Moore:

So as you kind of went down to smaller sized platforms and entities, how did you kind of think through, on your own? Yeah. I used to have a lot of resources now I've got less resources and then the independent operator, you know, you can leverage technology, you know, you can leverage people's experiences, but did you feel more comfortable in a more entrepreneurial environment or, you know, were the corporate overheads of these larger entities too large? And like, they were trying to make things for people to do. And, and my point is on that is like, like I say, like, you need 11 people to do anything, to like, feel the soccer team and then everybody else, I'm not really sure what they're doing instead, taking work on other people's plates.

Jeff Riney:

Yeah. I definitely experienced the 37 signatures to get some paper towels ordered yeah, exactly. Early in my career. And, and wanted to, to eliminate as much as that as possible. And, you know, I think, you know, while I went to smaller organizations, what inversely rose was my ability to impact others both organizationally and ultimately through the customers and, and being able to, to shape that I've always

had some entrepreneurial DNA but ended up being really effective at being an entrepreneur, you know, working, working within an organization and actually being able to help shape it, someone else's visions and execute it. So, yeah, being a little more scrappy with resources, trying to make sure that as you scale you don't layer in these redundancies that, that cause you know, multiple signatures for, for basic things has been a big part. Let's just, you know, the simpler, you can keep it, the clearer message can be the faster you're going to be able to execute it and go mm-hmm

Pete Moore:

<Affirmative>. So when you talk, can you give people a little bit of background on, on the St James, how that was set up the funding around it, who's involved in it. And then we could talk a little bit about what other cities and communities are doing to have these types of complexes. Some of that's funded by the government, some of that's private capital, and it's going to be interesting to see how that, all that, that plays out.

Jeff Riney:

Yeah, the, the St. James is really the brainchild of the co-founders and co CEOs, Kendrick, Ashton, and Craig Dixon. It's our first location. What we've for tour is our flagship is in Springfield, Virginia, suburban DC. So inside the beltway, but it's 450,000 square feet under one roof. It's a number of different business entities, kind of all in one, but it's a, it's a hybrid member non-member business. So for a lot of the folks who listen to this coming from the, the health, fitness health and fitness category, we do have a membership model that does have a 50,000 square foot complex sorry, 50,000 square foot health club. Or we refer to as a performance club at the center of what we have. There's a full service restaurant. There's a retail boutique sneaker boutique. There's a seven room meta spa and there's a 20,000 square foot active entertainment center, which is a mix of a ninja course and a trampoline park and a Nerf battle zone and climbing structures, VR, eSports. So

Pete Moore:

Are you running, are you running all those or is, are any of those, you know, I franchised to separate entities.

Jeff Riney:

Great question. We actually, when I say we then, the broader we cuz I wasn't involved at the beginning but, but we developed all these brands in house. So we have separate, separate, very highly branded experiences in each one of these and the mul, the bulk of the square footage is sports venues. And so we have two NHL ice rinks in our ice house. Our Fieldhouse is an indoor FIFA regulation, 110,000 square foot soccer pitch, which obviously can house an indoor high school football game, four basketball courts, which is converts to nine volleyball courts, a 50 meter, 11 lane, long course pool, which also goes short course to 22 lanes at 25 yards with an attached water park. Feel

Pete Moore:

Like I would just live there. I would, I would just like move in <laugh> it's like sound like summer camp on steroids

Jeff Riney:

Eight, eight squash ports, six golf simulators, 15,000 square foot gymnastics center, six hitting tunnels. So yeah, the concept and really the proverbial problem to be solved was active families with multiple

kids in multiple sports. That's really the sweet spot of the customer is you've got this distributed offering and highly fragmented offering with, you know ice rinks that you can't get ice time until 11 o'clock at night for your nine year old. Right. And you know, mom's taken Susie to gymnastics over here and dad's taken Johnny to, to hockey over there. Games are one place, you know, tournaments are somewhere else. There's dilapidated facilities that are municipality owned. And so the idea was what if we could make elite level world class competition, sanction facilities under one roof and all these places could happen to 1, 1, 1 space and then really add in these other lifestyle brands for the whole family to be able to enjoy. And it's this, the elite programming, coaching and venues, and those are the kind of three legs of the stool to be able to provide.

Pete Moore:

So let, let me ask you a question about a lot of entrepreneurs, you know, they'll do, you know, feasibility studies you know, you've got this massive complex you've got X amount of golf simulators. You say six,

Jeff Riney:

Six golf simulators.

Pete Moore:

Yeah. Yeah. So, so did you say, look, let's put six in, did somebody say let's put eight? Did somebody say let's put four? Like, did you, how do you know they're going to get used because you're a destination. Right. But how do you think about equipment purchases and experiences and how much of that is like in an Excel model versus like, look, I've been doing this for 25 years. I got to pulse on what's going on here. I know what people are asking for, you know, tell us how, like, how you make decisions that might not be, you know, as analytical as, as you might want 'em to be.

Jeff Riney:

Yeah. I think, you know, first of all, to answer the question around the flagship, you know what's really surprising is you know, Kendrick and Craig, who, who came up with this concept, neither one of them come from the industry. They've got an investment banking background and law background. But their parents they're the customer. And so some of it's intuitive, some of it was hiring some, some, some consultants, you know, who are really experts in the field, but they spent a lot of time ideating around it. And it's shocking how quickly you're around a space with 450,000 square feet when you're doing, trying to do all these things. Yeah. But I think, you know, the performance club, we've just opened our second location, which is taking the health club version of what we have at the core and starting to kind of have a distributed approach to the region.

Jeff Riney:

So in Reston, Virginia, we've opened our first performance club, which is conceptually a health club offering and that you've got a membership base and it's all you can eat and come in, enjoy everything there for one membership dues. But it's really the, the three elements of what elite athletes have access to, which is performance training, recovery, and nutrition, and giving the tools and the programming that, you know predominantly pro sports, but a lot of division, one sports have access to and allowing everyone to train like an athlete. And to your question, like not a lot of this has been done before, so you can certainly do some studies, but it's also like, look, when you walk in, you want it to feel different and look different and be obvious that it's something else. So you've got to have some of your design plans with that versus, you know, something that a model's going to show.

Pete Moore:

Yeah. So I, I kind of want to get into your brain here on 450,000 square feet, you know, you're going in, you've worked at these other, other operations, you've got one or two locations. So if, if you set your resume and you know, like I said, you just said to my resume to banks, they say, you're overqualified for this job. Like, no, they just didn't, didn't kick me. But you've run large organizations. And now you're holding in on this one, which is basically a city in and of itself. How do you think about hiring those people and, you know, having a lens on all these different nutrition workout recovery, obviously you're a higher experts, but you're at this level of, I got to, I got to ensure that I get the best talent and that I run each one of these operations, which have their own nuances to them? So how do, how do you kind of get up to speed quickly and then say, I'm going to hire the best people and then they're, I'm going to let them run it. But I got to understand the business model in every different facet of this entity.

Jeff Riney:

Yeah. It's the phrase I use is you got to become an expert at becoming an expert. And so really understand the nuance. Each of the business units you have, this is particularly important in, in our sports, because right now we're, we're actively operating 11 different sports in our sports ecosystem. We have the full player development model. So we've got, you know, the pyramids we've got learn to programming farther up to developmental programming into competition. When you get on a travel team, we own the travel team. So we've got, you know, a couple thousand kids on travel teams that play for the St. James and either lacrosse or soccer or hockey, swimming dance. And so each one of these sports has their own particular nuances around them. There are obviously common threads to, okay, if you have a team and those teams are going to be investing in programming and instruction, and there's their own little ecosystem, but each sport has its own nuances and the submarket around it, like what matters to lacrosse players in Northern Virginia compared to Baltimore, which is not that far away and what the local landscape is. So hiring experts is, is critically important, but you've got to get up to speed. So you understand and speak their language and, and know what heck you're talking about.

Pete Moore:

So, so we invested in a company several years ago, it's called the athlete book, emerged into a company called game plan. But the goal there was to try and get the vision one, two, and three college athletes into the halo sector instead of them going and getting a desk job. So when you look at each one of these sports, are you trying to recruit, you know, ex head coaches, you know, ex professional athletes, local athletes that are known by the kids, how do you think about that? Or is it, is it more just like, there's an opportunity there's someone available and we're, you know, we're just kind of, you know, next band up.

Jeff Riney:

Yeah. It's a real interesting question. Cause we spend a lot of time on this. You know, we just decided to launch boys lacrosse, which before I got into this business, I didn't realize that boys lacrosse and girls lacrosse are two different sports. They're not two different versions of a sport like basketball. It's a different sport entirely. And so we hire a director to run the entire sport and our director of boys' lacrosse is Rick. So Rick sole is a two time USA lacrosse hall of fame in Duckie, both as a player, as a coach, he's taken three different programs at the college level, from a losing record to the championship, including Naval academy. So he is an amazing, amazing, you know name and boys' lacrosse, and he's going to run our travel program, but Rick while he's incredible name and incredible understanding of the, of the, of, of the sport, he's never run a business.

Jeff Riney:

He's never actually tried to figure out how do I get kids to come to a clinic? How do I get the word out there? The basic business development skills. And so what that sport director has or different skills than someone who's actually run a travel team and done the kind of, you know ground game of, of building the business. So you have to understand a P and L you got to understand how to run this effectively. You got to understand that the nuances between you pay your coaches hour earlier, you paying them a stipend. And so it's really a mix of being able to run a business and know the sport, but you, it's easier to teach the business side than it is to teach the sport expertise. Mm-Hmm

Pete Moore:

<Affirmative> well, one question that just popped into my head, as you, as you're talking about these types of, you know, name coaches or name players you're kind of running like a professional sports team to an extent where, you know, I've got personalities that are good. I got egos that could be good or bad. I've got people that say, you know, the reason why this sport excels here is because of me not because of the facility or the infrastructure, or, you know, what we provide ancillary. It's basically, I'm the coach. And I, you know, I have a, a strategy to do that. So how do you kind of help balance like soul cycle? They put the name of the instructor on the class that I follow that instructor orange theory. I don't know who the instructor is. I just know it's I go to a six o'clock class, right? Mm-Hmm <affirmative> so the me, the member is, is we to the facility and to the program at orange theory, where I'm we to like the artist in a soul cycle. So it seems like you kind of have like an interesting mix and each sport has, like, I got elite program, I got to elite people and I got to manage both. And I also got to like innovate and, and keep up with all the new advancements at the same time. So you've got to, you got an interesting, see, so balancing act that you're doing,

Jeff Riney:

It's, it's certainly a cocktail and, you know, yeah. The, the, the allegories to sport and team to team sports specifically is a lot drives a lot of what we do. So you certainly can have some superstars and they can bring a lot of recognition and be a center of gravity for, for business. You know, you see that in a lot of pro sports, but if they can't play well with others, it's not going to translate to wins for the team. And so we've had some superstar athletes in our sports that we've learned. Aren't really great for the business. Doesn't make 'em bad people. It just makes 'em bad for a team. And we really need a little bit more on the team sports side from an attitude, even for the individual sports,

Pete Moore:

I'm going to completely change topics here, but I want to get your opinion on something. All

Jeff Riney:

Right,

Pete Moore:

Kids that are playing at 4, 5, 6, 7, 8 years old, and they don't keep score in a soccer game or in these games are like recreational. Is that a good thing or a bad thing?

Jeff Riney:

Well I've got a couple different perspectives on this one because this is what I do for business. And two, I've got kids that are in that age group and actually play sports. Okay. And what I've learned on both fronts is they all keep score. Even if there's no scoreboard, even if the coaches have announced it, they all keep score. My, my kid is in T-ball and last year, and you know, they're not keeping score. And then at the end of the game, he is like, we won by three, just so you know,

Pete Moore:

But he's not doing like every kid's like they're

Jeff Riney:

Every kid's the kids are doing it. A lot of times the coaches are doing, the parents are doing it, so you got to, you got to have score. Okay.

Pete Moore:

Thank you. We're in agreement. Let's keep the podcast going

Jeff Riney:

<Laugh>

Jeff Riney:

Yeah, but it's but, but it's interesting because you know, we're very much on the player development side. It's not about winning. It's not about winning at all costs, but a lot of these, you know, travel programs do is, you know, it's some parent that's got a kid that's good. And so I want to make sure Johnny plays well. So I'm going to try to recruit a bunch of other kids. You end up having three good kids on the team and a bunch of other also rans that never get me coached any coaching, and they don't ever develop, and they could become pretty good players and pursue these passions later in life. And so you got to have someone who can bring it up, but winning is important. It's just not the only thing. You got to be able to develop the players to get there, especially at those youngers.

Pete Moore:

Yeah. So, so kind of in, in the same category of, of questioning, you know, there's, there's this whole rise and awareness of mental health, and there's only so much pressure that I could take. And, and maybe I have, maybe there's too much that I put on these kids. Like I watched the, the king Richard you know, movie. And that was, that was pretty awesome. Like he kind of shielded the girl, you know, the, the, the Williams girls from some of the pressure and some of the, the competition, you know, and he had a path that was unconventional, you know, and, and I remember a couple years ago and David and I use his quote a lot at the us open when you're walking out onto the championship court in big letters that says pressure is a privilege. Right. And you're going on that court and you're going on to win, and that comes with it.

Pete Moore:

Right. So are, are we kind of going backwards and saying, okay, you know, we're going to treat you with kids' gloves. Or if you lose, you know, take three to six months off to kind of like reset or just say, you know what, I lost this match. We're in a competition. The clock starts, the clock ends. It's not like business where it's like, dude, I'm not going to, I'm not going bankrupt until like I have to. Right. It's like,

okay. At some point, the game ends and like, suck it up and learn from it, look at tape, slow it down and, and fix it. Like, are, are we getting too soft with people? Or are we putting so much pressure on these kids? Or, or is that just what it is? Like sports are competitive and, and it's get, and all these kids are getting stronger. Right. So it's going to be more pressure.

Jeff Riney:

Yeah. I think, you know, it's look, there's, there's an inherent level of pressure and stress that comes with performance that, that kids have to learn. But they have to learn at the right time and it amongst with everything else. And so point, you know, the way I look at this is you know, there's, there's the, there's the age old argument of specialization versus generalization, you know, are you doing tiger woods or your Roger Fred? And you know, I, I believe and, and I'll bring those St James into it. We believe that kids should be engaging in multiple sports in multiple seasons at a very young age. It's just going to produce better outcomes. But at some point you get into your teenage years that if you really want to go all in, you can. And I think that mirrors the timeframe where you start kind of focusing on you don't want to beat the kids up for losing when they're six. They won't like it. They won't like sports. Yeah. But to shield them from it mental health and mental preparation is a big focus, like physical is as well. And we're doing a lot of things in this space to kind of help the athletes, but you know, to, to shield them for the pressure is, is frankly doing them a disservice.

Pete Moore:

Yeah. Yeah. You know, one thing that you mentioned before that I'm, that I'm thinking about is you said, like the St James becomes like this complex that people can get to, they don't have to like take road trips. My buddies in Arizona, Brian Mitchell will call him out, you know, and he's like taking his kid to two hours away and staying, you know, and standing in the sun in Arizona, you know, for 12 hours for them to go to four baseball games. And then his wife takes his daughter to a soccer tournament. And I think a lot of the frustration on behalf of the parents is their return on time. Mm-Hmm <affirmative>. And the fact that if you could say like, okay, we're going to create St. James types of, of, of complexes. It eliminates a lot of the stress. It gives people some of their time back.

Pete Moore:

And, you know, we were actually working on something in, in Charlotte. We were trying to we were helping a group that had a land development rights, and they were trying to create some, we were going to call it champs, like the Charlotte amateur sports complex. And there was a lot of political tape that you had to go through of like, is it, this is in this county line. Could we put a hotel on, on the property? So like people can just stay there and put like a, you know, like a Chucky cheese or, you know, something healthy, but where nobody needs to leave the office and everyone comes here and they don't have to find the Hampton in the holiday expressed, so on and so forth. So I guess my question is maybe that wasn't by design, but do you feel like the parents and the kids are happier because they don't need to necessarily go on all these road trips or they going on the road trips, like representing St. James's.

Jeff Riney:

So we Def the, our travel teams definitely go on the road. You have to go play where the competition is. And particularly these kids are trying to like really compete at a very high level mm-hmm <affirmative>, but it was absolutely by design. And frankly, the thesis for the business is to actually put all this in one spot so that active families could actually spend more time together. I had had a mother of a family not

too long ago, make a comment that I think is, is the best testimonial that encapsulates what we do. She said, what used to take us eight hours D apart, we now get done in four hours together.

Pete Moore:

And that that's exactly. And that, I think that when you, when you like really unravel that a lot of the stress on these marriages are the, the time and intensity away and then coming back and everyone's exhausted right. You know, and that affects everything. So, yeah, I, I love what you guys are doing. I went to summer camp for 10 years, you know, I carry a football around at all times with my wide receiver gloves. My, my, my bag is a baby lot tennis bag, cuz it fits directly in the overhead. And if someone asks me, if I play, I just tell 'em I'm ranked 1 28, cause they're not going to Google it. You know, they'll just, okay, this guy's like sort good, but not really good. So cool. This guy plays something. But I'm like a three, five, so it's like totally misrepresentation of my tennis capabilities. When you think about, you know, in closing here, what you guys have built, you know, and you're saying, okay, we're going into a second location, you know, would you say, okay, we're going to go put four 50 down, would you say, you know, what's what have you learned from a size standpoint? Or like what, what's the prototype? What does the prototype kind of change and evolve? Like it depends what we want to do. It depends how much land we have. It depends. What's trending. Do you need a prototype for this?

Jeff Riney:

You know, the way we look at it, this the flagship, the four 50 is, has got, you know, there will probably be evolution of the pieces and parts to it. But the plan was always a hub and spoke approach where we've got this flagship, that's got everything in it and then there's different pieces and parts. And if it's 30,000 or a hundred thousand, you know, you've got different parts that kind of go into these spokes around it, the satellites. Right. And then and then take that nationally. The original plan pre COVID was we would open these flagships across the country and then we would actually build out around them and what COVID pivoted us to was, let's just get the region of Washington built out kind of hyper local, and then we can actually expand nationally from there. So you know, when you're looking at the big flagship, I think you got to have most of that. We figured out there's a couple things we would tweak, but mostly got it. Right. And the question is really about the submarkets and what competition is out there. And what's, what's where, where is the supply demand gap?

Pete Moore:

Yeah, that's great. Well, it sounds like you love your job. It sounds like, you know, even though you you're managing less locations, like this is probably where you should be from, from an experience standpoint and also you don't have to travel around as much, right? From a, you have to be a regional district manager. You can just walk 450,000 square feet today. I don't know what that is on a speedometer. So you got any final quotes or business you know, isms that, you know, Jeff, Jeff says this all the time or how you kind of manage people or processes.

Jeff Riney:

The one there's a lot of those. And if you talk to my team, they probably could rattle 'em off more that I can. But <laugh> I think the one that I've been saying the most lately is marketing tells the story, sales sells the story and operations has to make the story come true and really making sure that there's a through line from what you're telling the market, what your sales people are actually selling and what you're actually able to deliver, cuz if uses any gaps in those that's when people opt out and so understanding and controlling those three, the three legs of that stool is important. So

Pete Moore:

That's great. Well look forward to meeting you in person. At some point we might just show up one day and say like, Hey, we know Jeff, wasn't able to see me like kicking field goals

Jeff Riney:

Makes some come for you.

Pete Moore:

That's awesome. All right, man. Well now we're friends after 25 years of running in concentric circle, so I'm glad to have you around and great talking.

Jeff Riney:

Yeah.

Pete Moore:

Good to reconnect. Take care.

Jeff Riney:

See you guys.