



The Future of Yoga?

By Joan Jackson

Photography by Jasper Johal

YogaWorks Is Blazing Its Own Trail As a Model for Success in the Yoga Industry

Clockwise from bottom left: Phil Swain, CEO of Yoga Works; Adam Guttentag, Vice President of Development & Operations; Torey Ungerland, General Manager of Westlake Village; Sky Meltzer, Head of Marketing; Jessica Hinkle, General Manager for Teacher Training; Frannie Wong, Vice President of Finance & Administration.

Gradual change can sneak up and take a firm hold in our daily lives before we've had a chance to weigh the impact.

Almost unwittingly we've embraced technological breakthroughs as beneficial only to discover they can be a blessing and a curse—a cellphone can save lives in the wilderness, but using it on the freeway might pose a serious threat. Most of us accept, often grudgingly, that easy access brings connection and interruption, appreciation and annoyance, but few of us would choose to live without the convenience. While there's yin and yang to most change, the recent arrival of yoga into the mainstream stands out as an exception. From products to postures, yoga, once the exclusive domain of the purist, is now a part of our populist culture and a blessing for anyone who chooses to unroll a mat.

To what do we attribute this phenomenon? Global technology ushering in broader cultural awareness? The baby boomers' need for a healthier lifestyle? Or perhaps it's simply the individual's quest for a deeper, spiritual truth in a profit-driven, fame-oriented society. Most likely a convergence of numerous influences helped bring yoga to our doorstep. Now, as a result of this, Los Angeles-based YogaWorks is bringing about the next step in yoga's evolution as a mainstay of our culture.

With a desire to create a central focus or home for the yoga community in America, Maty Ezraty and Alan Finger brought experienced teachers from myriad yogic disciplines to their studio and trained talented teachers in Santa Monica, Ca., in 1987. When Chuck Miller joined the duo, the practice of yoga began to evolve from the esoteric to the mainstream; they combined styles and systems and even opened an in-studio store. Many give them credit for creating the model that is responsible for the way that yoga businesses have developed in the U.S., but it

was the standard of excellence for instruction at YogaWorks and their teacher training program that became renowned. Under a separate banner, Finger later opened studios Yoga Zone and Be Yoga in New York.

In 2002 YogaWorks came to the attention of Internet entrepreneurs (of Ask Jeeves fame) and yoga aficionados, Rob Wrubel and George Lichter, who wanted to establish a national chain or family of yoga studios that would make yoga truly accessible to the masses while preserving the authentic community feel of a neighborhood studio. By drawing from three traditional lineages: Ashtanga, Iyengar and Viniyoga, and incorporating the highest standard in teacher training, YogaWorks has worked to create a studio environment that is more cohesive, user friendly and comfortable not only for 90 million baby boomer Americans that are aging quickly and in need of a healthier lifestyle, but also for children, seniors and everyone in between.

However, the concept of yoga for the masses was not initially popular with everyone. A groundswell of opposition rose among yogis who saw the businessmen's plan for a "branded national chain" as a direct contradiction to the individualist, intensely spiritual practice of yoga as they knew it. Would the increasing popularity of yoga fuel its commercialism? Would franchised yoga studios turn the practice into another commodity? Concerned that "corporate" yoga could drive many independent small studios out of business and squelch the creativity of yoga instruction (becoming cookie cutter), the yoga purists feared the demise of the unique sanctuary they created. But yoga means unity, and growth brings change.

Julie Kleinman, an "old school yogi" who trained at the original YogaWorks teacher training program in Santa Monica in 1993, is currently a senior teacher and the director of program development for the company. She admitted that she was skeptical at first

about the corporation. When Lichter and Wrubel asked her why she wanted to hold on to yoga's benefits for a select few—a more elitist view—instead of wanting to take it to everyone, she realized they had a point. And she wondered if the reverse was true as well. "Maybe the purist style was too crunchy granola for a lot of people and they were put off by it." As with any new approach to an old business, there are bound to be surprises or unexpected pitfalls. She acknowledges during the first few years of acquisition, there were "...growing pains, like a 13-year-old with braces, a ripening period. It takes time to settle into a groove."

With the intention of building a national brand, YogaWorks, a privately held corporation, acquired 15 existing studios in Orange County, Los Angeles and New York in the first three years. To control programs and training, it was decided that all studios would be owned and operated by YogaWorks, not franchised. Rumors of a booming McYoga spread throughout the "insider culture." A big ad campaign (free orientation, private consultation with a yoga advisor, package discounts) created an overwhelming response—the public was ready, were the studios?

Sky Meltzer, VP of marketing, has been with YogaWorks since February 2004. With a degree in economics and several years in business development and marketing in the entertainment and technology industries, Sky was teaching yoga as a hobby at YogaWorks (he also trained at YogaWorks) when he was asked to join the company's management team. "After the rapid growth, we needed to integrate the various studio cultures by establishing a solid operational foundation. It was time to pause, stop growing and focus on how we grow mindfully."

After 23 years with Sports Club LA, president and CEO Phil Swain left to come on board as president and CEO of YogaWorks in January 2005. There was no question that "...YogaWorks was built out of acquisition. And when



they bought a studio, they bought everything, from its cultures to its personalities,” says Phil. He saw the need for the right people, like studio managers, who would bring themselves to the heart and soul of a neighborhood studio—to protect it, enrich it and grow it. The management team stepped back to regroup. “We had hard work to do.”

Phil points out that their group of patient, intelligent investors, made up of controlling partners Highland Capital Investment based in Boston and four private investors, thankfully understood that integrating yoga instructors is not like stamping out hamburgers. The investors, all yoga practitioners, were comfortably involved; they received monthly financial reports and on average had meetings six times a year, three in person, but left the day-to-day operation in the hands of Phil and the seven-person management team.

Corey Mulloy at Highland Capitol said that Phil is a “testament to what YogaWorks was targeting: bring in an experienced, seasoned operator,

someone who’d been there, done that. It was a coup to attract him.” They had applied the same approach in the property acquisition: put together a “critical mass” with strategic studios that had a quality platform in place, not from a financial focus, but rather as intellectual property with the know-how. Highland is not into the quick turnaround investment, but as a company of believers in health and wellness, they’re dedicated to growth-type investments with a long-term-oriented viewpoint. “We don’t have a contractual agreement with YogaWorks. We’re in for the long haul.”

With the ongoing commitment to bring yoga as a lifestyle to more people, the management team wanted to create a consumer friendly, welcoming atmosphere for the often-intimidated new student. By increasing the number of formally trained yoga advisors, they ensured that one would be available to help each student navigate the myriad class offerings (1,000 per week) best suited to fit their needs. Of equal

importance is to strive for a balance in yoga styles to accommodate both the novice and the experienced student, which depends on the demands of the local studio.

While YogaWorks sells class packages of 5-20 classes, its fastest-growing package is the monthly membership, which encourages ongoing participation. From a business standpoint membership is preferable for two reasons: first, it provides recurring revenue stream and second, predictable member numbers facilitate studio management. The approach seems to be working—membership packages grew by 36% in 2006 from the year before.

Attention also turned toward developing a more conscious, professional teacher training program. With the increasing need for more teachers and consistency of instruction within the studio family, the minimum 200-hour certification, currently \$2,950 including books and unlimited yoga classes, is being offered at studios around the country and has proven to



From Left – Adam Guttentag, Vice President of Development & Operations; Phil Swain, CEO of Yoga Works; Torey Ungerland: General Manager of Westlake Village; Sky Meltzer, Head of Marketing; Larry Price: Distribution Center Manager



Instructor, Julie Kleinman shares her expertise – photo courtesy of yogaworks

be a solid foundation for teachers of all levels and styles of yoga.

YogaWorks requires that their own teachers have at least 500 hours of education to teach for YogaWorks (and often much more). For experienced teachers who want to teach for YogaWorks (or who have been acquired through acquisitions), they instituted a “bridge” program at no cost to the teachers as a means of honoring their prior study.

Still, some of the seasoned teachers from existing studios complained about the rigidity of the new owners. Why should they need to follow a strict model? They’d been practicing for years. Hala Khouri, dedicated member of the yoga community and instructor for 16 years, trained and taught in the YogaWorks teacher training program. She also teaches at Exhale, another national, venture-backed company financed by Brentwood Capital. “Trying to herd yoga instructors is like trying to herd cats,” she said. “But there’s a borderline between being a free spirit and being irresponsible.” She sees rigid, solid instruction as a base from which an independent, hybrid form can develop if desired, but you must have that base before overreaching to diversify.

YogaWorks also organized a system to professionalize yoga by providing benefits to teachers like health insurance and a 401K. Based on a program Phil helped create at Sports Club LA to move private trainers from free agent to employee status, he worked with the team to create a professional career path for yoga teachers at YogaWorks. The market is in transition with teachers as employees, but YogaWorks’ core asset is its instructors, and they want to keep them. According to Sky, while they don’t require exclusivity, at certain commitment levels YogaWorks teachers receive benefits and enhanced opportunities to teach or pursue a different direction within the company. Favorable, stable employment is a strong attraction. Yoga as a sustainable

career is now possible.

Julie explained that before this, “teachers needed to sacrifice for the love of yoga” if they wanted to continue teaching. She never imagined the direction this could take for her. “I’m doing what I love and embracing new business skills at the same time.” She also travels for the company. Beset by requests, “export training” takes her to cities that have no studios under the YogaWorks banner. She points out that it’s because of corporate growth that numerous opportunities are opening up for many others too. She even envisions creating a faculty for teachers. Within the last 18 months, the teacher training program has grown nationally and

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internationally to include Hong Kong and Athens, Greece. “Now we are blossoming.”

Sky sees this positive growth as a result of their willingness to continually challenge themselves to be better, from the staff in the studio to the programming and marketing. As an organization that is driven by its people, YogaWorks has 350 teachers, a staff of yoga enthusiasts at 16 studios and a management team who are all passionate about yoga’s power to change and enhance lives. Because they’re a growing, mindful company, he asks himself every day if “we’re doing the right job here.” To make a corporate

analogy to a positive role model in the community, he likens their company to Whole Foods. Many who never before set foot in a health food store now shop there regularly. If we trust in the Law of Abundance, providing a greater good for the greatest number, the yoga studio as a responsible community center should prove a worthwhile expansion. According to Sky, “Many people see YogaWorks’ expansion and growth as ‘scary’ to the yoga industry, but the more YogaWorks grows the more we support the growth of yoga. We want to see everybody in the yoga industry succeed and believe they can, based on the Law of Abundance.


Teacher and program development is the key to the company’s continued growth. Because they were running out of practice rooms in the studios, a new dedicated space for teacher training only, referred to as the Training Institute, is opening in Santa Monica in March. Yoga classes for specialty populations like prenatal, kids, teens, seniors and athletes are innovative additions that some studios currently offer. Local studios within a community have been involved with numerous fund-raising efforts for environmental and social causes like Heal the Bay and Youth Aids, as well as other nonprofit initiatives. They also want to extend yoga to underprivileged communities and the workplace.

In taking education to the next level, YogaWorks has given lectures and yoga instruction to physicians at UCLA through their semi-private, in-depth study program called The Journey Series to help further the integration of Western medicine with the healing benefits of yoga practice. They hope to partner with physicians, medical experts and healthcare institutions in the future and move toward establishing yoga sequences to target specific ailments like back pain and osteoporosis. Could alternative health care be provided through a yoga studio someday? With this forward thinking team who sees yoga as a huge frontier

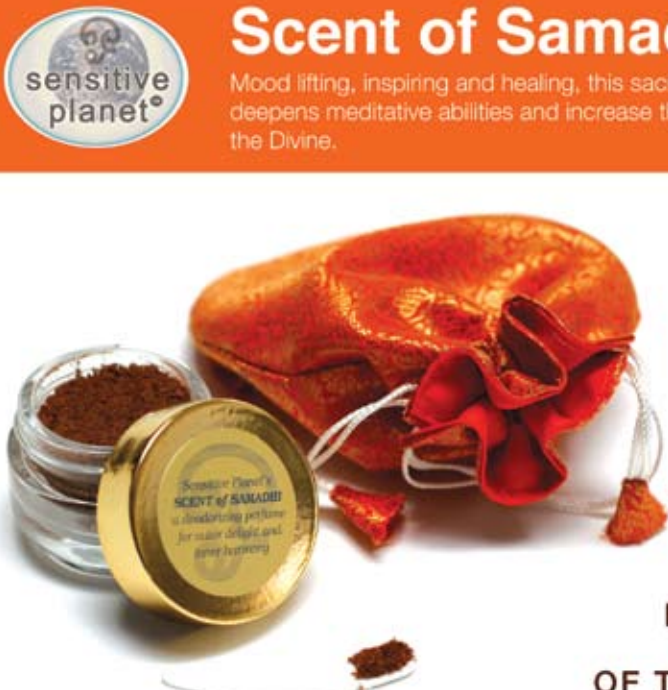
for the betterment of our communities, it's a distinct possibility.

Their current plan is to open three to four new studios over the next 18 months in addition to the newest venture, in suburban Westlake, Ca. It stands as a prototype for the future, with wireless Internet, a tea bar, child care and kid's yoga center and a luxury locker room. But will the studios become more like health clubs? Not according to Phil or Sky. There won't be machines, weights, television monitors, a sauna or steam—this is a green eco-friendly place. But there will be space to socialize, which doesn't exist in most studios where it sometimes feels "more like a KOA campground—students and teachers end up chitchatting in the parking lot." The intent is to create a sanctuary in the neighborhood where members can socialize or retreat to the quiet room—with a live tree at its center.

With teacher training programs going national and international, the name YogaWorks might become a household brand worldwide. As name recognition grows with expansion into more metropolitan cities, movement into secondary cities could follow in time. The infrastructure and the people are in place and they're poised to go, with the hopes of maybe three to four studios a year by the end of 2008, and to double this annual growth by 2010.

We're sure not in India where classes are free and we take on gurus who tell us what to do and we follow without question. That doesn't exist in our culture. The idealization of yoga as a haven for the purist is no longer a realistic alternative in America, and maybe we should be glad. As Hala expressed so well: "Going with the flow is a yoga concept. Maybe it's time to redefine what corporate means. If we don't resist it too much, we can do a lot of good." 

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