

BRIAN MORRIS



Diversification The Berlin club (both photos shown here) is now being extended to include a hotel

The CEO of Aspria talks to Kate Cracknell about the challenges of operating in Europe, a penchant for difficult projects, and a focus on service that permeates the whole business

For all that Aspria owns six large, top-end clubs in Belgium and Germany, CEO Brian Morris is categorical in his view that the company is not a health and fitness operation.

“We’re a service business first,” he states. “We have a brilliant fitness offering, but to say we’re a fitness business would be a misrepresentation of what we’re about – it accounts for well under 20 per cent of our entire floor space. What we have are lots of elements that we put together in one place – spa, childcare, restaurants and bars, conference facilities, fitness. A kind of conglomeration of my background.”

Coming out of university into a job at Whitbread, that background is in real estate: “I found I enjoyed doing real estate for a reason, rather than real estate for itself,” Morris explains.

“I was in the non-pub division at Whitbread – restaurants, hotels, country clubs – which was people-focused more than anything. That’s what I most enjoyed about the job, and why I eventually migrated from the physical construction and development of buildings to the operational side.”

a third place

That migration resulted in Morris, along with Peter Beckwith, setting up a health club business in the 1980s – the top-end Riverside and Espree health clubs. Fast-forward to the mid-1990s when, having sold this business, Morris and Beckwith were faced with a four-year non-compete clause barring them from re-entering the UK with a new fitness offering. By this point, the two men had “developed a passion for the club business” so, with the out-of-bounds UK market in any case increasingly saturated,

they turned their eyes to the continent in search of more immediate opportunities.

Perhaps surprisingly, at least at face value given the size of the market, their first club opened in Belgium; launched under the Aspria umbrella, the high-end facility opened in Brussels in 2001. Why did they choose this location?

“It’s an incredibly international place and that suited our business model – support for the family is key to our offering,” says Morris. “We were looking for international families who understood what we were offering and who took childcare seriously – often because they had to, because they were ex-pats or had relocated and hadn’t yet formed their social circle.

“What we were doing was creating the third place that everyone talks about: work, home and club. An oasis where members could come and interact and where language wasn’t quite so important; we have 70 nationalities represented in our membership in Brussels alone.

“We then moved to Germany, because it’s the biggest market in Europe in



People focus Aspria has “a brilliant fitness offering” but is “a service business first” says Morris (far left)

terms of volume of people and buying power. It's not the easiest market by a long way though. There are a lot of very conservative people, although that varies by city, and even within one club, different members display quite different characteristics in the way they use the club and the way they react to membership. It's taken us nine long years to get that, and for our offering to be understood, and I think anyone coming in to the market ought to do so with their eyes open, or alternatively have an extremely simple product – which is why budget operator McFit has done so well.”

meeting the challenge

Fair to say, though, that Morris and Aspria chair Beckwith relish this sort of challenge. “Our projects tend to have a level of complexity that most operators would find daunting, but it's something we enjoy. I think that's partly what makes us different – we like taking on difficult things. Listed buildings, complicated sites, horrible planning consents. It's what we've been good at for 20 years.

“For example, we have a club under development at the moment in Germany which I expect to open in 2012. I've been working on it for 10 years, since before we even founded Aspria, and it's horribly, horribly political. But we finally cut through all of that and it will be, I believe, unique in Germany – the first time a development has involved a three-way partnership between operator, sports club and local government.”

Aspria is, partly as a result of this complexity, “a collection of clubs”. Morris explains: “We don't enforce the brand image every time because it's not appropriate. For example, as with most of our clubs, Royal La Rasante in Brussels was a new build, but it's on the site of a famous sports club that's over 100 years old. We wouldn't want to stick our brand on it and potentially destroy that heritage, as it's important to the club and relevant to the membership – there's a sense of belonging.”

meeting local needs

Once you appreciate the complexity of each and every Aspria project, you begin▶

ASPRIA SNAPSHOT

KEY DATES:

2001: First club opens in Brussels
2002: Launch of Aspria in Germany
2005: Opening of Royal La Rasante, Aspria's largest club at 13,000sq m
2009: The Aspria portfolio reaches six clubs with the opening of the Hannover site

CLUB LOCATIONS:

Belgium: Aspria Club Brussels, Royal La Rasante, Avenue Louise
Germany: Hamburg, Berlin, Hannover

FINANCIALS:

Ownership: Privately owned by Brian Morris, Peter Beckwith and private investment company Apollo
Investment to date: “Well over €120m in the six clubs”
Turnover: Approaching €40m

► to understand why there are still only six clubs in the portfolio. Are there plans for more? “I’m always ambitious for the company. I think it’s right to grow – although, with the size of the projects we undertake, it will only be at a rate of one or two clubs a year. Equally important is to continually evolve the offering, both in our new developments and at existing sites.”

With the non-compete clause now long expired, would Aspria consider entering the UK as part of this growth plan? “I wouldn’t rule it out if there were something really special, but I’m not particularly looking for it. One of the reasons we went to continental Europe was that they didn’t really have anything like our clubs out there. Companies will always be able to compete with pieces of our jigsaw, but if people want the full package, there’s nothing that really compares.”

So how about expansion into other European, or even global, markets? There’s an enigmatic smile that implies ‘yes, but I’m not willing to talk details yet’ and Morris’ actual response is pragmatic: “We’re not restricted in any market, so we’re able to take on opportunities wherever it makes sense to do so. But we have plenty to do where we already are, and development in foreign countries is a lot less straightforward than it looks. The last nine years have been very hard work.

“Sometimes what we thought would work wasn’t actually what the market wanted, and we had to adapt very quickly. Hannover, which opened earlier this year, is a case in point with its 3,000sq m day spa – our first. We’ve never wanted to go into the area of pay and play, with the unpredictable revenue that entails. But at Hannover, it isn’t just a day spa – it’s a hybrid, as members of the club are all members of the spa too.

“We’ve also built a 20-room lodge at Hannover, which was something our members asked for – especially our corporate partners who use the conference facilities. The club’s very central but feels like a destination – it has the spa, but it’s also on a lake with a beach, which we run, and feels a bit like being in Hyde Park.”

broadening the model

“Our club in Berlin, meanwhile, is in the heart of the city, and demand for the hotel we’re opening there this month – a



Destination Hannover Aspria’s newest club is set within extensive grounds that encompass a lake with a beach. There is also a day spa (below)

conversion of a former office block – is as much about Berlin being a tourist and business destination as anything else.

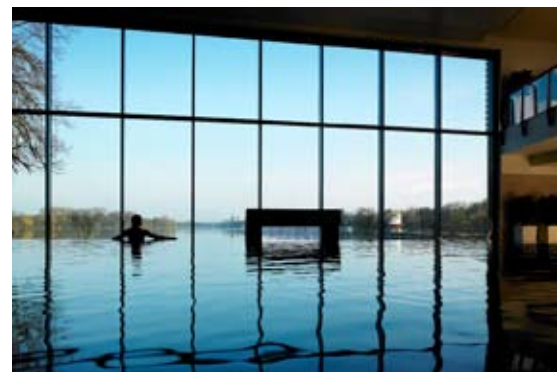
“Staying in our accommodation is like staying in a club rather than a hotel. It’s a lot friendlier and there’s more engagement – a large number of our guests will use the club facilities and feel like members of the extended family. You can also bring your kids; if you want a night out, our highly qualified nannies and carers will baby-sit them for you.

“The way we run our hotels makes it less about price and location and more about the experience. That makes it harder for you to leave us; in Hannover, we’re already experiencing huge repeat business after just four months.

“One of the things we’re mindful of is creating fluidity around the package, bringing it all together in such a way that people will use us for one reason one day and a totally different reason the next. We offer spa. We have 110 classes for children and around 140 for adults. There’s always going to be something for you within the breadth of our offering, and whatever you come to us for, you should leave us happier, healthier and more together than when you arrived.”

So does this mark a change of direction for Aspria – will they develop hotels and spas in new clubs going forward? “Probably. I think my background in hotels and country clubs at Whitbread meant it was something I was perhaps destined to do at some point. But we’re also looking at other avenues for diversification – there are more innovations to come.

“However, we also have to keep our feet on the ground, doing the basics consistently right. And I think we do as a general rule. People stay a long time, both in the clubs and as members, and



70 or 80 per cent of our membership has come from member referral. There’s a sense of belonging that’s reinforced by the family nature of the clubs – you grow through the club as your children get older and you develop friends there.

“Ultimately, though, it’s about motivated, service-led staff who welcome and care for our members.

“Our clubs are big, complex, capital-intensive – perhaps for that reason slower to break even and make profit. But we create very special places and, in the long run, it’s a ship that’s difficult to stop.”

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