



SAN LUIS OBISPO

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South SLO County

At a glance

San Luis Obispo

Population: 44,948

2009 median home price:
\$470,000

Mayor: Dave Romero

Top employers: SLO County,
California Men's Colony, Cal Poly

Arroyo Grande

Population: 17,145

2009 median home price:
\$466,000

Mayor: Tony Ferrara

Top employers: Lucia Mar
schools, Wal-Mart, Rabobank

Grover Beach

Population: 13,276

2009 median home price:
\$339,000

Mayor: John Shoals

Pismo Beach

Population: 8,704

2009 median home price:
\$620,000

Mayor: Mary Ann Reiss

Oceano

Population: 7,260

2009 median home price:
\$265,000

Avila Beach

Population: 797

2009 median home price:
\$649,000Sources: DataQuick, California Department
of Finance, U.S. Census Bureau

Mindbody reaches for growth

Software firm connects wellness centers nationwide

BY STEPHEN NELLIS
Staff Writer

San Luis Obispo-based Mindbody has spent the past nine years building up a roster of thousands of wellness companies who depend on its Web-based software to manage yoga, spa and fitness appointments and run their businesses.

It's now turning that client list into an online service that lets consumers find and book wellness appointments anytime, anywhere. Once it's fully rolled out later this summer, the Mindbody Finder should be the biggest real-time list of massage, yoga and other sessions in the country. No more wondering whether you can squeeze in a massage on your lunch break, whether you're in New York, San Francisco or in between.

It's possible because nearly 9,000 spas and studios use Mindbody's online software to run their businesses, doing everything from booking appointments to processing payments. Those businesses can opt in to be listed on Mindbody's Finder site.

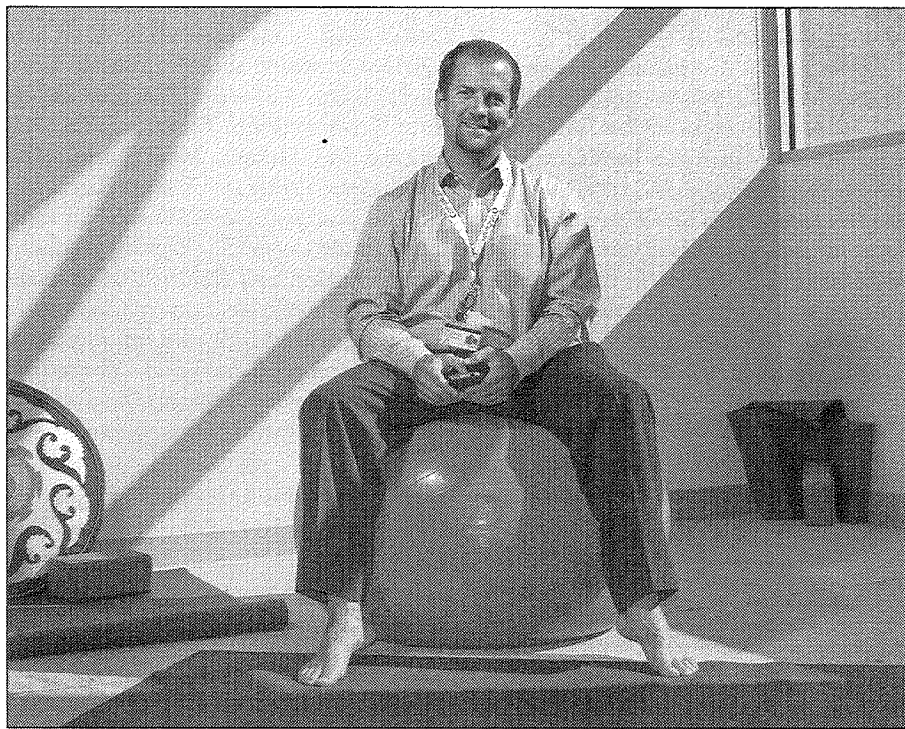
"There are about 19 million consumers using our software. One and a half million a month are logging in to book an appointment on our customer websites," Mindbody CEO and founder Rick Stollmeyer said. "That gives us some confidence that the demand is out there."

With more than 170 employees and projected revenues of \$13 million this year, Mindbody is a software heavyweight in San Luis Obispo County. The firm received a \$5.6 million private equity investment in 2009 — one of the larger tech company investments of the last decade on the Central Coast — and acquired a similar Folsom-based company earlier this year.

One of the overarching goals of the new service is to help Mindbody's customers fill every yoga and fitness class, every day, Stollmeyer said.

"This is inventory with a shelf life of zero. And there's no way for a search engine to represent this directly," he said. In addition, Stollmeyer said, "it feeds back to our original mission — leveraging technology to enhance the health and wellness of the world."

Mindbody has several plans to monetize the service. It charges its customers a commission when a brand-new client books through the Mindbody Finder service. But



CEO Rick Stollmeyer has led Mindbody since its inception. The company now has more than 170 employees and projected revenue of \$13 million this year.

the commission slowly goes down if the customer books again and again through the Finder site. If clients book their next appointment in the yoga studio or through the studio's own Mindbody-powered site, there's no commission at all.

"What we found was that business owners love the idea and are willing to pay for bringing in a new, green client," Stollmeyer said. "What they take dimmer view of is paying for a return customer through a different channel."

The Finder site will also be open to non-Mindbody customers who want their businesses listed, though they won't be able to show or book appointments. Mindbody also plans to make the Finder service customizable. For example, Wolfe said, the service could be pared down to Florida appointments for a wellness blog in Tampa. The blog would get a portion of the commission for helping drive in new clients. Yoger, a New York City yoga blog, has already signed on.

Mindbody has been a runaway success story for San Luis Obispo's software industry. Its revenues are on track to more than double over the past two years. Its 22,000-square-foot headquarters on Broad Street is one of the greenest business spaces in the region, and Stollmeyer said the company is looking for 12,000 more square feet to accommodate its growth.

"We're looking to keep our operations centered here in the Central Coast indefinitely," he said.

Jo Anne Miller, a partner in the venture firms Milk Street Ventures and SLO Seed

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Rick Stollmeyer
Founder and CEO, Mindbody

Ventures, said Mindbody — along with other firms such as Shopatron and Paso Robles-based IQMS — represent San Luis Obispo County's best chances at anchor companies, around which a true software industry cluster could form.

"It takes somebody to break through and for that breakthrough to be publicly recognized," Miller said. "That's the part that seems to have eluded SLO so far."

Burgeoning companies that cross over from small to mid-sized could help solve one of San Luis Obispo's most intractable problems: a dearth of mid-career jobs for talented Cal Poly graduates.

"The mid-30s to the mid-40s are a real hole in this county, unless you're in a government job," Miller said. "This is such a place of intentionality. People want to be here. The kids want to stay in town."

• Stephen Nellis can be reached at snellis@pacbiztimes.com.