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EMBRACING OPTIMAL WELLNESS

THE EVOLUTION OF TAKE SHAPE FOR LIFE

by Nicholas Sakelaris



Since 2003, the Owings Mill, Maryland company Take Shape For Life (TSFL) has been battling American obesity through the support and encouragement offered by its Health Coaches to Clients utilizing weight-loss plans and products provided by the parent company, Medifast.

But Mitch Pinheiro, a senior research analyst for the Tennessee-based investment firm Wunderlich, which follows the company, hasn't felt that TSFL is fulfilling its potential. In a June interview, Pinheiro, who covers the consumer sector with an emphasis on consumer staples and health and wellness companies, says he's taken a "cautious" approach to the company, saying something needs to change for the company to gain momentum. He cited the fact that most of the company's products were also available elsewhere through the parent company Medifast, noting that this lack of exclusivity created challenges for the direct selling division.

Indeed, TSFL has been focused on the medical heritage of Medifast, and its 100-calorie, fortified meal replacement products, which are utilized in the weight-loss plans. But unbeknownst to Pinheiro, or anyone outside the organization for that matter, Mike MacDonald, the Chairman and CEO of Medifast, agreed.

He had felt for some time that TSFL—the direct selling division of publicly traded Medifast (MED: NYSE)—had more to offer, and has been working since 2014 to bring about the internal changes necessary. That year, he recruited Mona Ameli as President to lead Take Shape For Life. He also brought on board a brand strategist from the U.K. Together, the new team tackled the issues, and the resultant strategy emerged after two years of many planning sessions, working with top field leaders and much testing, both domestically and internationally.

MacDonald's efforts are now coming to fruition. By the time this article goes to print, Take Shape For Life will have held its annual convention in Austin, Texas, and launched the beginning of a complete rebranding effort. MacDonald credits Ameli's leadership and the input of top field leaders for much of the company's success as it launches its new plans to the field. "The timing of all of it was very, very good," MacDonald says. "We've been able to bring in a lot of new ideas and new thinking and some great product innovation."



Optimal Well-Being

The company’s financials are already in good shape—revenue has gone up the past five quarters, Ameli says, and globally, the company ranked 66th on the 2016 Global 100 list by *Direct Selling News*. The rebranding effort is not about turning the company around. According to MacDonald, it’s about evolving the brand to better represent the inherent philosophy of TSFL, and provide the foundation for growth and expansion outside the U.S.

Ameli agrees: “We are positioning ourselves to tell the full story of our offering, shifting away from being a ‘diet’ company to being a lifestyle company. We are really interested in the optimal well-being of our Clients, not just in their weight loss.”

The transformation is beginning with a product line introduction at Annual Convention that will carry the new name Optavia™, pronounced *opta-via* and meaning “the optimal way” in Latin, and the new logo instead of the Medifast name. Both the name and logo were market tested extensively internally and externally, as well as domestically and internationally before adoption. The line includes 13 brand-new products made with premium ingredients sourced from around the globe. Each product is non-GMO, contains no artificial ingredients and includes a probiotic blend. All of the products in the Optavia™ line work within Take Shape For Life’s established weight-loss plans.

Over the next year, the company will add more exclusive health products with the same nutritional profile as the Optavia™ launch. Existing products will be upgraded to the new standard set by Optavia™, and by convention in July 2017 the entire company will transfer over to



Mona Ameli



Mike MacDonald

Company Profile

Founded: 2003

Headquarters: Owings Mills, Maryland

Top Executive: Mona Ameli, President of Take Shape For Life

Products: Healthy meals, snacks, bars and products

2015 Revenue: \$202 million

the new branding and name. Take Shape For Life will fully evolve to become Optavia™.

One of the most obvious benefits to the new branding is that TSFL can become independent of its parent company and operate as its own entity, offering exclusive products. Ameli says, “For the past 13 years, our products have been available elsewhere. Now, we are finally able to be an exclusive brand, as well as be understandable and ‘exportable’ to the rest of the globe.”



Mona Ameli, President of TSFL (center), and Mike MacDonald, Chairman and CEO of Medifast (left), accept the DSA Top 20 award from DSA President Joseph Mariano in June.

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—Mona Ameli, President

The company has been adding new employees in anticipation of the changes, doubling their headcount since 2014. Ameli has even added a brand-new division called Field First Support, exclusively dedicated to the Health Coaches. Though most direct selling companies have support services for their field, TSFL only had support for end Clients. The Health Coaches felt neglected.

“Through ongoing trust-building and team building, such as incorporating the field in key decisions like the rebranding effort, we’ve helped re-ignite their engagement level and excitement about our future. We’ve also begun focusing more intently on supporting the Health Coach and not just the Client. The result is evidenced in the growth over the past 18 months after many years of low growth or decline,” says Ameli. Since Ameli’s arrival, the profit levels at TSFL are the highest they have ever been.

And the company plans to keep hiring. “We want to bring in people here who can help execute the programs that support what we want to do,” MacDonald says.

The Health Coach Advantage

The weight-loss industry is ultra-competitive, with many companies offering products and systems. Pinheiro pointed out several things that Take Shape For Life has done to stand out, starting with the Health Coaches.

“We believe Take Shape For Life has an advantage with the one-on-one coaching,” Pinheiro says. “There’s a relationship between the Health Coach and their customers. In the last year, they focused on helping the Health Coaches build the business. There’s a huge number of people who need to lose weight who would be perfect for Take Shape For Life.”



“It’s much better than seeing it on a billboard or seeing an ad in a magazine,” Pinheiro says. “You’re a walking billboard. When you see results face to face or with a social acquaintance, they say ‘I’m a Health Coach. I’ll show you how I did it.’ That’s how Take Shape For Life can actually work.”

Ameli wholeheartedly agrees with this assessment, and believes that the transition to Optavia™ will open even more doors, since the new branding is broader than weight loss. “Yes, we’ve been growing,” she says, “But in order to tap into the full potential of what we have to offer, we needed a brand that represented all aspects of TSFL, which is really the total well-being of a person and the connection to serving the community.”

Optavia™ will emphasize the four main components of the business model:

- ♦ **A Health Coach** who has often gone through a similar health journey and provides information, support and accountability for the Client. “They help the client to achieve the ideal goal,” Ameli says.
- ♦ **The Habits of Health System** that helps permanently change a person’s habits so the journey towards health will be sustainable. This systematic approach was developed by TSFL’s Co-Founder, Dr. Wayne Scott Andersen. “It’s really teaching you through the Health Coach about the habits of health, the right behaviors, the shifts of how to stay healthy long-term,” Ameli says.
- ♦ **A community** that celebrates success and creates a bond between like-minded people through the support of a mission-driven mindset.
- ♦ **The products, called Fuelings**, that provide a balance of protein, carbohydrates, fat, sugar and other elements that are a catalyst to weight loss. The Optimal Weight 5 & 1 Plan guides people through what to eat and offers five meal replacements per day. There’s also a lean and green meal that people prepare themselves.

A Different Approach

Even under the Take Shape For Life name, this company has never been conventional in its business model or approach. Most direct sales companies offer wholesale pricing to their distributors, who then resell the products at retail. This has proven to be an attractive model, but it’s



not the way Take Shape For Life is set up. Here, there is no wholesale discount and everyone pays the same price; no one signs up as a Health Coach only to receive a discount. As a result, the 12,600 active Health Coaches are very mission-driven.

“The majority of our sales are coming from end Clients,” Ameli says. “Though you can be a Health Coach and still use the products. In fact, a lot of them started out as Clients. They experienced results, and they really liked the community and decided to pay it forward by helping other people.”

This approach has helped Take Shape For Life stand out since it started in 2003, Ameli says. She adds that it’s especially important when federal regulators take a closer look at the direct sales channel as a whole, preferring to see a sharp line between customers and distributors. “The biggest scrutiny that comes to our network is people saying distributors are your consumers,” Ameli says. “We are completely at the different end of the spectrum. It stands out in a very crowded and a little bit of a controversial space currently to the public eyes, where people wonder whether this is the public company to join.”

Small Company Feel

Though Medifast is a giant company, with Take Shape For Life being the biggest part of that, MacDonald says they have kept that “small company” mentality.

“You’re able to join a family company that is a public company on the New York Stock Exchange but still has kept the values of being a family company focused on integrity, transparency and loyalty, which is extremely appealing,” MacDonald says.

Ameli adds that the executive team works really hard to stay involved with the employees on a day-to-day basis, fighting against the tendency to work in silos. She also says that MacDonald’s management style is based on interaction and engagement of all employees, regardless of rank. As a result, employees at the lowest level feel that they have a voice and that their input matters to the

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executive team. Ameli says, “Many of our employees are also parents, and we incorporate flexibility into their schedules. They know we care not just about them and their work, but also about their overall well-being and families.”

Complete Transformation

The company transformation process will be complete at Annual Convention 2017 as Take Shape For Life evolves to Optavia™ in every aspect of its being. MacDonald emphasizes that the company itself has been on a journey similar to what Clients and Health Coaches go through—learning from their experiences and making adjustments along the way, always striving for improvement.

“We see this as being the biggest, most important event that we’ve had in my five years of running the company,” MacDonald says. “We’re going down a common path to improve the health of people here and around the world. This whole new branding is really designed to demonstrate who we are, what we stand for and the difference we want to make in people’s lives, here in the U.S., and soon around the world.” *DSN*

