



JJA Venture Search

OPPORTUNITY MONOGRAPH



CEO

Soothe



Opportunity Monograph



Vitals

Website

<http://www.soothe.com>

Social Media

- ◆ [Facebook](#)
- ◆ [Twitter](#)
- ◆ [Instagram](#)
- ◆ [LinkedIn](#)

Founded: March 2013

Strategic Snapshot

In the span of just a few years, Soothe has become the global leader in massage on demand, delivering world-class, on-demand massage to a client's doorstep (home, hotel or office) in as little as an hour.

Rapid expansion has made Soothe the fastest growing on-demand massage and wellness company, now in 60+ markets in the U.S., U.K, Canada and Australia.

Soothe has brought disruptive technology and process to a large and growing market and is now moving aggressively to build a high-margin, high-growth B2B solutions arm from scratch to be a major contributor to the company.

Financial Overview

Soothe is a rapid growth stage startup with high-end private equity funding and a clear path to an attractive exit within a few years. The

company has raised a total of about \$78MM in funding to date, including a \$31MM Series C round in May 2018 from [The Riverside Company](#).

Riverside is a global private equity firm focused on acquiring growing enterprises valued at up to \$400 million. The firm partners with strong management teams and enhances its investments through acquisitions and organic growth.

Soothe is part of the Riverside Micro-Cap Fund (RMCF) which targets fast-growing North American businesses with up to \$10 million in EBITDA at time of investment. The Fund is currently comprised of 30+ portfolio companies.

Soothe's 2018 revenue was over \$30MM. The company has built a big home/consumer marketplace lead in both awareness and scale, which positions it perfectly for a rapid and aggressive move into B2B via a series of targeted partnerships.

- ◆ Very Attractive Gross margins
- ◆ Envious LTV/CAC
- ◆ Short payback on marketing spend

Position Title:

CEO

Location:

Los Angeles or Las Vegas

Compensation:

Highly competitive base; performance-based bonus; equity; generous benefits package

Soothe: Background & Overview

In the span of just a few years, Soothe has built the world's largest and fastest-growing on-demand massage service, bringing the healing power of massage to homes, hotels, and offices in as little as an hour.



Soothe services and solutions are available in over 60 major cities across the US, UK, Canada, and Australia. Soothe allows clients to book a customized massage experience to meet their wellness and relaxation needs.

The company works with a large team of independent, licensed and certified massage therapists, all of whom are vetted in person to ensure expert massage technique and professionalism. Soothe therapists earn three to four times more per hour than the industry standard — all while managing a work schedule that's flexible and convenient for them.

Soothe also brings relaxing chair massage to offices and events of all sizes with **Soothe at Work**, which offers:

- The largest in-office massage service with over 11,000 therapists in 60+ cities. All massage therapists are hand-selected and vetted for expert massage technique and professionalism.
- Personalized service with a dedicated account manager and digital scheduling.
- In-office massage at the time, location and frequency of the client company's choice.
- Relaxing chair or table massages focus on tension in the neck, back and arms.
- In-office stretching stimulates employee muscles and joints and increase productivity with each session.

With solid funding, stellar financials and rapid revenue growth, Soothe continues to cement its position as the leading on-demand massage and wellness company.

Massive Market Opportunity

Overall, massage is estimated to be a \$16 billion annual market in the U.S., growing at a 7% CAGR in recent years. The Soothe model is single-handedly expanding the entire market by bringing the healing power of massage to clients' preferred destinations in as little as an hour.

Massage is a personal wellness service that's been ripe for on-demand delivery for several key reasons:

- **Archaic market:** Fragmented and decentralized between independent providers and a single prominent brand (Massage Envy).
- **Commonly used service, ripe for expansion:** About 51MM (22%) of all adults in the US got at least one massage in 2016.
- **Large supply of therapists:** One of the fastest growing professions in America.
- **Better at home or office:** Massage is an intimate experience and best enjoyed in the privacy and comfort of home, hotel or office.

Key People @ Soothe

Steve Pogorzelski, Interim Chief Executive Officer



Steve is an Operating Partner at Riverside and Interim CEO at Soothe. Previously, he was President and member of the Board of Directors at PeopleFluent which was sold to Learning Technologies Group (LSE: symbol LTG), CEO of Avention Ones Source owned by GTRCR and sold to Dun & Bradstreet and previously as President of Monster.com and Group

President of Monster Worldwide where he was part of the executive team that grew the Company from \$45 million in sales to \$1.4 billion in revenue. Steve is a member of the Board of Visitors of the School of Letters & Science and the University of Wisconsin where he graduated with a B.A. in Journalism/Advertising in 1983.

Arun Ramagopal, Chief Technology Officer



Arun Ramagopal, Chief Technology Officer, leads engineering, product, UX, and design for Soothe. Previously, Arun was the head of technology at Loot Crate, Participant Media, and several early stage startups in the Los Angeles area. Earlier in his career, Arun held engineering leadership positions at TrueCar, Disney, and Clear Channel Digital.

Daniel Bornstein, Vice President of Business Development



Daniel Bornstein joined Soothe in February of 2019 to oversee key aspects of growth across the enterprise. He has worked in BD and revenue focused roles for the past 10+ years at companies including Google, DeviantArt, and Leaf Group (Demand Media).

David Burns, Vice President Marketing



Experienced direct response digital marketing professional with over 17 years experience managing media budget across multiple brands. Experience includes digital marketing, SEO, SEM, Mobile, display, paid social, global domain strategy, email, variable expense reduction and managing media spend for a continuity business where understanding of lifetime value is key to scaling the business. Deep understanding of digital media and tracking and bridging the gaps with attribution tools with knowhow and experience.

Jeff Bishop, Vice President of Compliance and Recruiting



Jeff joined Soothe in Sept. 2015 and manages all aspects of Soothe's marketplace, including scaling and massage therapist recruitment strategy, engagement and retention, and call center management and support. He manages day-to-day operations at corporate HQ, cultural and human resources growth, and legal correspondence and compliance issues. Jeff also serves as a company spokesperson and has delivered strategic consumer messaging focused on new market launches on live television.

Dan Tehrani, Vice President of Finance



Dan Tehrani is responsible for management of all accounting and finance functions for Soothe and during his tenure has built and developed a high performance accounting & finance team. Dan was formerly Controller at SERVIZ INC (acquired in 2018) and Controller at Marketshare.

Position Description: Soothe CEO



Insights About the Role

Soothe is no longer a scrappy startup. And although it is the clear category leader, it is definitely not yet a proven winner. The Riverside Company (Riverside) has seen to it that the new CEO has a fully-funded plan and the resources required to go all the way.

The company is coming out of a pivotal 2018 where the leadership team was reconstituted under the guidance of private equity owner. Riverside leveled-up the team, bringing onboard key functional heads of Marketing, Sales and Business Development. The company honed its unit economics and operational metrics while optimizing its customer acquisition costs and developing its B2B and channel partnership strategy. As part of optimizing around a sustainable model, Soothe completed the transition of most of its employee population to its Las Vegas office, shedding its costly LA office lease in favor of its new *WeWork* space. The final piece of Soothe's transformation is securing the executive leader who will build a culture and environment of accountability, achieve sustainable growth and enhanced profitability while getting Soothe to scale and a successful exit in a reasonable horizon.

In recent years, consumer on-demand services, two-sided marketplaces and high growth digital commerce businesses have soared – and then stumbled – in both public and private markets, proving there is no set formula for sustained success. The selected CEO will bring all that s/he has learned and apply it to Soothe's:

- **Revenue Growth:** Data-Driven customer acquisition, retention and CAC to LTV optimization on the consumer side; demand generation, business and corporate development, converting opportunities into partnerships and revenue channels in B2B
- **Product Strategy:** potentially adding spa services (mani, pedi, facial, etc.) while tweaking the subscription, corporate and channel service offerings
- **Go to Market** strategy, revenue mix and yield optimization across DTC, B2B Corporate and B2B2C via channel partners
- **Customer Journey:** from recruiting and retaining the highest quality therapists--when and where needed to subtle touches in the call center scripts
- **International** expansion: Nailing the timing and playbook and creativity to seize the market opportunities globally
- **Brand Promise:** nail the narrative and mythology that delights all sides of the marketplace
- **Discipline:** Structured and measured fiscal and financial rigor; working closely with Riverside to invest in the right initiatives and drive yield
- **Operational Excellence** from end to end

Soothe is seeking a credible leader, strategic thinker and successful operator and builder who still has the heart and soul of a startup runner. Ideally, the selected CEO will also have had the opportunity to work with a PE or parent company where the resources, rigor and governance can be leveraged as fuel to achieve escape velocity.

The CEO will inherit a high-performance team of proven functional leads. Team members, right down to the receptionist, are high functioning and morale has never been better. The company's metrics are all trending positive. You are ready to seize a rare opportunity to work in a fast-growing company, with great people, and to influence that growth with an eye toward a very significant exit.

Principal Charter for the Soothe CEO

- ◆ **LEAD!** Above all, what the team, the board and the market are all looking for will absolutely require leadership and ownership. Riverside's transformation of Soothe's operations, business and go to market models are complete, the CEO will take point and lead from the front.
- ◆ **ASSESS:** Swiftly analyze the historical and current **metrics of the business**. Talk to as many users, therapists, competitors, influencers and employees as possible to inform a similar assessment of Soothe's product **offering and platform** in the market. Then get down into the trenches with the company's functional leaders to determine where the **team needs** to be shored up to deliver the performance it will take to win.
- ◆ **PLAN:** Set a plan and a vision for Soothe's path to both profitability as well as liquidity. Envision and build the playbook that will enable ramping the supply and demand sides of Soothe's marketplace in the territories and across the channels required to scale.
- ◆ **MANAGE:** Get buy-in from the board and then work with the leadership team to execute the playbook in a data-centric, real-time tested and checked operational flow, thereby managing the expectations of all parties, including the board, team, customers, therapists and market.
- ◆ **EVANGELIZE:** Amplify the brand, rally the team and energize the market and the ecosystem with Soothe's narrative, ethos and mythology.
- ◆ **OPTIMIZE:** Constantly test, iterate and turn the dials to keep the mixture just rich enough to keep the momentum at its peak and performance just ahead of the stretch goals!

Core Competencies (the Must-Haves)

- ◆ **Leadership.** Soothe needs more than operational savvy, it needs a person who can lead with the vision of knowing where the company needs to go and determine how best to get there. A great leader is a great recruiter and team builder and will bring a track record of building high performance teams.
- ◆ Documented reputation as a **World-class Operator** who has run a disciplined P&L in the past, ideally for Private Equity ownership or similarly rigorous board or parent company. Soothe's is a sophisticated, multi-sided marketplace model where analytical and financial chops are required to get the company to scale.
- ◆ Credible **B2C** executive with brings relevant technology/digital experience and success who has mastered **Consumer Digital** the metrics and levers. Enterprise is important, but Soothe needs a proven player in consumer—ideally in a digitally native, on-demand or two-sided marketplace.
- ◆ **Strategic.** More than just operational, technical and a multi-function leader, the selected candidate will have tackled and solved complex problems, driven high-stakes decisions around critical aspects of a business like product roadmap, pricing and international expansion.
- ◆ Out of **growth stage** companies and been part of scale and success! Soothe is a mid eight-figure top line business looking to scale well into nine-figures and beyond. The selected CEO must therefore have been where Soothe is going rather than where it's been.
- ◆ **Data-driven** and tech savvy! CAC, churn, LTV, acquisition, conversion, retention and the like are the vocabulary of all stakeholders at Soothe and mastery of the quant-driven business of digital is required.
- ◆ **Startup AND corporate.** The selected CEO will have benefitted from training in the forge of the best run companies but also done a tour or tours of duty in scrappy, resourceful, "failure is not an option" startup(s) as well.

The Nice-to-Haves...

- ◆ **Marketplace Experience.** Beyond consumer web/mobile, experience with an on-demand service in a multi-sided marketplace. Knowledge of and experience with yield, scale and algorithmic leverage would be amazing!
- ◆ Came up through **Business Development** or has the proven, market-facing sales and evangelical experience required to cut deals, build and expand channels and grow the business in a very personal way. Brought together opposing sides on critical issues toward winning deals and thriving commerce.
- ◆ **Product-minded.** Ideally, the CEO has come up through the product management ranks at some point in their career, but at the very least, has owned or heavily influenced the roadmap of a digitally delivered product or service.
- ◆ **Exited.** Returned capital to investors (and ideally all shareholders) in a sale or public offering. Has built a reputation and relationships with buyers, bankers, brokers and influencers that can remove friction on the road to liquidity.
- ◆ **Managed a PE board.** Much of Soothe's world is venture-backed companies and so the entrepreneurs and executives that have run them do not often bring experience with PE. This would be extremely valuable.

Personal/Cultural Characteristics

- ◆ **Gravitas, Credibility & Business Maturity:** Soothe is in a highly personal service business and at all levels, trust and safety are two of the most important brand promises. The CEO will bring a reputation and career through line that exude the highest standards of integrity, honesty and judgment.
- ◆ **Leader and Motivator:** Who is results vs. relationship driven; a builder of high-performance teams and companies delivering high-performance results.
- ◆ **Smart & Insightful:** High intellectual bandwidth and a proven "quick study", but also street smart with the gut to make the tough calls that don't always flow from the data.
- ◆ **Disciplined, yet Entrepreneurial:** Flexible and resourceful, with a figure-it-out-and-get-it-done mentality but also enjoys developing and instilling process but will question the status quo
- ◆ **Decisive and driven to succeed;** able to drive critical-path decisions, prioritize and resource projects and programs that will ensure success; unquestioned work ethic.
- ◆ **Excellent Communicator:** A polished presence, self-confident and a gifted listener; a great storyteller able to convince and motivate other and inspire teams.
- ◆ **Data-Driven** and adept at collecting and leveraging data to make better decisions and extract insights to improve operations, unit economics and user.

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