



“I WILL SURVIVE!”

HOW THE TOUGH GOT GOING WHEN THE GOING GOT TOUGH

In tough times, there are a variety of ways school owners are changing and adapting to the economic climate to make their operations successful and prosperous. You've probably heard ideas such as cut staff, reduce hours, advertise more, advertise less and consolidate locations, among other strategies. The list seemed endless and confusing. So we asked seven school owners and one manager the magic question: In these tough times, what are *you* doing to survive?

By Katie Watkins & John Corcoran

Each of the following replies came in response to our question: What are you doing to strengthen your business to survive these tough economic times? Respondents were asked to keep their answers to about 300 words. Their answers show us that they are, for the most part, enhancing their basic business strategies and exploiting cost-free marketing techniques.

“Word-of-Mouth Advertising Is Priceless”

Master Eric Alders

Owner & Chief Instructor, The Karate Dojo
Jackson, NJ

Being a Martial Arts Industry Association (MAIA) Elite member, working on the grassroots level, and being creative have jointly helped us to not only survive in this economy, but also to continue to grow every month. Keeping costs low by offering buddy events (pizza, class, etc.), like a making-friends party for back-to-school season, allowed us to bring in 40 leads to our school for only about \$100 for pizza and juice.

Offering a referral-reward program that gives our students money in their pockets for referring a friend that enrolls is also key. Word-of-mouth advertising, as most business people know, is priceless.

In addition, we have attended town fairs, fall festivals, hosted UFC nights at a local restaurant, and more. We promote a lot of events so that we can get to the public face-to-face on many different levels.

Another very important key is retention. Teaching high-energy classes; focusing on character education; staying involved in your young students' behavior at home and their grades in school; offering free events like picnics and beach parties; and getting involved in charities with our students all help to develop and build our family bond together.

If you focus on all levels of your business, from retail to tuition and more, you will succeed. You may have a harder time in this economy, but, when things turn around, the lessons learned now will be priceless for your future and continued success.

“We Are Working Harder Than Ever — And It Pays Off”

Julio Anta

Owner, Anta's Fitness and Self Defense
Miami, FL

I believe that we are doing well in spite of this economy due to three major factors: the MAIA Elite program, continual change and our fitness programs. Since we opened in 1998, each and every year our number of students and our gross have gone up. In 2007, we had our best month ever. Yet, by the end of that year, we had our biggest drop in business ever. By this time, the economy was starting to get bad.

By 2008, we were able to bring our numbers up and stabilize. In 2009, we joined MAIA Elite. With the help of our consultant, even though our student count is below our highest point in 2007, our gross went up in 2009.

We have made numerous changes in our curriculum and in the classes we teach. We are also doing more internal and external marketing and promoting events, and using paid and free advertising. We have added muay thai and grappling to our traditional classes.

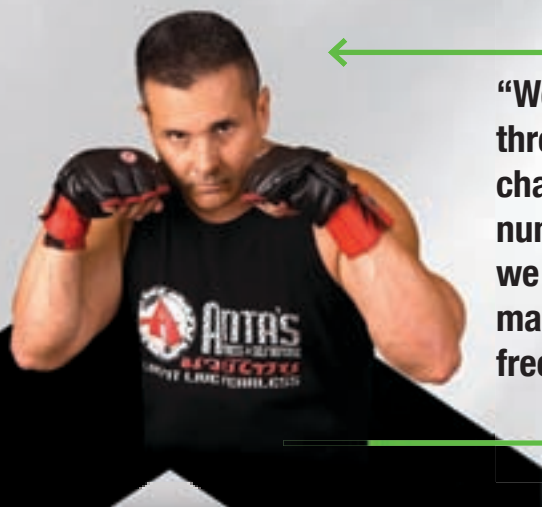
To succeed, you have to be an innovator and open to change. We had the first fitness kickboxing, Little Ninjas, pilates, kettlebells, Indian clubs, battling ropes, and piloxing programs in our area.

I have always believed that martial arts and fitness are one. As martial arts instructors, we must look the part and position ourselves as our community fitness experts, especially today with the obesity epidemic. All of our martial arts programs are divided into three parts: martial arts training, fitness, and character development. We also offer numerous fitness

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—Eric Alders, The Karate Dojo, Jackson, NJ





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—Julio Anta, Anta’s Fitness and Self Defense, Miami, FL

programs: muay thai kickboxing, pilates, piloxing, and XFT functional fitness, which is a combination of kettlebells, Indian clubs, battling ropes, medicine ball, sandbags, etc.

We are working harder than ever, and hard work pays off. Let me quote my MAIA consultant, Robbie Beard, “If you are doing this good when other schools are closing, imagine how well you’ll do when the economy gets better!”

To be successful in today’s economy, you must be more than a kick-punch school. You must be open-minded and work hard.

“The Recession Created Opportunities For Improvement”

John Bussard

Owner, Kicks Karate
7 locations throughout Maryland

We are not “trying” to survive. Instead, we are “forcing” ourselves to grow and thrive during these tough economic times. The recession woke us up and created opportunities for us to improve at every level.

A few years ago, my entire staff, myself included, got a little lazy, a little too comfortable with where we were. When the economy shifted, we were forced to reevaluate everything we did. Statistics don’t lie, and our entire staff knew we were hemorrhaging badly.

To combat the number of quits we were getting, and our lack of new enrollments, we adopted an “all-hands-on-deck”

mentality. Every staff member was made to understand that their very livelihood depended on them being extraordinary, and that they had to go the extra mile in every single thing they did each and every day.

The results were amazing. You see, the recession was an opportunity for us in many ways. We got rid of staff members that were even slightly subpar. In addition, because so many people lost jobs, the pool of available talent was much higher and we were able to replace these subpar employees with star performers! This included hiring new employees with greater formal education, intelligence, intellect and motivation.

Right now, we have the best staff we’ve ever had in the 16-year history of Kicks Karate.

Opportunities exist everywhere in a recession. Landlords are hurting as tenants falter and vacancies accrue. It’s no longer a landlord’s market. So we used this period of time to move one of our schools to a better location with lower rent!

In addition, we opened our seventh location in a great area that would not have even been available to us two to three years ago when times were good. That new school already has 170 members in just five months!

As I write this, I’m looking for an eighth location to take advantage of these lower rates before they go back up again. Real-estate inventory is high and that means deals are out there to be made.

My advice is simple, look for the opportunities and take advantage of them while the time is right!



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—John Bussard, Kicks Karate, 7 schools throughout Maryland

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“We’re Going The Extra Mile”

Mark & Mary Ann Malakoff

Kang’s Black Belt Academy
Olney, MD

I’m a firm believer that everything happens for a reason! We can’t always see it until later, but I feel that these so-called “financially difficult times” are an opportunity for all of us martial arts business owners to really prosper and grow.

How? All you really have to do is: 1. Listen to your Martial Arts Industry Association (MAIA) consultant; and 2. Just do it!

During these difficult times, our team has continued to increase enrollment through special events and two new programs. We belong to our Community Chamber of Commerce and take a table to as many community events as we can. Following the advice of our consultant, we stand in front of the table, we have a spin wheel, and we follow up with all the leads we get as soon as possible, continuing to call until an appointment is scheduled or we are told “no.”

We have fun! We always attend the MAIA seminars in Oklahoma City and in Florida. It would be impossible to execute every idea offered at these seminars. But we choose those that will help expand our business *now*.

Just as important as enrolling new students is keeping the ones we already have. Retention is vital to continuing success in our school. Our team is committed to consistently teaching exciting, high-energy, explosive, meaningful, educational classes! Additionally, we host events where our students can let their hair down and have fun.

Following the advice of our MAIA consultant, here are just a few things we have been doing to acquire new students and to help in retention:

- Started a Black Belt Club: signed up over 60 students.
- Started MMA classes: signed up 20 students in two months.

- Hold a Parents’ Night Out every month. The cost is \$20 per child. We serve pizza, play games and have fun!
- Participate in Harvest Celebrations, a *free* community event: Two days of “Bring a Buddy to Class and Wear Your Costumes” right before Halloween.
- Harvest Party, a *free* community event: Huge Halloween Party on October 31. Games, prizes, giveaways, Haunted House, *fun!*
- Fitness Week, a *free* community event: Fitness classes at our studio three days before and three days after Thanksgiving.
- Co-op marketing with local businesses. We have been able to network with local businesses more than usual in these difficult times.

The bottom line is this; we’re going the extra mile, and doing whatever it takes to continue growing. That means providing excellent customer service and going above and beyond what is expected of us; what we call giving the complete “Kang’s experience.”

Get all the information that you can get from your MAIA consultant – and keep on kickin’!

“A Three-Pronged Approach To Thriving”

Tina Newberry

Owner, Newberry’s ATA Black Belt Academy
Champaign, IL

At our academy, we have planned a three-pronged approach to thriving during the recession.

First, we’ve shifted our mindset from fear and scarcity to one that has chosen “not to participate” in the economic downturn. We believe that there are enough people and customers to support our martial arts program, as evidenced by our recent 25% growth rate. This has freed our minds to look for new opportunities.

Secondly, we have grown the relationships within our school and our community. My team has focused on improving



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— Tina Newberry, Newberry’s ATA Black Belt Academy, Champaign, IL

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“We are working hard to make sure our sign-up rates are very high and, as soon as we believe a person is ready to be upgraded, we make a presentation. It’s very important to get commitments as soon as possible in this market.”

—Frank Silverman, *Championship Martial Arts*
(10 schools), Orlando, FL



customer service, which fosters retention with our current families. A couple of ways we cultivate these relationships is by giving free private lessons to struggling students and increasing the number of instructors on our teaching floor.

Our academy has also hired a community-relations director, who networks with other local business owners, as well as represents our school at many expos, festivals, and open houses. Our target area for advertising and networking has increased from a five- to ten-mile radius to a 20- to 25-mile radius.

Thirdly, to keep our school and instructors on the cutting edge, we’ve increased our professional and personal education. Being a member of the American Taekwondo Association, we prioritize taking full advantage of their educational seminars. Additionally, our academy has joined MAIA Elite, which provides quarterly seminars and personal consultants.

I believe we will not only survive this recession, but also *thrive* during this time because we shifted our mindset from fear to action. And, in being a blessing to others, we will be blessed – and we have.

“A Three-Tier Plan To Survive”

Frank Silverman

Owner, Championship Martial Arts (10 schools)
Executive Director, Martial Arts Industry Association
Orlando, FL

As we have seen in most markets and most industries, the great times are not as great as they once were. That doesn’t mean they are bad times; simply, that to get as much in today’s marketplace, we have to conduct strategic planning.

In Orlando, Florida (metro Orlando), “official” unemployment is at 12.3% and unofficially (counting self-employed people or business owners that don’t qualify for unemployment), it might be as high as 16-17%. Add to this the fact that over 10% of homes are in foreclosure or pre-foreclosure, it necessitated our having to take a three-tier plan to “survive.” They are:

1. Watch your costs. From everything to where we order pizzas for graduations to part-time staffing, we have made small cuts across the board. A dollar saved is a dollar

earned. We look at everything, even the cost of gas for our after-school-program vehicles.

2. Focus on growth. It is taking twice the effort to get the same results, *but*, that’s okay. We are working very hard to keep our numbers high. What numbers? Both new members and upgrades. We are working to make sure our sign-up rates are very high and, as soon as we believe a person is ready to be upgraded, we make a presentation. It is *very* important to get commitments as soon as possible in this market.

3. Invest in the future. Many upgrades that we may have done at a later date, since they are not considered “urgent,” we have done already. With times being tough, many companies are offering deals for painting, repairs and even equipment. We are spending some money now to save the difference in what it would have cost or would cost in the future.

We believe that, by doing this, we’re providing an A+ facility that people are willing to spend money in. We modeled this after Walt Disney World, following the terrorist attack on 9/11/01. Disney had empty hotel rooms in that aftermath. So they moved up their renovation plans by a year on some of their empty resorts. By the time reservations started picking up, they had brand-new-looking rooms – at a better rate!

“Rally the Troops”

Keith & Debbie Thompson

Tristar Martial Arts
Eldersburg, MD

During tough times, it is more imperative than ever to get our team thinking in the same way and heading in the right direction. As owners, we share goals and statistics and set the course. As a team, we come up with a course of action and implementation. If the team isn’t all onboard and focused on the same objectives, it can be detrimental during the best of times. In a strained economy, it can be the downfall of a business.

Sharing certain statistical and financial information allows the team to feel like part of the success of the school or organization. They are a team, not just employees or staff.



“I Will Survive!”

“Getting our team thinking the same way and heading in the right direction, along with sharing key statistical information, and training them to reach high levels in those areas, is one major strategy to surviving tough economic times.”

—Keith Thompson, Tristar Martial Arts, Eldersburg, MD

Some of the key statistical information that might be shared with a team would be:

1. The number of info calls or walk-ins
2. The number of those that set up an appointment or tour
3. The number of new members that enrolled each month
4. The number of renewals each month
5. The number of dropouts

Two of my most influential mentors, Mr. Nick Cokinos of Educational Funding Company and Kyoshi Steve LaVallee of Martial Arts University International, have taught me that these are all CIA's (Critical Impact Areas) that each team member should be focusing on independent of their role in the school.

After we share the goals and statistics in each of the areas above, we design our course and how we plan on implementing it. It's our responsibility as owners to make sure each team member is trained properly in these areas. Then we make sure to “inspect what we expect” on a continuous basis. This leads to things being done well and also to make sure we don't get complacent.

Getting our team thinking the same way and heading in the right direction, along with sharing key statistical information, and training them to reach high levels in those areas, is one major strategy to surviving tough economic times.

“We Use Continuing Incremental Improvement”

Dean Dieker

Assistant Program Director/Assistant Instructor
Academy of Traditional Karate
(Owned by Todd & Kristen Keane)
Wilmington, MA

We use the time-honored Japanese tradition of *kaizen*, or continuing incremental improvement, to sharpen our sword

so that we are ready to grow. Here is specifically what we have done:

- **Maintain a positive attitude.** We are celebrating our 20th year, and have decided to *not* use the recession as an excuse for mediocrity.
- **Invest in growth.** We recently hired another full-time employee. When we invest in our team, our team becomes more vested in our business and students. Just as importantly, it shows our families that we are focused on constantly improving their service experience.
- **Examine expenses.** There is nothing worse than wasting money. We look at everything – staffing, utilities, insurance, office supplies, equipment – to ensure the best quality without excess.
- **Plan ahead.** Every Thanksgiving, we plan events for the upcoming year. This saves time, energy and money.
- **Hone staff and a leadership team.** The overall quality of the teaching is improving, and will pay dividends in the years to come.
- **Get out and market!** We have increased our external marketing. We still advertise in the newspapers, and we are increasing *unpaid* marketing through business-to-business marketing, after-school programs and getting out into the community – having a bright green karate van helps!
- **Take customer service to the next level.** We stay focused on going the extra mile and ask our customers how we can improve. It should be your pleasure to do so. Do everything you can to provide an A+ experience.

To read many more insider tips about school-owner survival techniques, visit the Martial Arts Industry Association's website at www.masuccess.com. Through this constantly-enhanced website, members can access a massive amount of useful information on just about any topic from A to Z.