

NAPMA Member Special Report
- Confidential -

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member materials. NAPMA Members Only*

To: All NAPMA Member Schools
From: Stephen Oliver.

After having reviewed MANY member surveys (if you haven't returned yours, please do so today www.NAPMA.com/survey) and having viewed the member discussion board, read hundreds of emails and faxes, and generally after “taking the pulse” of many of the members, I've seen several common trends that need to be discussed.

One common theme, is in the need to treat your school as a business and therefore to have objective, trackable numbers to really know how you are doing on a week by week and month by month basis.

Many school owners suffer from on of three syndromes.

First. They are a “One Man Show” and think the only reason they would need “Stats” are to supervise and employees. They are convinced that their student retention is strong since they are teaching every class and their closing ratios are tight since they are enrolling all of the new students. Usually they are deluding themselves and avoiding “looking in the mirror.”

Second. They prefer a ignorance feels good “head in the sand” approach. Preferring not to know the “bad news” preferring to struggle or suffer ups and downs.

Third. They don't know how to interpret and what their operating numbers should look like and therefore don't really keep track.

Finally, there's a segment of school operators who just don't think they have the time or believe that it's too hard to keep track of things.

A great book that you should have read already is “Think and Grow Rich.” If you haven't read it you should run out and get it. The description from AMAZON.com:

Product Description

Think and Grow Rich!: The Original Version, Restored and Revised. Napoleon Hill's classic book -- the all-time bestseller in the personal success field -- offers a life-altering experience. It teaches thousands of people the practical steps to high achievement and financial independence every year. This new edition is the first to contain extensive footnotes, endnotes, appendices, and an index. Now more than a motivational work, it is also a reference book and a mini-history book providing valuable information about Hill, his times, and his success philosophy. TGR's greatest value is not only that it can make you financially successful. It can help YOU -- or ANYONE -- get whatever it is that you desire from life.

Anyway, there are two principals in Think and Grow rich that are very valuable here.

First, is the "Master-Mind" effect. Unfortunately many schools in our industry spend time "Master-Minding" with failures and therefore reinforce their own unsuccessful behaviors. The point of our "Inner Circle" and "Peak Performers" levels is to create the ultimate master-mind environment for SUCCESSFUL and Success minded martial arts school operators. The point of "Extreme Success Academy" is to be a gathering of school owners focused on their school's success and an opportunity to learn from a network with other success oriented school owners. It's difficult to "bench-mark" or compare your results with successful schools if you don't know the basics about your school operation.

Second, is "Accurate Thinking." Many, many school owners that I speak with don't know the basics of how their own school is operating and therefore do not know what they need to do to move it to the next level.

Almost everyone that I've consulted with were initially focused on "The Wrong Thing" to move themselves to the next level.

They suffer from one of two problems:

1. Wanting to learn more about what they were already pretty good at already.

2. Ignoring problems that could be fixed cheaply or easily and attempted to solve the more difficult or most expensive thing first.

If you are serious about growing your school this month and this year then you really must keep accurate numbers on your school.

Many schools have implemented "software solutions" for their school. Often this gives you the ability to have much more powerful information systems and paradoxically the implementation leads to more ignorance and less management clarity unless used properly.

It's always helpful regardless of your software application to locate each meaningful number.

To keep a WRITTEN Chart on your office wall.

To have a clipboard at the front desk that you and all staff look at each day.

To have a daily or at least weekly staff meeting where everyone reviews all of the numbers and implements action plans to fix.

What are the KEY numbers you should know?

Student Retention.

We'll every school should be really TRACKING and KEEPING TRACK of their student body.

You should know how many are active (cam to class) this week. How many have been gone for 1 week, 2 weeks, 3 weeks, 4 weeks. How many dropped out last month, the month before, and the month before.

Then you should know your monthly "Retention Rate" or "Quit Rate." It's important to know whether you have 2%, 5%, 7% or more dropping out per month.

Then it's important to be objective.

It's easy to blame any individual student for their circumstances, their parents, their attitude, their desire. However, your overall drop out ratio is really a reflection

of the quality of instruction, student-staff rapport, and the overall structure of your school.

You SHOULD take it personally if you are doing a bad job keeping students. You can't IGNORE these numbers if you happen to be the head instructor and you are convinced that you are a great instructor.

As an aside.

The guys who REALLY FAIL are the ones who use the excuse that they are "Selling Out" if they focus on keeping everyone as opposed to really only teaching those who are "Serious."

Successful instructors continue to improve the quality of their instruction, of their student service, and of their results for their students. They continually work to keep students long and longer and concurrently work to make the overall physical, mental, and attitudinal results for their students better and better.

Revenue per Student

You need to be watching your average income per student on a monthly, yearly, and "life-time" basis. Ultimately the monthly revenue: Total gross divided by Active Students, is the easiest number to track and the easiest way to judge your effectiveness.

This number is a reflection of the average tuition rate that you are charging for enrollments, of down payments, of upgrade tuitions, of down payments for upgrades and for other receipts. Big-Hit "Pre-Pays" will bump this number in any given month. The real number is the overall average factoring out these ups and downs. In our last special report we discussed tuition pricing. I'd suggest that you review if you missed it.

"Sales Ratios"

It's important to be objectively paying attention to your ratios from Intro to Enrollment and from Enrollment to Renewal or Upgrade. If you don't carefully watch these numbers then it's easy to miss whether you are having problems in the Intro lesson, gaps in the enrollment conference, or inefficiency in the orientation process or in the upgrade process.

Number that many schools miss are the prospects who call and get no answer or an answering machine. Or prospects who stop by the school only to have the door locked and no information available to take with them.

Having tracked it for 25+ years, I've found the vast majority of "Info-calls" that we've received across the Mile High Karate schools for KIDS from paid advertising, guest passes, and other referrals come in between 9 am and 11 am. The vast majority of the schools we work with do not answer their phones during that time period.

Your phone is often (although clearly not always) the first point of contact for prospects coming to you. If you don't answer the phone you end up with one of two challenges. Either they move on and don't call back (sometimes, but not usually calling the guy down the street,) or they leave a message, you call them back and get their voicemail and now you either never connect or by the time you do they've lost interest or move on.

We've just set up a 24/7 answering system for NAPMA members where trained operators follow our official "INFO CALL" script and book appointments on-line for you. They handle the phones anytime you are unavailable and a live person handles the incoming sales call for you. See your member site for more information on getting started on that system ASAP.

I highly recommend that you use your own forms or that you use the attached NAPMA forms to keep track of your numbers daily, weekly, monthly, and annually.

Enclosures:

NAPMA Weekly Statistical Report
NAPMA Monthly Statistical Report
NAPMA Yearly Statistical Report

As a final aside.

A STERN WARNING. I love Tom Hopkins statement: "Never take advice from someone more screwed up than you are." My version of it is that everyone implements a "master-mind" effect. Unfortunately most end up consciously or unconsciously "Master-Minding with failures." Ultimately it's about "Peer Pressure." Martial arts instructors are

excellent about teaching their students to resist negative peer pressure. Unfortunately many of those same teachers succumb to negative peer pressure in their professional life. I teach my students "that "Peer Pressure" is neither good or bad. It all depends upon who your peers happen to be and that's a choice that you make."

In your school operation you have the same choice. Be influenced by peers who are aggressively growing their school. Who are actively improving their student quality. Who's incomes are growing and who are providing well for their families. Or, hang around the opposite of that. Unfortunately most in the industry are in the "mediocre majority" and therefore are not helping you move forward.

We've created "Inner Circle" and "Peak Performers" to be the ultimate Positive Peer environment for success oriented school owners.

My friend Lloyd Irvin says it this way: "if you hang out with 9 broke people you're bound to be the 10th."

It's amazing to watch in action school owners who are failing, that listen to the advice of other school owners that are in their same circumstances or perhaps slightly worse or slightly better. Often they quote the opinion of 7, 8, or 9 other FAILURES to justify their own pricing policy, operations methodology, advertising method, sales method, etc. That's ludicrous. However, it's also why "the rich get richer and the poor get poorer." If you are in that cycle you must break it to move forward.

It's imperative that you find the "Master-Mind" environment to associate with others who are successful and success minded doing what you do.

This is a confidential, members only special report. Copyright © 2008. Written by Stephen Oliver as a free bonus to all members. To discuss the contents of this report go to the members only discussion board. It's located at www.NAPMA.com in the member services section and log-in page. More extensive discussion on this topic will be held at the Extreme Success Academy and have been discussed in practical application with member success story interviews in the Maximum Impact package. See Eric Sbarge, Joe Borucki, Miko Peled and other member interviews.

