



Sounds of Success CD

**Leadership Development and a
Case Study for Transformational
Growth** *with NAPMA CEO Stephen
Oliver and Geoff Cielo.*





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Stephen Oliver

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Geoff Cielo

Editor's note: The following transcript matches the audio presentation on CD in this month's member package. It has been edited to provide you with a better learning experience.

Stephen Oliver: This is Steven Oliver CEO of the National Association of Professional Martial Artist and I am delighted to have inner circle member Geoff Cielo here on the line with me. Geoff welcome to our conversation today.

Geoff Cielo: Thank you sir.

Stephen Oliver: Hey Geoff, let's start by giving everybody just some stance of maybe first your martial arts background and second your career today and how you ended up running martial arts schools.

Geoff Cielo: Absolutely. It's a kind of funny story. I started just like anybody else. I was really young when I got my first intro into the martial arts and then I did a little bit more when I was in high school and a little bit more when I was in college.

When I went into the navy after the U.S. Naval Academy I went ahead and then trained seriously at that point. As I got out of the navy, I went to Maryland where my instructor was at and he asked me at that point if I wanted to go and start teaching.

I of course had plans to open a business at one point or another. But at that point I said sure I'll go ahead and start teaching for you. And then about six months after that he said do you want own. And that really peaked my interest because it was a business and he showed me the business side of it.

I was very, very intrigued with it. And I ended up as owning a school. 1993 is when I owned the location down here in Virginia Beach.

Stephen Oliver: Okay. We didn't tell people that but you're in Virginia Beach now. You went to Annapolis. What year did you go to Annapolis?

Geoff Cielo: Yes. I graduated from the U.S. Naval Academy in 1989. I graduated with a Computer Science degree. And I went into the navy shortly thereafter. After some time in the navy, I decided that this was not gonna be my career per se.

And I knew then I was gonna go into business. So at that point I went ahead and put my papers in to get out at that time allotted and then started on my career.

Stephen Oliver: Yeah. Fabulous. Did you originally own a school on Maryland or did you open originally in Virginia Beach?

Geoff Cielo: Actually what happened was I went to study at the main location in Clinton, Maryland and that's where I was asked to go to start teaching. What ended up happening is we were gonna open a location in the Rockville area. And we had gone and looked in several different places. It just wasn't happening as far as the lease was concerned.

My instructor at the time had said 'well do you want to go ahead and take a look at the place that you had trained down in Virginia Beach' and I said 'sure'. Because I wanted to do this.

We took a look at the numbers and we said okay. Well let's go ahead and do it and so I have been here ever since.

Stephen Oliver: Excellent. In Clinton who were you training with?

Geoff Cielo: I was training under our Grand Master Yong Sun Lee. He owned a chain of studios up in the Clinton and Northern Virginia area.

Stephen Oliver: Interesting. You probably never heard this story before but just before I moved from Washington DC to Denver, I was working with Ned Muffley who was the person who started that school in Clinton, Maryland.

Geoff Cielo: Wow.

Stephen Oliver: So interesting tie here. I didn't realize it but Ned had – I'll say it as nice as I can but he got kinda kicked out of the Jhoon Rhee Institute through very little fault of his own in my opinion.

I had just graduated from Georgetown and went to work with Ned under the stipulation that one, I was gonna move to Denver and open a chain of martial arts schools.

And I had planned to go to work for a chain of fitness centers. Work from with Neil Ehrlich but it was a chance to work with a start up and so Ned's understanding was I was only gonna be there for maybe six months. My stipulation was I got access to all the books and got the chance to see what everything cost for the start up and so forth.

Ned and a partner opened a school. I had access to all the books. I saw everything that was going on. And by the way, on their part and abysmal failure and when I moved to Washington DC, young Yong Sun Lee was my replacement.

Ned had hired Yong Sun Lee and I spent about a month training him based on location and then he had worked for Ned Muffley in Clinton. People that aren't familiar with that area, Clinton is right by Andrews Air Force base.

The president's flying in and out of the country. I was commuting from Alexandria. I lived right across the street from the Pentagon so when the plane hit the Pentagon, it was a straight shot from my balcony to the Pentagon who's right there by the heliport.

But interesting, I never knew we had that common connection 'til today. But anyway so you started in Aikido and ended up in Virginia Beach.

Geoff Cielo: Yes, about a year afterwards I then went under Grand Master Kim out of Maryland under straight taekwondo. I continued teaching a blend of aikido and taekwondo.

Stephen Oliver: Okay, fantastic. But now, moving forward so the school has been there – what is that? You've been there...

Geoff Cielo: Almost 20 years. We moved through out a couple...

Stephen Oliver: My story was just 30 years ago from Maryland. I moved out, I left there in December or it must have been March of '83 and so I was there with Ned from August '82 to March '83 and probably has spent of March of '83 training Yong Sun Lee who by the way was young beyond years and arrogant.

Geoff Cielo: Yes. I don't know if its changed. But that aside, what ended up happening is I actually joined NAPMA back in '94 when I did this and when we separated from the other organization.

We found information NAPMA's putting out very informative. However there wasn't a driving force behind it and what I mean by that is there wasn't information.

That you had to be the self-start story. You had to be the person that get in there and say okay, what can I use and what is good and what is bad? There wasn't any direction as far as coaching or there wasn't any direction as far as help as far as somebody saying okay let me hold you accountable for this.

So what I found is we – I know the listeners don't know this but I used own two locations and we opened the second location about 2 ½ years or 3 years ago. And then after some series of events I had to downsize to one location due to a divorce.

I know there's plenty of people out there that's have had some type of situation happened to them where they've had a catastrophic thing happened to them.

What I found was when he had started even before the school separated, we were accelerating the rate of growth at an exponential rate because we're starting to listen to the ideas that were given during each one of these conferences is one.

And second, we were being held accountable. We had coaching sessions where we had to say this is what's going on with the school right now and this is what we need to do in order to make it better. And then we had suggestions directly from you that were proven. That actually worked.

Stephen Oliver: And so, to summarize and I guess I always knew this what we did couple of years ago or maybe a year ago now of the two or three United States between Toby and I, we probably ended up each talking to 200-250 school owners. Many of them were current or former NAMPA members.

But we were finding a huge discrepancy between people who had gotten a lot of good information and those who were really thriving and my favorite of our friends was in [0:08:55] [Inaudible] operating my own schools, franchises and then doing coaching with individual owner operators.

My result was having a \$17,000 a month school and end up at 35 in six months and 50 in a year and we were finding a lot of people who might have 100 DVD's stacked up on their desk that really hadn't done much good.

Geoff Cielo: You're absolutely correct.

Stephen Oliver: And the difference it seems is just like martial arts there are people who sell the DVD of a month club to learn self defense and we all know they don't end up teaching anybody versus you're in a classroom environment plus you have a concerned and focused and capable teacher/mentor makes all the difference in the world.

Geoff Cielo: Makes all the difference in the world. Complete difference in the world. We went from understanding some concepts on a DVD to actually being able to implement them and having a direction.

Because if we were lost I mean, I could easily call Toby and leave a message and try to go on the forum and connect with the people that were there.

[0:10:06]

In fact I was put in such a good position because I'm being put with people that are already successful chain owners where I can ask them any questions and they didn't look down at me at all. I mean they look at me like just another owner that's looking to improve himself.

Stephen Oliver: We got a heck of a good group of people working together.

Geoff Cielo: What I've noticed is that you have people there that have very varied background as far as martial arts but when it comes down to business, they're one sharp group.

You've got people that have made their business with the adult market. You've had people that have made their business with the kid market. You have even somebody there that made their business with the after school program.

And I was just amazed at how willing they are to share all the information. In fact one of the ideas that I got from just one gentlemen, it was the gentlemen that does afterschool is – Paul Miller. Paul Miller is such a personable guy and his son is great.

So one concept that I got that was absolutely astonishing was when he did the living social because you get a lot of leads off of that is how to introduce them into the martial arts by giving them an actual private first.

And we say that and typically what we would do is we put them into a regular intro class but now we're actually scheduling them throughout the day.

I understand that this is the basic concept for some people but for us it was a concept that now we can schedule intros anytime. And that one concept has driven our members up and I think it's great to network with these type of people.

Stephen Oliver: Absolutely. And something that I think that we're talking about that group, we've got million dollar a year school teaching predominantly adult Muay thai to a million dollar plus school teaching predominantly adult men Brazilian jujitsu to several multi-school and huge single school.

I think of Chris Burrow in New York who's doing about 80,000 a month teaching predominantly kids and families. I mean we've got everything from predominantly cardio, predominantly transport after school care to character development for kids and families and taekwondo or aikido background like yourself.

It brings tremendous energy into the group whether it's in a MMA schools or kids schools or I talked earlier today with Eric Sbarge who's predominantly 45 years old and up adults doing Tai Chi. And of course as you know, I think he's 750,000 or 800,000 this year and he's super sharp. It's just incredible to be with this group of people.

Anyway back to your operation, Geoff. So you've been in Virginia Beach for almost 20 years. Really had been on combination of a little bit of [0:13:26] [Inaudible] heavy broker 18-24 month.

Let's start with two or three lessons that you picked up perhaps between the marketing boot camp and the inner circle meetings. What are two or three things that you have found that made you join before that you've made a dramatic change in last year?

Geoff Cielo: Well one of the things in the boot campus specially was it was something you said and it was one of those things like a light bulb moment. You said if you just didn't know the things that you were supposed to do, you get more leads than you get more enrolments.

And I thought to myself that is such an easy concept that it's not something I would think of and I thought about it for a little bit and then when they went through all the different things that we could do as far as marketing, I'd seen at least 80% of them but never put it together into a plan.

When you had us do that drill where we had to work with other school owners to come up with plans within a certain budget, oh my goodness. That lit a fire under me. And it said here's something concrete. Here's something that I can take away and I can implement as soon I get back in my school. That was one awesome, awesome concept.

The second awesome concept that I received from the marketing boot camp was that immense knowledge that Toby has regarding the internet and how the internet works and how we can make that work for us using the squeeze pages and all that stuff that he was going over. It was just amazing.

Stephen Oliver: There we got fairly technical and we're scheduling a bunch of webinars and follow-ups from there to even drill deeper in the weed but there's so much of that that I think people don't think about. And the mission of course is to generate new students not to have a pretty website.

Geoff Cielo: That's correct.

Stephen Oliver: Do our pretty distinct opposite sometimes. In your current school, now that the kinda dust has settled from the divorce or one thing to another, you've had a really nice run down and obviously you've been running a very solid school for many years now. So, what are two or three lessons that you would share with everybody?

Geoff Cielo: The first lesson that I would share is to do what you're saying. If you make a recommendation, do it and do it right away. Whether you believe that it's gonna work or you don't believe it's gonna work just do what you say.

Because when you say something, it's something that's proven already. And it's something that's gonna work. And it's happened before where we say we have to test the market where we test the advertising to see if it works, then I'm gonna test the market.

And the second thing that I got from it is I had to do rule 1 which is to do what you're gonna say to do. Basically, everything that you've told me to do today has worked in one way or the other.

Whether it's a homerun or whether it's not 5-10 and what was amazing is from that drill that we did and I keep going back to that marketing boot camp because it was amazing to work with all those different styles. And then having to come up with marketing plans for different school types.

But what we came up with was amazing because I didn't think that I would be able to stretch out as far financially when I went into marketing, marketing for the school.

Just like you'd said, if your price point or what you're charging is high enough, then you're gonna go ahead and be able to go ahead and cover whatever marketing concepts you have.

I was able to cover the marketing cost which was for the Rock n Roll half marathon. It's a booth there that we have – there's supposed to be 10,000 people coming through.

And out of that group we had about 200 people sign up on our list. And then out of that group only about a 100 were from the Virginia Beach area.

However, out of that group I just needed two to go ahead and justify the marketing and we've already had that. We already had that and it's already covered the expense.

Other words, another idea that was out there that was going to the open houses. Oh my goodness, I didn't even show up to the open house. I had volunteers go. We got another 100 names right there.

So everything that you've said and everything that we've worked through that were plans, they were all solid points and I really appreciate that because it's the things that worked.

Stephen Oliver: I appreciate the compliment. I think the thing that maybe – perhaps for clarification on that, so many times the answer for the guys who are failing is they say 'oh that's great for Virginia Beach but that wouldn't work in Wichita' or 'that's great for Denver but that would never work in New York City'. Or 'that's great for kids it would never work with adult men.

And as you've now seen, that's just an excuse for failure it's not reality. As we're working one on one and as we're working with a group, there certainly are things we say this particular newspaper or this particular media or this particular thing, we've gotta go check it out because we don't know what the readership is gonna be or what the results are gonna be until we try it.

But same concepts that are working just fine in Virginia Beach are also working in Bahrain and working in Frankfurt, Germany, all our [0:19:46] [Inaudible] was just there as an example and working in a South Africa. All over the world the same concepts and frankly mostly the same in advertising layout and price point layout.

So Geoff, from a standpoint of really keeping a high level of engagement, you had transitional trauma which happens. Give everybody some thoughts on how to really get the staff engaged and the team engaged, have a high level of energy and enthusiasm especially during perhaps some trauma with everybody.

Geoff Cielo: One of the concepts that you put across and embed that you kinda taught in a backwards way but it kinda hit me afterwards is how to come up with plans and make the plans the idea of the staff.

And I'd seen this done before but it's never been done to me. When we did that during one of the conferences basically we were asked to do to do a project together and come up with it. And when we did that, we had to put our brains together and work on it and come up with a plan.

What was interesting about it is instead of you giving us the plan, we became invested in the plan and had to make it work. And we used the resources that were around us in order to come up with a plan and it became our own plan.

Now you did guide us by telling us what would work and what kinda wouldn't work and what have you but it still was our plan in the end, in the end analysis. And what I've started doing here, and it's worked immensely well is do the same exact thing.

Whenever we have a project coming up, we have an event coming up whether it be buddy week or some type of other project that we want done and completed in a certain amount of time, instead of me just dictating it to them, I say well this is the goal, and what is your input and then when can we get it done.

And then we all brainstorm for a little bit and we come up with a plan. Because they invested in it, because it's their idea at that point, they want to see it succeed so they put more energy into it. Just like what we did during one of those conferences.

Stephen Oliver: Yeah. The multi-school application of that is that is I was always fine when I was running six locations or five locations is I really didn't care how they got there. I cared that they had enough enrollments and a high enough revenue per student and good retention.

It would be we always have to list the 20 things and if they did any 5 or 10 of them, they would have enough enrollments. And it was kind of letting people in different locations pick can choose what they were gonna emphasize.

Obviously there were some things that were more important for everybody to be focusing on and then you give them [Inaudible] or because they're buying media.

But the more you can do that just as you said very elegantly is the more they're now invested in the outcome and it's not you're trying to convince them to follow your plan. You're supporting them, coaching them and teaching them to follow their own plan.

Geoff Cielo: Right that's absolutely correct. That was one of my biggest downfalls is I knew kind of what needed to get done and so I would kinda dictate to everybody what needed to get done.

And just that small turn where I'm now letting them come up with the idea, letting them decide some of the things that needed to get done. It has made a dramatic difference as far as morale and as far as them being invested in doing the work.

The other thing that comes to mind that we made a change and that I kind of didn't understand before and I know that this is another basic concept that a lot of people have done that I just never did because I come from taekwondo/ aikido background was the rotating curriculum.

It was explained to me – I think the rotating curriculum was explained to me maybe two years ago and I've seen it on DVD and then somebody explained it to me and I didn't understand it.

Then finally somebody at the first conference I went to at West Point. I was eating lunch with him and he just showed me with starter package how it works. And it was completely clear at that point. That's from one conversation from another owner that was already implementing the solution.

But what that's done and after talking to him and fighting with Master Smith about the testing cycles and the rotating curriculum, we've been able to go ahead and nip in the bud one of the problems that we've been having with retention which is at the higher level it takes longer for one of the students to graduate.

We just added another belt in and we're able to accomplish the same goal which was to get students to learn a certain amount of material but learn it even better when it split up into two months sections into one instead of one, 4 months section.

And it was just incredible when we started implementing this. All the parents were happy. You would not believe how much better service we are giving our students because everybody's kinda on the same page with the same drills and it looked so sharp on the mat because everybody's doing the same thing.

Stephen Oliver: Yeah, it's a huge difference isn't it?

Geoff Cielo: Yes it is. It absolutely is.

Stephen Oliver: I tell a story on Jeff Smith but he's been running the school for professional training school for like 10 years longer than I have. I have been doing it for a long time. But it took me forever to convince him.

But now once he finally did it, it's been a few now, but he truly admits one, he was hard headed, two, he would never go back. I know at the last event there were four or five owners.

I think they Dave Moss and Oliver were two of them that the lights finally went off on what we were talking about. And I've talked to them saying they would never go back either. It's just a dramatic shift. Mostly a dramatic shift in quality and service delivery.

Geoff: Absolutely. It is definitely something that will improve the retention of the students because they understand the material better within that time frame.

And they're gonna get better at the techniques because everybody's going over the same drills and everybody can model off each other and they model much, much better if they're seeing the same technique instead of three different techniques in the same class.

That is definitely one of the things that came out of that. It's just been – I hate to keep repeating myself but it's been such a blessing to be able to network with much higher level owners. Because it's expanded my thinking as far what needs to get done and what can be accomplished with even one location.

Stephen Oliver: And we have an interesting split between big multi-school operators and big single school operators. So million dollar single schools and multi-million dollar multi-schools so there's both end of the spectrum. Of course there are different issues and different challenges at both sides.

Let's go back to student service and student quality. As you develop your school over the years and again a lot of people think that as you professionalize and commercialize and get the gross up somehow you're compromising on quality.

What's your analysis with that? How do you feel that your quality and student retention and graduation rate to black belt, how is that been affected over the last two years?

Geoff Cielo: As you professionalize what you're doing, that means it just means that you're putting things in an order that people can understand and be tracked and can be improved upon.

What's happened over the years is we've systematized the curriculum and as we've taught the curriculum in a way that the students can understand it and as we implemented this rotating curriculum we find that the retention now has increased. We find that the quality of the student actually increases.

Then years passed when I had three or four belts in a class then I'm trying to teach four or five different techniques and there is not any general order to anything then trying to throw all the material all into one pond.

One of the things that's really interesting is that I'm also studying Wing Chun Kung Fu at this point and I'm studying under – there's a Sifu that I know.

What's interesting is the school that he's running and I'm allowing him to have – I'm giving some space for him to run the school here at my school as I'm taking Wing Chun but there's no order to what they're teaching.

I'm having a blast in the class coz I'm learning something different than what I'm teaching. But there is no order to how they're teaching it. And maybe I don't see the big picture. I understand that there's a couple forms and if there's basics then you train those basics.

But as far as being a professional school, they're definitely not bad. And because they're not a professional school, they have 10 students maybe. And anything that I've said to him, it kind of falls on deaf ears and I'm okay because I'm just – them out and that's not a big deal.

But they're gonna keep staying at that size unless they decide as you said to professionalize themselves to get better attention and better students.

Stephen Oliver: Yeah. I've heard the conversation so many times including my own instructor from Tulsa who he still run in a YMCA. Again what I've always seen as the direct correlation is the more professional the school and the better they are as an educator, the higher quality students they have, the higher graduation to black belt, the higher percentage of the students are ever gonna truly get excellent.

Impart this is because in your case Geoff you're spending more time training and learning on how to be a better educator and a better school operator than a part-timer spending doing anything related to martial arts.

Geoff Cielo: Yes, sir.

Stephen Oliver: So if you're gonna give let's say one of the school owners listening is having a little bit of hard time getting enough new students in the door and they wanted to go out and immediately have an impact this month.

What are four or five things that you've had some good success with in the last few months that they can immediately go do.

Geoff Cielo: If they have a type of business like mine which is a children based business and we have an adult population as well but it's a smaller percentage. We're about 70% kids then about 30% adults.

The first thing that they can do is they can get involved with the partners in education or school talks and they can definitely get involved with their local college. They can do those two things.

The other thing that they can do is definitely start putting out their material and what I mean by putting out there with the rec cards, being out there with the lawn signs or the bandit signs as we call them so everybody knows that you're there. And those are just a couple of things that you could to immediately start getting calls.

Stephen Oliver: Let's talk about the school talks thing for a second. It's kind of one of my pet peeves because to the best of my knowledge I got started in the industry back in the early 80s and I always call the gym teacher for the day.

When it got repackaged as school talks and then [Inaudible] over the package, the key ingredient of this was the concept of [Inaudible] [0:33:13] and the permission slip is so that you get name, address, phone number, e-mail address.

We all know that I can go out and do a demo for 50 kids and passed out flyers I'm lucky to get one phone call. But if I go first teach a class as opposed to do something that's entertaining, my results improved by probably 500% to 1,000%.

And then number two, if I get their name, address, phone number, e-mail address and can follow up proactively, my results go up another 1000%. It's a huge difference.

Talk about that coz you've seen that recently. I know you and I are talking before we start the conversation or recording about some of those programs. What do you have that's best with that?

Geoff Cielo: Yes, I'm a partner in education with currently five different schools here with the elementary school system and we do something called the defeat the bully without fighting.

Basically I go into a school and like you said I take over the gym class and I go over the Virginia Beach public schools code of conduct and we give them five different things so they don't get in trouble; how to defeat the bully. So we give them five different areas that they can do before they get in trouble or so they don't get in trouble.

Years passed, I would do these things and then get little or no result maybe one call and maybe just name recognition and that was it. What we did different this year is I'd actually tried to do a permission slip. It was denied at one of the schools and that was okay. But did a different tactic which is to send out a letter directly after the seminar.

And the letter basically stated please go over the code of conduct that involves fighting and bullying and then also go over the five actions steps that you're supposed to take.

At the very bottom of it it's very simple. It just said yes please contact me regarding the program, yes please contacted me but my child is involved in another program and the last one was no I'm not interested at this point.

And just thought of that, we had 20 leads right away. They came in saying they want more information on the program. So those are 20 solid leads that we got just from that.

I'm expecting the same thing from every other elementary school that I'm going to right now.

Stephen Oliver: And what we found I mean leads to a lot of media telemarketing behind this stuff but if you take everybody's information you capture, direct mail to them and e-mail to them, you rarely have anybody complain.

And anybody who raises their hand and says I immediately want information, you wanna call them right away. As we talked about at the boot camp and as an on-going theme is almost nobody follows up with a warm prospect enough.

Just because we show up at the elementary school in September or in February doesn't mean that's the right time for them to enroll. We gotta go back over and over by direct mail and by e-mail and by broadcast voice mail and text message and first I'm calling them to ever have the kind of results that are possible.

Geoff: Yes sir that's absolutely correct. I was absolutely amazed when I looked at your follow-up system and the follow-up system that we had in place that was very endemic.

Our follow-up system was just you know just call backs and then they would go into the newsletter as a follow up but from just which you mentioned, you hit those people up I wanna say at least 20 times during the month which is so many times more I guess 200% more than what I'm doing.

And so it's telling me what I need to do in order to grow to that level that I wanna grow to.

Stephen Oliver: Just because I ignore your say no today doesn't mean I'm not really interested eventually. It just maybe the wrong timing. So we lose sight of that and just stop following up with them and then sooner or later they end up doing something else where they probably would have come into our school.

But hey we're gonna run out of time here pretty quickly but it has been really valuable. You had a unique perspective. We took the entire group to West Point.

And before I get to the United States Military Academy at West Point, really the point was to focus on leadership development at the highest level and the things that we can bring back into the school.

Your unique perspective was you're a graduate of Annapolis, United States Naval Academy. Give them some lessons that not only from your experience at Annapolis but being at West Point that directly is applicable to all the school owners.

Geoff Cielo: Excellent. A couple lessons that I learned at Annapolis were they get the job done no matter what. And that was another theme that I saw at West Point is to get the job done. And in order to get the job done you need the right tools.

And the right tools are right in front of you. And if you can use them in the correct manner at the right time then you can be successful. And the interesting thing is that the tools were there in front of me all the time in order to be super successful. I just didn't have the knowledge as far as applying them.

And to have that mentorship of somebody that has been through it and understands how to make it work is absolutely invaluable and this is the same thing that gets set-up at the academies.

You have the plebe year that you go in and you don't have anything and they recondition you. That first year they completely recondition how you do things and how your time management is. But the way you learn it is by mentorship. You have people that are above you that are training you to do this.

And so one of the big takeaways from whether it be West Point or the U.S. Naval Academy is that you always have to have a teacher, somebody that's gonna be a mentor to you, somebody that you can look up to and somebody that you can follow into the fire because they've been there.

Stephen Oliver: Absolutely. One of the things I'm proud of is we spend a lot of time really modeling the top organizations of the world whether it be the U.S. Service Academies which – Forbes Magazine I think recently did a top 10 schools for producing business leaders in the country.

And West Point, Annapolis and Air Force Academy were all three in the top 10. I mean right beside Harvard, Stanford, Yale and Princeton. Obviously we're modeling Disney and Harvard Business school for that matter.

For somebody out there who's been kinda hearing this hints about peak performers, inner circle that have been skeptical or just not sure it's for them, what would be the two point advice you would give them?

Geoff Cielo: The thing that I would tell them is to just try it and the reason I say just try it is when we did this and we had started with – it was peak performers at the time.

They're just being in that environment, allowed as a chance to expand our thinking as far as where the school could grow and the rate of growth that it could grow.

And this is something that you mentioned last time that we talked is that schools can grow either linearly or exponentially and I did not understand that until I actually talked to Master Smith.

When he gave me a concept, I was completely blown away and it's something that you guys already teach where if you have 80% of the revenue coming from renewals or upgrades then you're gonna be growing exponentially.

And it didn't dawn on me, it didn't hit me until he explained it to me but just that one concept right there, you don't have to go over linearly anymore. You can grow exponentially and that can happen within three to six months.

Stephen Oliver: Yeah. It's a heck of lot easier I mean at one point you can be doing 30,000 a month now and then you grow 3% this year and 5 % next year. Maybe it's just my personality but that to me is a sure route to burn out. But if you go from 30,000 to 60,000 and 90,000 that's pretty exciting.

Geoff Cielo: Yes it is. It's very exciting.

Stephen Oliver: And it's doable and you mentioned Jeff Smith but not terribly far from you but they're by Dallas Airport, we use that as a training center for the Mile High Karate School.

But the number there as we were talking about before is 87% of everybody who enrolls ends up renewed or upgraded and close to 90% of the people who end up upgrading into the more expensive program.

Our tuition points now are \$247 a month for new enrollment. I think it's – I don't do anything anymore but \$297 a month for the lowest level upgrade and \$497 for the leadership program.

What confuses people is the vast majority are the ones that are renewing or renewing into more expensive things. Not the less expensive ones.

Geoff Cielo: That's absolutely correct. And that was one of the things that was taught to us is that as somebody is committing to you more, we will extend more service to you which would be in the leadership programs.

But we're gonna be doing this as a college as if it was a college environment where you gonna be going through the paces and you're gonna be learning everything there is to learn about leadership.

And because we're doing that for you, we're gonna charge you a higher price point and that's okay because we're giving you more service. And that was an incredible, incredible concept.

And it did. It took me a long time to wrap my head around that because I would – as somebody would enroll for a longer amount of time, I would actually give them a discount because they're enrolling for a longer amount of time so they have more commitment towards me and so I would give them a better discount.

But from what you've been saying the whole time and from what's been shown to us, we can actually give them more as far as service is concerned and as far as quality is concerned.

Then it makes sense as to why we're doing it because it's character development along with just physical training. And it's something that we promised from the beginning.

Stephen Oliver: Absolutely. One of the things is people are already used to thinking that way in terms of education. My kids go to private school and private pre-school is less expensive than private elementary school which is less expensive than private middle school which is much less expensive than Harvard.

So they're used to as the value of instruction goes up for there be of a higher price point and now we're talking about not only the same basic curriculum at a higher level but we're talking about a much expanded curriculum as well..

So it's not like – once you explain, they're not used to thinking [Inaudible] Hey we've got a little over our time here and it's been extremely valuable hopefully for everybody listening to the call.

I really appreciate how open and sharing you've been and let me get the commitment for us to do a little follow-up coz we barely scratched the surface. There's so much to go through.

Just give you my best wishes to everybody there in Virginia Beach and I appreciate your beautiful ocean view and I got a little bit of a mountain view here from my office and we'll wrap up for the day. Any last couple of words of wisdom for everybody before we ring off?

Geoff Cielo: I guess the last thing that I have to say is do what you say. I hate to say that again but if I were to just done it from the beginning and just hit the I believe button just like I tell everybody else here I'll be so much farther ahead than where I'm at right now.

Stephen Oliver: So we should just get the staples TV buttons that make it...

Geoff Cielo: That's correct.

Stephen Oliver: I'm not sure if we send them out would have the same impact or not I certainly appreciate the kudos and to you too and I'm so impressed with your progress. I'm excited to have you as part of the team. So we'll ring off since we're out of time and then talk soon.

Geoff Cielo: Excellent.

