PRINCIPLES OF SUCCESS IN MARTIAL ARTS THE SAME AS IN THE NFL 14

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NEW! MA School BUSINESS ENTITIES See page 16.

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Mecklenburg sees Similarities between NFL and Martial Arts .. 14
New Trade Journal Well Reviewed by Focus Group and Advertisers..... 17
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Stephen Oliver..... 34
and more columnists online!

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Six-Time Pro Bowl Legend Karl Mecklenburg Unmasks the Heart of the Student Athlete


Karl Mecklenburg stares down a defender.

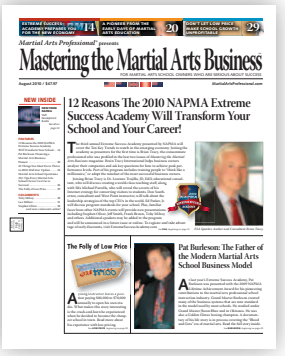
As a virtually unknown college football player, Karl Mecklenberg began his pro-football career as the 310th pick in the National Football League draft. But he didn't stay an unknown for very long in his impressive twelve-year NFL career. With three Super Bowls and six Pro Bowl appearances to his credit, he found himself at loose ends after retirement from the Denver Broncos.

By applying the same skills he learned in his athletic career, the very ones we teach to our students every day and practice ourselves, Mecklenburg reinvented himself with a new career as a motivational speaker. His book, *Heart of a Student Athlete, All Pro Advice for Competitors and Their Families,* details the lessons he learned and used to achieve noted success as a pro athlete.

See **ESA**, *beginning on page 14*

New Trade Journal Well Reviewed by Focus Group and Sponsors

A focus group of 30 top school owners reviewed NAPMA's newest publication, *Mastering the Martial Arts Business,* at an exclusive review session during the 2010 NAPMA Quantum Leap Conference in May.


Martial Arts Professional presents
Mastering the Martial Arts Business
12 Reasons The 2010 NAPMA Extreme Success Academy Will Transform Your School and Your Career!
The Folly of Low Price
Pat Burleson: The Father of the Modern Martial Arts School Business Model

A radical departure from the typical entertainment-oriented, "punch-and-kick" martial arts magazine that is typical of the industry, the new trade journal was well received as a new authoritative voice for owners who are very serious about making a living in martial arts education. The new size and format was judged to be easier to read and faster to comprehend. Take a look at what else this group had to say.

See **TRADE JOURNAL**, *beginning on page 17*



Jay Abraham: Exclusive Interview for the Martial Arts

As a leading consultant to some of the largest corporations in the world, and named as one of the top five business coaches in the world by *Forbes Magazine*, Jay Abraham gives NAPMA an exclusive interview to discuss what every martial arts school owner needs to know.

See **ABRAHAM**, *beginning on page 20*

Using Press Releases to Attract Free Media Attention to Your School

One of the best ways to attract positive publicity to your school, and ultimately more students, is with media coverage. Positive media relationships are a critically important, yet often ignored aspect of running a successful martial arts school. The press release is a highly effective tool for getting your name out into your community. Learn how to write a press release that will get read and get the attention your school needs to boost its reputation. Learn the insider tricks and techniques that public relations professionals use.



See **PRESS RELEASE**, *beginning on page 25*

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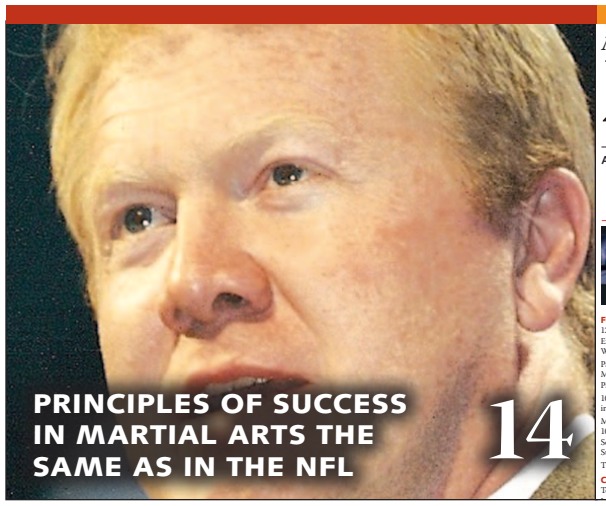
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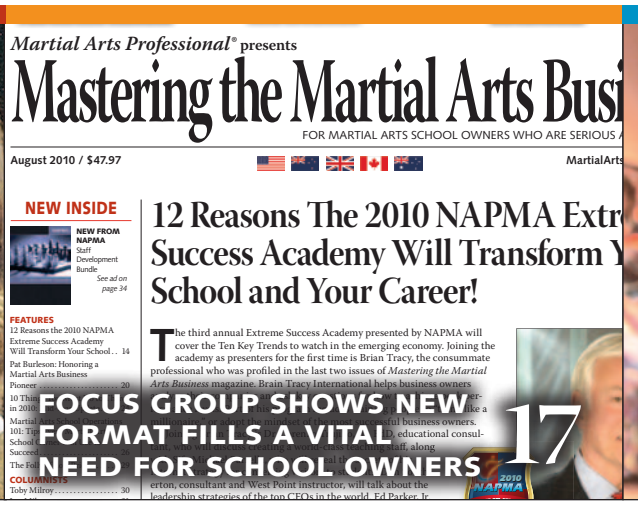
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Features

Mecklenburg sees Similarities between NFL and Martial Arts 14

NFL Pro Bowl veteran Ken Mecklenburg explains how success in football and success in the martial arts are based in the same values.

New Trade Journal Well Reviewed by Focus Group and Sponsors 17

The new Mastering the Martial Arts Business hits a sweet chord with school owners.

An Interview with Legendary Marketing Guru Jay Abraham. 22

Benefits from $5,000/day marketing advice.

How to Write a Press Release that Actually Gets Some Press! 25

There is an art to getting your news published, and we'll tell you exactly how to go about getting it done.

Martial Arts School Operations 101: Fundamentals Martial Arts School Owners Need to Succeed 28

Our overview on how to choose the right legal business organization for your martial arts school.

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NAPMA Members Collaborate on Unique Book that is Already Providing Dividends to Schools



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Were You Born With It?, Part 2



The Final Word 34

Stephen Oliver—MBA, NAPMA CEO

How I Opened Five Schools in 18 Months

More columns are online at MartialArtsProfessional.com.
See page 6 for a complete listing.



Mastering the Martial Arts Business magazine is the premier resource for those professional martial arts school owners and operators who are serious about enhancing and/or expanding their business operations through a series of monthly visual and editorial resources, innovation, and hands-on and first-person experiences.

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Features



The Folly of Low Price

Don't fall for the lure of high volume, low price.



The Father of the Modern Martial Arts School Business Model

Considered "The Father of Modern Martial Arts," Pat Burleson has a remarkable story to tell.



There's No Nobility in Poverty

Stephen Oliver examines the belief that a "commercial" approach to martial arts instruction is to be avoided.



New Credit Card Policies Crippling School Across the Nation

School owners report problems with processing credit card transactions that are unique to our industry. NAPMA creates a solution in partnership with National Merchant Bancard.

Martial Arts Education Columnists



The Science of Fighting

Joe Lewis—*NAPMA Technical Consultant*

The 40 Most Common Mistakes Fighters Commit, Part 7



Reality Check

Peyton Quinn—*NAPMA EZ Defense Expert*

Speed Can Save Your Life



Fitness Kickboxing

Jim Graden—*Founder, UBC*

Teaching an Introductory Lesson, Part 2: Teaching Basic Boxing



Fitness Track

Keith Yates—*Instructor, University Professor*

Dynamic Strength Assessments



Classical Thought

Douglas Adamson—*Multiple School Owner*

There Comes a Time...



Beyond Technique

Fariborz Azhakh—*Martial Arts Information Professional*

What Matters Most



Championship Success

Jeff Smith—*Mile High Karate Chief Instructor*

The Champion's Reunion, Part 2, with Jeff Smith, Bill Wallace and Joe Lewis

Martial Arts Management Columnists



The Final Word

Stephen Oliver—*MBA, NAPMA CEO*

How I Opened Five Schools in 18 Months



School Growth Potential

Toby Milroy—*NAPMA COO*

Were You Born With It?, Part 2



The Psychology of Success

Brian Tracy—*Human Motivation Author, Speaker*

The Seven Laws of Mental Mastery, Part 1



Sales and Marketing

Rick Bell—*Martial Arts Speaker, Writer, Business Specialist*

Seven Crucial Martial Arts Business Skills



WarriorWiz

Terry Bryan—*Ph.D. and 9th-Degree Black Belt*

Transform Your Fears into Strengths—and Success, Part 1



Bonus Column

Harvey Mackay—*Internationally recogmized author and speaker*

Stay Focused on the Big Picture



Internet Secrets

Elsa Cordero—*MBA, MS Oriental Medicine*

Internet Insider Information you Need to Know



Your Success Coach

Lee Milteer—*NAPMA Success Coach*

Confident Sales Management



Dennis Waitley— *Keynote Speaker and Productivity Consultant*

From Motivation to Motive-Action



Jim Rohm—*Author and Business Philosopher*

Nitty-Gritty Reasons



Personal Development

Tony Robbins—*Black Belt and recognized authority on the psychology of leadership*

Using the Intention to Serve to be a Great Leader



Expert Tips & Tactics

Dr. Chris Dewey—*School Owner, University Professor*

The Other Side of Strategy

Martial Arts Professional Asks...



Martial Arts Professional Asks...

Bill Amelio—*2nd-Degree Black Belt and CEO of Lenovo*

One of the challenges of martial arts professionals and school owners is a resistance to change. Do you believe in change, if it makes sense?



Tom Hopkins—*The Builder of Sales Champions*

How can martial arts instructors use pre-framing to make their renewal process smoother and more successful?

Archives

Feature Articles with Additional Content

Sound Off

Complete collection of past *Martial Arts Professional* issues and *Mastering the Martial Arts Business* issues, plus the current issue.

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NAPMABlog.com

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School Operations Quick Tutorials for Successful Schools, by Stephen Oliver

Get a fast lesson in the basics of essential martial arts school operations from the founder of one of the most successful chain of schools in the industry. Lessons you can put to use immediately in your own school.

Mastering the Martial Arts Business—Introductory Processes for New Students

Building a solid introductory process for students in your martial arts school. **VIDEO**

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Featured Community Members

Join these featured members...



Haitham Sadoon Fadhel

Style: Kickboxing/Muay Thai; Training for: Kickboxing 15 Years, Muay Thai 9 Years; Status: Part-time school owner. (up to 50 students).



George N. Reynolds, Sr.

Style: Okinawan Isshinryu; Rank: 7th-Dan; Training for: 42 years; Status: Full-time school owner (101-200 students).



Alan Goldberg

Style: Wing Chun; Rank: No belts in Kung Fu; Training for: 45 years; Status: Full-time school owner (51-100 students).



Daniel T. Sidlik

Style: Shorin-ryu, goju-ryu, kobudo; Rank: Shihan; Training for: 25 years; Status: Part-time school owner (up to 50 students).

Take Part in Our Interactive Poll

What do you consider to be your biggest challenge in running your school? See **NAPMA.com**

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For Members Only

Words Of The Week



Confidence: Parts 1, 2, 3, 4

GOLD Leadership Team Training



Turning the Bad into Good:
The Ultimate Skill of the Martial Arts Teacher

FREE Teleconferences



The Art of Giving Back

Jackie Chan

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The Way of the Mile High Maverick

Stephen Oliver

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Children's Training Videos



Melody Shuman—Teamwork Drills for Preschoolers, Part 1



Melody Shuman—Teamwork Drills for Preschoolers, Part 2

Adult Training Videos



Steve Doyon—Thai Kickboxing for Adults, Part 2



Steve Doyon—Thai Kickboxing for Adults, Part 3



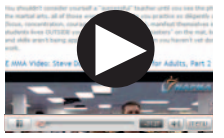
Steve Spoth— EDGE MMA Krav Maga Dynamic Stress Drills, Part 1



Steve Spoth— EDGE MMA Krav Maga Dynamic Stress Drills, Part 2



Tom Callos—How to Improve Your Child Program, Part 1



Tom Callos—How to Improve Your Child Program, Part 2

Sound Off





Interesting speakers and packed halls of school owners and operators were a staple of the 2010 NAPMA Extreme Success Academy.

"The knowledge that is learned here can help anybody with their busines."

I just had a fabulous, fabulous weekend. The amount of material and the amount of knowledge that was shared this weekend was phenominal.

I've been involved in a pattern of martial arts for a number of years and its nice to see things progress and definitely NAPMA lives up to its name of a National association of Professional martial artists. The level of professionalism that was presented here, and the level of professional information that is used to help apply this to any business within specifically the martial arts



Ed Parker, Jr.

industry, but the knowledge that is learned here can help anybody with their business.

Even what I do in my business I could greatly benefit from and I am completely honored to be here and pleased to be a part of this.

Ed Parker, Jr.

"Every time I walk away with at least 12–15 nuggets of information that I can use and directly implement."

I own Three Tiger's Martial Arts in Ofallon IL and I also own a not for porfit program in east St. Louis IL. I actually am a new martial arts school owner, I just opened up my school in January 2010. What's really cool is that with the information from NAPMA I went from zero to hero in about nine months. And



Tony Harris

that's pretty cool. This trip I am getting a bunch of cool information, I have actually been to four of these events, and every time I walk away with at least 12-15 nuggets of information that I can use and directly implement right then into my school. I have already called my program manager and we're working on some stuff for our birthday parties. Our birthday parties used to be 2 hours now we are going to have one hour birthday parties too. Its just insane! Its definitely a rockin' event and you should be here.

Tony Harris

"I was really happy with all the information that I got."

I have a Brazilian Jiu Jitsu school in San Clemente, CA. I am actually from Brazil and I just came out of the NAPMA seminar and I was really happy with all the information that I got. And now I have a lot of work that I have to do and I am realizing that we have to learn a lot in business and it is not only run an academy the way you do, you have to get better at business. If I had to compare with belts, I would say that today I am a white belt and I heard a lot of good speeches from Black Belts in business and I am really glad. I really recommend it.

Paul Rivera

"The information that I am receiving today is by far ten times what I got two years ago."

I run an organization called Healthy Kicks Family Fitness and Sports Club in Imperial Beach, CA.

This is my second event that I have come to with NAPMA. I went to a bootcamp in Denver about two years ago and by far the information that I am receiving today is by far ten times what I got two years ago. It is very applicable in today's economy.

This week has also validated what I have thought about marketing and being the last one standing because a lot of people have been closing their

See **SOUND OFF**, *continued on next page*

Why not send us a letter?

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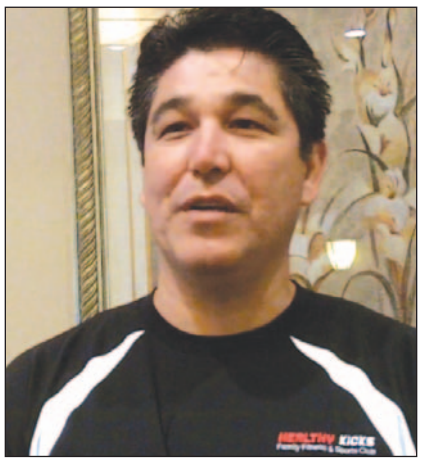
See MartialArtsProfessional.com for additional letters not printed due to space limitations, and blogs by Stephen Oliver and Toby Milroy.

Letters may be edited for clarity and length. Please include your name, address and daytime telephone number.

SOUND OFF, *continued from previous page*

doors to their gyms or what have you due to the recession. We have to spend money on marketing, we have an excellent service that our community needs and we can't quit.

So I am very very happy to be here and would like to say thank you to



Victor Beltran

Mr. Oliver and Toby and Mr. Brown. They were excellent speakers and excellent motivators giving us a clear picture of the true possibilities of doing not only what you love but also leading a prosperous life. A peaceful life so that you can have both sides of the scope. We are servants of the community, we have a great, great service and people are willing to pay for those services and I think that we could be better servants to our community by having a feature.

Victor Beltran

"We are in a contact sport and we need to make contact."

I run White Tiger Kung Fu. One of the things that I will bring home with me is that we are in a contact sport and we need to make contact. And that's the big lead is to make contact with people any way that you can. That's what I am going to take with me more than anything. Building a relationship with the community and building a relationship with schools and making contact.

Alberto Villa

Don't miss out on the next informative NAPMA Live Event: The NAPMA 2011 Quantum Leap, April 1–3, 2011. See NAPMAQuantumLeap.com for information and to register!

"I have had a tremendous weekend and I have learned so much."

Hi I am Omar Salvosa from Salvosa BJJ Ascension in Toronto, Canada. I have had a tremendous weekend and I have learned so much.

I am a person who believes very much in my ideas, but those ideas by themselves without likeminded people to share them with, they don't necessarily go as far as you want them to. But what I have gained from this weekend I am definitely going to have a lot more to go with and I want to thank you for that.

Omar Salvosa



Omar Salvosa



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NAPMA News

NAPMA Inner Circle Members Collaborate on Unique Book that is Already Providing Dividends

The Path to Leadership, a book that resulted from the collaboration of six master instructors and Inner Circle members of the National Association of Professional Martial Artists, was recently released to publication. Toby Milroy, NAPMA's Chief Operating Officer conceived the idea for the book as a way to support Inner Circle members' efforts to promote themselves as true martial arts masters, and to distinguish their schools as professional educational operations.

NAPMA positions itself to be the standard keeper for the martial arts industry. The need for self-regulation has become increasingly clear, as more states are moving to impose regulations on martial arts training facilities. Under the direction of Toby Milroy, the association intends to become to the field of martial arts instruction what the AMA is to physicians, or the Bar Association is for attorneys.

NAPMA schools offer a high level of leadership and life skills training above and beyond the physical training of martial arts. Their programs include monthly modules on such subjects as goal setting, self-discipline, focus, courage and integrity. Traditional martial arts instruction is more than physical training of techniques. It involves character development and leadership training for responsible use of the skills.

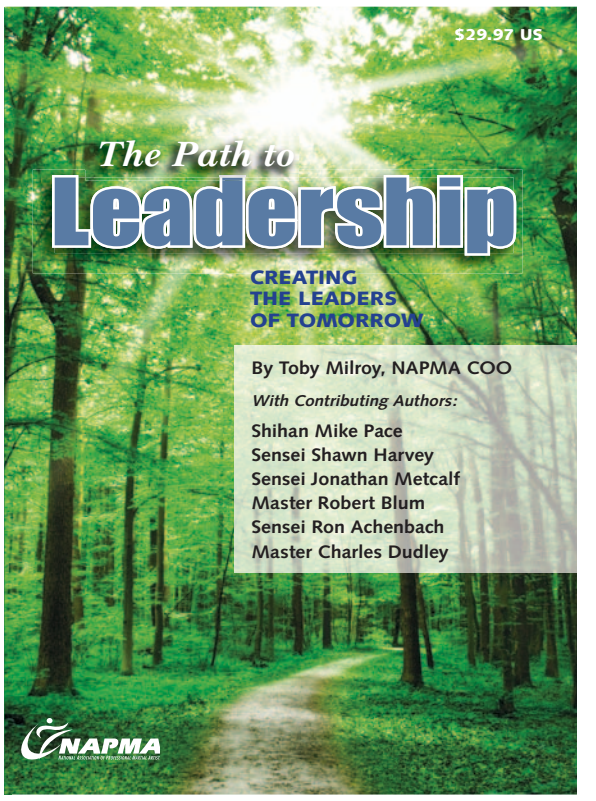
NAPMA members voluntarily self-regulate to meet certain standards of performance such as customer service, instruction standards, ongoing training, learning styles and more. The book was written for parents, to help them understand how traditional martial arts training helps their child improve his or her self-confidence, ability to set goals and success-oriented mindset.

The recent popularity of mixed martial arts has caused parents seeking traditional instruction to become confused by the choices. Many parents want the benefits of martial arts but want to avoid the street-fighter style of the MMA. The "Path" project was also intended to clearly establish the criteria for a professionally run school in the mind of parent prospects. These are schools that follow the tradition of using martial arts to teach character development, leadership skills, personal responsibility and service. Sports-oriented schools focus on competition and often are not appropriate for the education of children.

NAPMA member schools are focused on traditional instruction, but also use modern educational and psychological research on the different learning styles and how best to instruct children and adults. NAPMA member schools stay informed about the fitness benefits of martial arts.

The six collaborators on the project were Shihan Mike Pace, owner of the Pace Academy; Sensei Shawn Harvey, owner of Bermuda Martial Arts; Sensei Jonathan Metcalf, Chief Instructor, Integrity Martial Arts; Master Robert Blum, owner of Just for Kicks Martial Arts; Sensei Ron Achenbach, owner of American Karate De Pere; and Master Charles Dudley, owner of Kung Jung Mu Sul.

Milroy opened the book contributing the first three chapters. In the first chapter, he goes into detail about the difference in the three types of martial arts instructional facilities: Self-Defense,



Designed to help Inner Circle members fill their leadership programs.



Contributing author Mike Pace has leveraged the publication of "The Path to Leadership" into significant local press coverage.

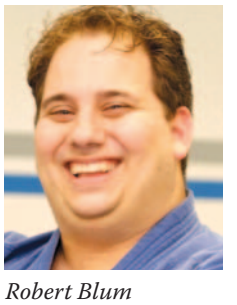
NAPMA Inner Circle Members contribute chapters to *The Path to Leadership: Creating the Leaders of Tomorrow*


Toby Miloy

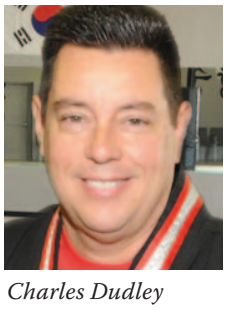

Mike Pace


Shawn Harvey


Jonathan Metcalf


Robert Blum


Ron Achenbach


Charles Dudley

Sports, and Professional Instruction, which included NAPMA member schools. He also explains the additional training NAPMA member schools have that include educational techniques, first aid, fitness training and professional business management practices.

Milroy also penned a second chapter on the importance of the mastermind effect in character development and instilling a sense of social responsibility in children. The master mind is a well-established technique for encouraging individuals to perform to a higher standard.

Milroy's third and final chapter covered the challenge of how to develop the lifetime skill of character development by teaching basic skills like setting a vision for your life and learning how to make the most of failure.

Shihan Pace contributed a chapter on the importance of a positive mental attitude to success and how martial arts training directly instills a positive mindset in young students. He further covers the skill of how to use language to support a positive mental attitude in a student's thought processes.

The critical life skill of goal setting was explored by Sensei Harvey, detailing the importance of following through on goals. He explains how martial arts training provides an excellent opportunity to learn the discipline of commitment and its relationship to goal setting.

Sensei Jonathan Metcalf wrote a chapter on children at risk and how martial arts supports school intervention and goes several steps further in putting a troubled child back on the right path.

The development of self-confidence is the most well known benefit of martial arts training and the one commonly used by school owners in sales meetings. Master Blum writes in depth about how martial arts is one of the best ways to create a lifetime attitude of solid self-confidence.

Often parents see martial arts as a solitary pursuit and mistakenly think that participation in team sports is the better way to learn teamwork skills. Sensei Achenbach explains how martial arts creates a sense of teamwork and social responsibility when a master instructor teaches it.

Master Dudley contributed the last chapter with a discussion of how self-esteem is earned and not the result of false praise. Many parents wrongly believe excessive praise will build self-esteem. Master Dudley explains how the skills learned in martial arts are ideal for developing a lifetime practice of building self-esteem.

In addition to coordinating the project, Milroy has assisted the contributors in how to make the most of the book to promote themselves as authentic experts in the field of martial arts and as the highest quality instructional facility. NAPMA has supported the project with press releases, online announcements, announcements at the Extreme Success Academy and in the Mastering the Martial Arts Business Journal.

Shihan Pace has already received local media coverage for the book and for his school with press releases. All of the contributors have made the books available to parents and prospects at no or low cost.

The Path to Leadership is available as an online publication through Issuu.com. While it was written for parents of prospective students, it is a valuable model for school owners on how to construct a sales presentation. It has a number of useful points about the benefits of martial arts instruction in a professionally operated educational facility. For more information, contact TobyMilroy@NAPMA.com ■

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Industry Insider

Russell Crowe Joins RZA's Martial Arts Film

Wu-Tang Clan founder RZA has written and is planning to direct a martial arts film called *The Man With the Iron Fist*, to star Russell Crowe. The two have previously co-starred in *American Gangster*.



Russelll Crowe

In *Iron Fist*, RZA will play a weapons-making village blacksmith in feudal China. "I won't spoil it for you, but Russell's gonna be the baddest man alive," the rapper told E! Online. "That man is in fighting shape. That man will knock you out."

The plan is to begin filming in December in Shanghai with a budget of $20 million. Eli Roth is both a co-writer and co-producer of the movie.

The Karate Kid Sequel Brewing, *Kung Fu Panda* Writers Preparing Script

Cyrus Voris and Ethan Reiff, the writers who created the 2008 CG-animated film *Kung Fu Panda,* have been hired to write a sequel to *The Karate Kid*.

The June release went from a $40 million-budgeted longshot into a global hit. *The Karate Kid* has grossed more than $300 million to date. The film's rapid success resulted in a sequel being put into development almost immediately.

Kevin James to Enter UFC's Octagon in MMA Movie

Sony Pictures has announced that *Grown Ups* star Kevin James will re-team with the studio for an untitled movie set in the world of mixed martial arts.

James will play a physics teacher whose school is facing drastic budget cuts. In order to earn money to save his best friend's job and the music program that his students hold dear, he moonlights as an MMA fighter, and winds up doing battle in the UFC.

James next stars in Sony/MGM's *The Zookeeper*, which features the voices of frequent collaborator Adam Sandler, as well as Sylvester Stallone, Nick Nolte and Cher. That comedy will be released on July 8, 2011. ■

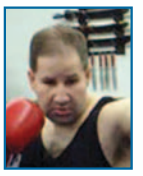


Kevin James

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—David Ross, New York, NY

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—Wallace Cupp
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Mecklenburg Sees Similarities between National Football League and Martial Arts

Karl Mecklenburg's story embodies the same level of commitment we instill in our students.

As a virtually unknown college football player, picked 310th in the NFL draft, Mecklenburg overcame the odds and had an outstanding 12-year NFL career. His impressive career included three Super Bowls and six Pro Bowl appearances. He is an inductee to the Colorado Sports Hall of Fame and The Denver Broncos Ring of Fame.



"My passion for the longest time was to be the greatest football player that ever played. Obviously, I can't do that anymore, so I've become a motivational speaker and author. My desire is to inspire long-term positive change in teens and individuals," said Mecklenburg, author of *Heart of a Student Athlete, All Pro Advice for Competitors and Their Families.*

He is often asked, "How can my child be successful?" This inspired him to write a clear, concise explanation of his universal keys to success. These keys include teamwork, courage, dedication, desire, honesty, forgiveness and goal setting, all of the same qualities we work to teach the students in our schools.

"These principles apply equally to a four-year-old White Belt trying to accomplish push-up and sit-up goals, a Black Belt more concerned about his next competition, a school business owner or a mother with kids in your class," said Mecklenburg. "Whenever these principles are applied throughout anyone's life, the results are positive growth."

Mecklenburg believes that it's difficult for many people who have succeeded in one part of their lives to humble themselves to focus on a new goal, which requires them to start from the beginning, applying these principles again, and listening to and learning from mentors.

"Honestly, I experienced this challenge because, as a pro football player, the team scheduled my professional time, telling me where to be, when, what to eat, how much practice time, etc. Of course, that control of my professional life affected my private life, too," explained Mecklenburg.

"Suddenly, my career reached its end, and I had no detailed schedule to follow. I struggled, and was lost for six or seven months, but it occurred to me that I had been in this situation when I started my playing career. I decided that I had to start again and learn the talents necessary to accomplish new goals."

Mecklenburg thinks this is often a challenge for martial arts school owners, and applying the same principles they used to become successful martial artists/athletes helps them become successful business owners.

What he has discovered as an author and speaker is that people without organized-athletic experience don't understand these concepts easily; however, he thinks martial artists with their long-term athletic experience have a big advantage over most people, especially those in the business world. From his perspective, martial artists have reached a high level of dedication and understand how to work on a team. They have the internal drive to have already accomplished so many professional and personal goals.

"Those ingredients already exist in the life of a martial artist, so my advice is to use them in your business, and you'll have a greater-than-average probability to succeed in the business world too," Mecklenburg said.

He thinks that many people relinquish too much control, not realizing that everyone has more talent than he or she can use in a lifetime. People must discover their passions and mission, and then use their free will to fulfill their missions. Relying too much on talent, as the secret ingredient to success, is a topic that Mecklenburg understands thoroughly.

The Importance of Hard Work to Success

"I was the 310th pick of the draft, based on quantifiable attributes: my height and weight, my 40-yard dash time, how high I could jump, etc., but success is so much more than talent. Success is your desire and willingness to persevere. Success is overcoming obstacles on the way to your dreams. If perseverance isn't part of your character, then you won't have opportunities to be successful."

For Mecklenburg, talent is a secondary attribute—and it may limit your athletic success—but if you prepare and learn how to anticipate trends, opportunities and pitfalls, then you'll begin to trust yourself and have the courage to be decisive.

"I was limited on the football field, based on statistics, because I was a bit slower than the average NFL linebacker. I ran a 40-yard dash in 4.9 seconds, while the average was 4.6 or 4.7," said Mecklenburg. "I found that if I took the first step in the right direction before anyone else, then all of the angles changed in my favor.

"As a business owner, you can improve your lack of business acumen by looking forward, to anticipate future opportunities, and then prepare for them. When you apply these concepts to your business and life, you won't be relying on pure talent because talent is definitely overrated," advises Mecklenburg.

Stephen Oliver agreed with the former NFL star and explained that many martial arts school owners look at those identified as successful in the industry and think that they were born with a special magical gift of gab or sales and marketing skills.

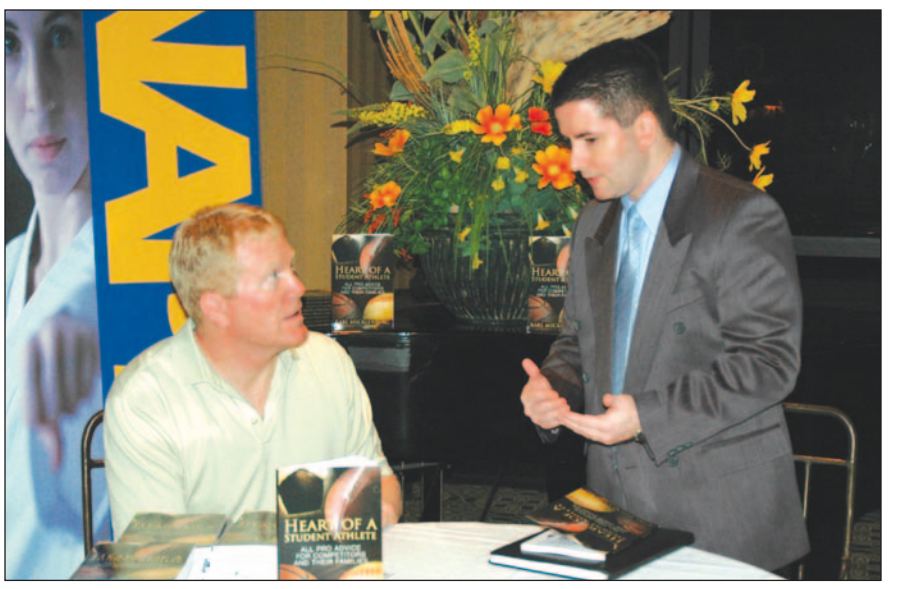
"They fail to realize how often we have fallen on our faces or how near to bankruptcy we were (or actually went bankrupt) and how many obstacles were in the way of our success," said Oliver. "I appreciate how hard you had to work to become the champion you are."

Mecklenburg responded, "I don't know anyone who is truly successful or has reached his or her potential that hasn't failed. Failure is a part of success. That is how people learn. They learn from their failures and hopefully from others' failures."

According to Mecklenburg, employees that he addressed at Coca-Cola recently were concerned about changes to their internal structure. He reminded them that negative information is every bit, or maybe even more, important than positive information.

"As a football player, I could always learn more from a loss than a win. The





Top: Karl Mecklenburg during his playing days. Bottom: Karl and NAPMA COO Toby Milroy exchange notes during a book-signing session at the 2009 NAPMA Extreme Success Academy.

and character development."

Mecklenburg continued by saying that, through his book, he tries to expose young people to the truth that even someone that is revered as he is in Colorado had all kinds of challenges to overcome, and he did so because he had a passion. "That was very important to me. I had determined early in life that I wanted to be a great athlete and be as good as I possibly could at high school, college or pro football; whatever level I was able to accomplish," Mecklenburg said.

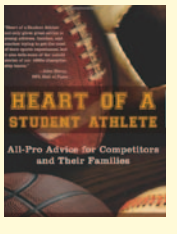
According to Mecklenburg, parents have a role too, but they don't often understand that the desire and passion must come from the child. The parents' role is to provide the opportunities for their children to try many different activities, including martial arts, music, theatre and other athletics, so children can discover their interests. Parents must then support their children and help them fulfill their missions.

Mecklenburg said, "I'm sure NAPMA members and most school owners have had children who become students, and come to classes for a time and work to develop some confidence, self-esteem and various skills; but eventually they realize that martial arts is not where their passions lie, so they drop out."

Order Karl Mecklenburg's Book!

Karl Mecklenburg's new book, *Heart of a Student Athlete, All Pro Advice for Competitors and Their Families*, a "Mom's Choice Award" recipient, is available online from Amazon.com, Barnes & Noble, and in major bookstores.

Visit **NAPMA.com/KarlMecklenburg** for more information.





He added that the students who are successful, Black Belts and of higher ranks, recognize that martial arts is their passion, their mission. Their parents have supported them, by driving them to and from classes and tournaments. "Those are the sacrifices that parents make, but the dreams, the passions and the missions are the children's; and those that succeed clearly have that passion," Mecklenburg added.

Mecklenburg also focused on the concept of motivation and the similarities and differences that he experienced as a pro football player and high school football coach, and how that applies to the role of martial arts instructors.

"I was motivated throughout my football career by the reality that if I didn't play well, then another player was ready and eager to take my job. The high school football players I coached at a small school in Colorado needed a different kind of motivation, however," Mecklenburg explained. "We had so few kids on the team that it was unlikely any player would be replaced by someone further down the roster."

According to Mecklenburg, becoming responsible for their teammates, being accountable to the school and each other, is what motivated his players. Pride in the school and one's contribution to the team became the driving forces.

From his perspective, martial artists have reached a high level of dedication and understand how to work on a team. They have the internal drive to have already accomplished so many professional and personal goals.

This is much the same challenge that school owners and instructors face, but it's to your advantage to develop a similar source of motivation for your students that is real and drives them to continue their training.

"Many martial arts students probably have stories similar to mine," said Mecklenburg. "I was a pre-medicine student. I wanted to follow in my father's footsteps, so if I didn't make it as a pro football player, then I was going to medical school. Just like most martial arts students, I wasn't playing for my life; I was playing because I loved the game, just as they love martial arts."

Based on his experience, Mecklenburg believes community is one of the elements of leadership, and manifests itself first as the community of your school: your students and their parents and families and your staff. Community becomes a success driver when you understand the strengths and weaknesses of your students and staff, and you use the strengths of your team to cover for individual shortcomings and the strengths of individuals to elevate the quality and productivity of your team.

Oliver commented, "I think so many NAPMA members and school owners, in general, are afraid that if they start to develop their businesses and they generate much more revenue and personal wealth, they are giving less to their students or are less effective as teachers. They have that artist's mentality that they shouldn't be in it for the money."

Mecklenburg responded by defining success as the opportunity "to reach the greatest number of people and have a much greater impact on their lives."

"I could stay in my office and give phone interviews all day, but that only has a minimal effect on others. When I speak in front of large groups of people and write and publish a book, suddenly, I am impacting the greatest number of people I possibly can. That's the mindset martial arts school owners must develop. To me, it's all about desire. If your desire is just to make money, then you are on the wrong road. If your desire is to impact the most people in your community and to make a difference in their lives, then making money is an indirect benefit of directly helping people and making your community a better and safer place to live," Mecklenburg added.

He also said that there is great responsibility when you make money; and many people are unable to be responsible with their wealth. If you can be responsible, however, then you can use money to benefit those in your life. Mecklenburg also emphasized how the NAPMA community parallels the professional sports team community.

"When you can team with other martial arts school owners in NAPMA, your professional association, then you will have the opportunity to grow personally and professionally much more than you could just by yourself," he stated. ■

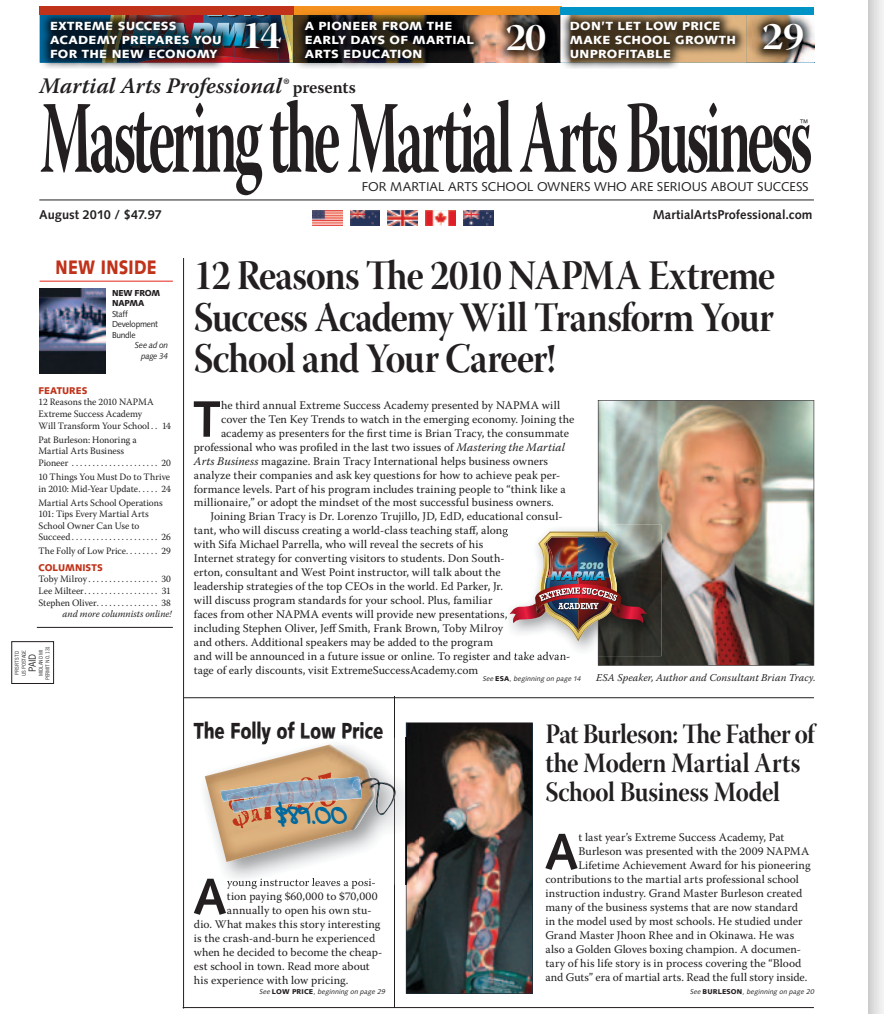
New Trade Journal Well Reviewed by Focus Group and Sponsors

At the 2010 Quantum Leap Conference, Toby Milroy. NAPMA's Chief Operating Officer, hosted a focus group of 30 school owners to review the NAPMA's newest publication, *Mastering the Martial Arts Business*. This trade journal is a departure from the typical entertainment style magazine currently available in the industry. After showing the focus group a selection of martial arts magazines, they were asked to choose the one they would read first. *Mastering the Martial Arts Business* was chosen seven to one over the traditional magazines.

Participants cited the straightforward business editorial as the primary reason for their preference. This is not surprising since the publication's circulation is targeted at, and distributed to, professional school owners with a history of successful school operations. The majority of the readership of *Mastering the Martial Arts Business* is professional martial arts educators with a history of investing in their businesses.

"These are the people who have run schools for a number of years," said Milroy referring to the focus group. "Obviously if they were at our Quantum Leap event, they're pretty serious about investing in the development of their school and their skill set for business management."

Participants in the focus group were chosen because they represented an accurate cross section of the journal's readership. They expressed appreciation for the editorial focus of business operations and marketing rather than "just fluff pieces." They were especially appreciative of the lack of attention given to the mixed martial arts that has been dominating other industry publications. Participants explained the MMA doesn't speak to the traditional martial artist running a professional martial arts school with children, focused on character development and other traditional benefits of martial arts training.


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and more columnists online!

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12 Reasons The 2010 NAPMA Extreme Success Academy Will Transform Your School and Your Career!

The third annual Extreme Success Academy presented by NAPMA will cover the Ten Key Trends to watch in the emerging economy. Joining the academy as presenters for the first time is Brian Tracy, the consummate professional who was profiled in the last two issues of *Mastering the Martial Arts Business* magazine. Brain Tracy International helps business owners analyze their companies and ask key questions for how to achieve peak performance levels. Part of his program includes training people to "think like a millionaire," or adopt the mindset of the most successful business owners.

Joining Brian Tracy is Dr. Lorenzo Trujillo, JD, EdD, educational consultant, who will discuss creating a world-class teaching staff, along with Sifa Michael Parrella, who will reveal the secrets of his Internet strategy for converting visitors to students. Don Southerton, consultant and West Point instructor, will talk about the leadership strategies of the top CEOs in the world. Ed Parker, Jr. will discuss program standards for your school. Plus, familiar faces from other NAPMA events will provide new presentations, including Stephen Oliver, Jeff Smith, Frank Brown, Toby Milroy and others. Additional speakers may be added to the program and will be announced in a future issue or online. To register and take advantage of early discounts, visit ExtremeSuccessAcademy.com

2010 NAPMA EXTREME SUCCESS ACADEMY

See **ESA**, *beginning on page 14*

ESA Speaker, Author and Consultant Brian Tracy.

The Folly of Low Price

A young instructor leaves a position paying $60,000 to $70,000 annually to open his own studio. What makes this story interesting is the crash-and-burn he experienced when he decided to become the cheapest school in town. Read more about his experience with low pricing.

See **LOW PRICE**, *beginning on page 29*

Pat Burleson: The Father of the Modern Martial Arts School Business Model

At last year's Extreme Success Academy, Pat Burleson was presented with the 2009 NAPMA Lifetime Achievement Award for his pioneering contributions to the martial arts professional school instruction industry. Grand Master Burleson created many of the business systems that are now standard in the model used by most schools. He studied under Grand Master Jhoon Rhee and in Okinawa. He was also a Golden Gloves boxing champion. A documentary of his life story is in process covering the "Blood and Guts" era of martial arts. Read the full story inside.

See **BURLESON**, *beginning on page 20*

Early indications based on the membership promotions and web conversions resulting from the first four issues show the response rate for NAPMA's internal marketing has increased dramatically. In the first two issues of the new format, NAPMA had a 600% boost in response to membership. NAPMA has also had a 67% increase in web opt-ins, event inquiries, and general responses to call to action.

"Our perception was that the industry was just tired of having the same magazine look and content in every publication," said Milroy. "We deliberately chose to move away from the entertainment type of content aimed at hobbyists, to a professional trade journal. There was a need to address serious issues facing our members and other industry professionals, like the credit card crisis and the FDC regulatory changes on the use of testimonials in advertising. This is the kind of information that helps our members run quality schools. They don't need another fan piece about the latest MMA fighter."

NAPMA has also had a lot of positive feedback from advertisers like the World Class Rewards Company who report an increase in responses from the old format to the new journal.

Our members and readers are the people most interested in the product and services offered by advertisers. Circulation is highly targeted at the decision maker for the school.

NAPMA advertisers enjoy robust, multi-media bundles with opportunities to maximize exposure for their ad dollars investment, by placing their message in the magazine, on the Maximum Martial Arts E-zine, NAPMAblog,com, in e-mail blasts and more.

NAPMA goes the extra step for advertisers and attendees at the Quantum Leap and Extreme Success Academy events, by bringing vendors into the presentation area. This allows members time to meet with the vendor who can best help them solve their business challenges. Jimmy Mack, Lead Pro Marketing, wrote after the last event, "I haven't had a chance to thank you for a great show. It was nice to see a host include the vendors in some of the goings on."

NAPMA has created special programs with advertisers for its members to solve specific problems, like the credit card crisis. Jeffery Cole, Merchant Bankcard, wrote, "Thank you again for the opportunity to participate in another successful NAPMA convention/forum. The need for our service (processing high tickets) is getting stronger and more prevalent by the day. There were several studio owners that had funds being held from their processors and were looking for immediate help. We're really getting some real traction and real numbers. The new magazine format looks great and I think it will be a huge success for you."

If your business would benefit from multiple exposures to the most successful and focused school owners in the country, contact Toby Milroy directly at TobyMilroy@NAPMA.com. Our readers are interested in hearing how you can help them become more successful with their schools. ■

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(Guests are subject to change due to their scheduling / Non Banquet Guest $35 Trade show Entrance Fee for 2 days Free Coffee & Danish on Friday)

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An Interview with Legendary Marketing Guru Jay Abraham





In Part 1 of this interview, Jay Abraham is one of the world's foremost marketing gurus, and he's granted us this exclusively martial arts-oriented interview. Here we present martial arts marketing with a real business grandmaster. Meet the genius who's consulted for practically every type of business known to man including martial art schools, at $5,000 an hour!

Abraham has seen and dealt with every type of industry you can imagine, including the martial arts. He conducted extensive work with Educational Funding Company in the early '90s. A small sampling of his other clients include Microsoft, AT&T, Baskin-Robbins, Century 21, Chevron USA, Charles Schwab, GTE Sprint, General Electric, IBM, Monsanto, Sears, Texas Instruments and many other corporate behemoths.

Martial Arts Business: Jay, let's get started by talking a little bit about your background. How and when did you get started helping others with your amazing marketing strategies?

Jay Abraham: I started about 25 years ago and worked for lots of different companies in totally unrelated fields. I had a number of massive and really almost amazing successes. Upon reflecting one day, I realized that the reason I had done so well was because I was able to take totally unrelated strategies, methodologies, selling, marketing and customer/client-generating approaches from all kinds of unrelated industries and apply them to industries that had never heard of them. And because of those approaches, their success just skyrocketed.

After I realized how massive these successes were, I stopped working for other people and basically started counseling — first of all, privately. I counseled private clients that make a lot of money. Then we started really trying to help people who couldn't afford $5,000 an hour or 25% of the profit, people who couldn't pay enough to make it worth our time. So we started selling training programs, expensive tape programs and $400 books, things of that nature that I sort of migrated into.

Martial Arts Business: You've consulted with practically every type of business known to man including martial art schools. What do you think are some of the weak spots in martial arts marketing and what can school owners do to overcome those weaknesses?

Abraham: You know that's a really barbed leading question, but I will do my very best to try to answer it in a instructional way that everybody can really gain from.

The first thing is that you have got to understand from the get-go what a student — I'll call it a client — is worth to the school, to your business, over the course of his or her expected life. Most people don't look at marketing or advertising in the right light. They say, "I'm going to spend $1,000 a month or I am going to spend five percent of sales on advertising." That's ludicrous!

You have to know how many of your students convert to $500, $1,000 or more, and how many of those students train for a year or two or three years. Until you know what the cumulative implications of every body coming to your system is worth in dollars and cents, you don't know how much you can afford to invest — not spend, but invest — to bring people in.

So, I call that "marginal net worth of a lifetime value." You have got to

learn that first. Second of all, you've got to learn that marketing is a continuous, strategic process. It is not an episodic, tactical process. Everything has to be designed to advance, enhance and achieve a continuous progressive goal.

Martial Arts Business: How would you describe most martial arts school owners when it comes to marketing?

Abraham: Most people in your field are, at best, episodic; they are totally tactical; they run ads that don't make any sense. They don't run things continuously. They don't understand any of the process of integrated marketing. When you understand that, it makes you many times more successful very quickly. Probably over six or nine months, you can double, triple, quadruple or improve your esults by 10 times! It can be quite profound.

The next thing is you must be able to clearly, definitively, immediately define, describe and articulate what your "unique selling proposition" is. You must be able to explain instantly to somebody the reason why he/she is foolish not to avail themselves of your school, of your training, of your courses. What's in it for them?

Martial Arts Business: In your own words, for our readers today, Jay, please explain what a "unique selling proposition" is and why every martial arts school owner should create one.

Abraham: Why don't I demonstrate it, rather than explaining it in a technical or an academic sense? When Federal Express first came out, it was a really gruff, scruffy, undependable environment. The company came out and said, "When it absolutely, positively has to be there overnight by 10 a.m., Fed Ex guarantees it." That's a unique selling proposition.

When pizza was only available if you called in and came to the store to pick it up, Domino's came out and said, "Hot, fresh, delicious pizza delivered to your door in 30 minutes or less or it's yours free." That's a unique selling proposition.

When Nordstroms department stores came out, they built their own business on a very simple positioning, a unique selling proposition. It was: "If you are unsatisfied with any purchase for any reason, at any time in the future, you can have a refund, you can have a credit or you can have a replacement — no questions asked."

The next thing you've got to be able to do is systematically, strategically and continuously mine and harvest a constant and qualitative flow of referrals, and it's not episodic or intermittent. When I look at companies in all fields, but in the martial arts field particularly, I ask, "How much of your business comes from word of mouth or from referrals?" Unless you've got a terrible school, unless you're really abrupt and rude and coarse and call us with your students, I would say that most schools would probably have somewhere between 20% pecent and 100% of their business, of their students, emanate from referrals or word of mouth.

Martial Arts Business: Many schools we work with get a ton of referrals.

Abraham: And what is the average size school? What is its annual revenue?

Martial Arts Business: The average size school is probably about one-hundred-fifty to two-hundred students, but in the NAPMA organization, we work with everybody from the small-time instructor to school owners that are grossing millions a year.

Abraham: Would you say that, reasonably, a school that does $200,000 a year is average, low or high?

Martial Arts Business: That's tough to say because all schools are very different. Let's say that's about average.

Abraham: Okay, so let's take the $200,000 a year. Let's say that 40%t comes from referrals. Is that reasonable?

Martial Arts Business: It depends on the school. Some people we know have eliminated most of the advertising and they're getting most of their new students just from referrals. Other people report the opposite.

Abraham: It should be 40%. You can have a by-referral-only business that virtually dispenses with advertising. But in order to do that, you have to be very strategic in your ability to structure proactive, systematic, formalized, continuous referral systems.

Let's say the referral rate is 40%. At seminars or when training groups, I ask, "Stand up if at least f40% of your business is referral-generated." And then all of them would stand. Forty percent of $200,000 — if that's the average revenue a year — is $80,000. Incrementally, you could argue that figure is almost all profit, if the rest of your business is coming from your advertising.

But then I say to these groups, "Stay standing if you have in place at least one formalized, systematized, ongoing, referral-generating system that really has worked every day, all the time, in every scenario, with all your students?" This includes positioning them from the beginning that your business is based on referrals. And after you teach them what you have promised and they see the transformation of skill and character, they agree from the beginning that they will refer two or three like-minded families, friends, parents, children, whatever. When I pose this question, almost everyone in the group sits down.

Martial Arts Business: How many referral systems should a school have in place?

Abraham: Unless you have at least one ongoing, referral-generating system in place, you're dead. Most people don't even have one. They do it intermittently. They do it just through organic growth, which is stupid.

We actually studied 7,137 unrelated industries. We found 93 unduplicated referral-generating systems that almost nobody knows about! Of course, you don't need ninety-three systems. Most martial arts schools, however, don't even use one system regularly.

If you used five or six ongoing, referral-generating systems, you could double, triple, quadruple your clientele. And the kind of clientele that emanates from a referral is the kind that you can close quicker, they argue and negotiate fees less, they come more often, they are more qualitative, they are more enjoyable, they refer more people and they are far more profitable.

Martial Arts Business: Yes, the least expensive and highest quality source of new business. That's a fact.

Abraham: In terms of advertising, I would say that if you were going to run the ads, make sure the ads are designed to be direct response. Make sure you know what your goal is. Make sure that they're designed to be focused strictly on the reader and what is in it for him or her, the reader.

> ***"You must be able to clearly, definitively, immediately define, describe and articulate what your unique selling proposition is. You must be able to explain instantly to somebody the reason why he/she is foolish not to avail themselves of your school, of your training, of your courses."***

Make sure that you have a call to action. Make sure that you have some offer of information or an experience or an observation or something that will really give them a benefit relative to some area of their life or their family's life they are looking to reach. For example, you want to transform your child's confidence? You want to find a way to build your health? Reduce your stress? Open your mental acuity? And, have a great time to boot.

Martial Arts Business: While we're talking about advertising, Jay, what are your thoughts on Yellow-Page ads, since this is really one of the most common ways that martial arts schools advertise?

Abraham: I think the Yellow Pages can be useful. However, most people run terrible Yellow-Page ads that are static. They don't really understand. Somebody is only going to look in there when they're looking to take action. The headline is 80%

See **ABRAHAM**, *continued on next page*

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Marketing genius Jay Abraham reveals passive-income ideas that you can implement with little time or money — ideas that work for you while you pursue our passion of martial arts education. Before long, you'll have the additional income to invest in your school and grow it beyond your dreams, with stronger marketing and promotions, improved facilities and even multiple schools.

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to 90% of the whole impact of any ad that you run, including a Yellow Pages ad. The headline, you could say, is the ad for the ad. Half of the ads don't have a headline. The rest that do have headlines have terribly weak, tepid, anemic, self-serving headlines or they're just not benefit-oriented headlines.

The difference between the right benefit-oriented headline [in an advertisement] and the wrong one could be 21 times more or less effective.

Martial Arts Business: That's an amazing difference!

Abraham: Yes, 2,100% greater yield from the same expense. Yet, when I'm perusing 20 or 30 of them, most advertisers don't have anything in their headline to denominate what's in it for me. It should read, "We will turn you into blank and blank." Or, "It's free!" Or, "We will let you experience it before you ever have to pay!"

Whatever the benefits are, they should appear in the headline. You are selling benefits, you are not selling features. It is not about you.

There's a constant rub called the "you attitude." When I'm working for a client, I don't care about the client's needs or desires. I care about the people they are trying to serve. It is all about them; it is not about the client. The client is enriched only after he fulfills, satisfies, enriches, enhances, protects, expands, entertains, whatever, by rendering the service.

Martial Arts Business: Like any membership-driven organization, a martial arts school is constantly trying to enroll new members but in a cost-effective manner. What are some of the low-cost marketing strategies that you believe would work well for instructors that are on a limited budget?

Abraham: Well, I'm going to go back to what I said at the beginning of this interview. "Cost-effective" is a relative term. If you find out that every time you get 10 people to start an experience, four of them convert, and the average person spends $2,000 a year and stays for four years.

Four students times $2,000 per year is $8,000, times four years of training equals $32,000. You could probably afford to spend a non-inconsequential amount of money to bring them in, couldn't you?

Martial Arts Business: Well, it depends on your expenses.

Abraham: Yes, as long as you know what they are worth, you know how much you can expend in ads, sales commission, joint ventures, etc. So, I would advertise more but more effectively. Now that you know what each new student is worth, I would approach organizations that already have a strong affinity with the market and work out joint ventures with them. You could have a deal where an organization invited all their members to come for special private classes, or a three- or six-month preview or for a discounted rate.

You just want to get a lot of people started, and your goal in life is to lower the barrier of entry and to accelerate the buying process so people get into the groove faster. Consequently, you start making more money over a longer period of time. It's very logical, but most people in your field don't do this. Most of them are pretty dedicated, and have very high integrity. They are very qualitative people. Many of them are spiritual. They've got incredible character and they do a lot of good.

But I don't think they've got a clue about marketing and the business dynamics and how to really make a lot of qualitative and ethical money in this business. You've got to start by taking a deep breath and looking at dynamics like that.

Martial Arts Business: On that note, on a scale of one to 10 — with ten being the best — how would you rate most of the martial arts print ads you have seen?



Abraham: They are not very good. And that is not the right question. Let me give a little primer in Lead Generating 101. Lead Generating 101 is about the quantity of people you bring in — the quality, the convertibility and the residual value. What they buy the first time, and how long they stay with you. Most people that I've seen in your field don't have any kind of strategic, integrated, systematic approach.

We have found, in all the clients that we've worked with, that today people need to be respectfully, benevolently approached numerous, sequential times to maximize the yield. We conducted an experiment where we did a mailing to a list that pulled nothing. Then we did 25 subsequent communications over four months and brought $5 million out of the same list that didn't do anything in the beginning.

What we found is that most people don't understand the lead-generating and conversion process. You run an ad, you get leads. Some people come in and some don't. Some call, some don't show up, some try it, some leave. Most people in your field feebly follow-up or don't follow-up at all. They are very superficial. They are very limited. They are very episodic in what they do.

I did a seminar about nine months ago and I had 700 people pay $5,000 to come. You can do the math: That is $3.5 million.

But that's not what is impressive. I wanted to prove to people the point I just made. I had done about 25 different sequences of communications, promotions, advancing and enhancing processes to move people through the migration path to closure for that seminar. At the seminar, I named everything that I did and I had people attending stand up and go to the wall who were finally impacted to action by that particular communication.

I started with the first one that I did, and I'd say about 50 of the 700 people there went to the wall. So, if I had stopped my promotional campaign there, I would have only made a quarter-million dollars instead of adding $3.5 million in revenue. I announced the next one and another 60 people moved to the wall, and so on.

The point I am making is most people in your field give up prematurely.

Martial Arts Business: Well, here's a scenario. I'm a martial arts school owner and I've got, say, a variety of different marketing strategies in place out there in the field. Roughly, how many times does a potential student have to hear my name or see my ad before he or she finally takes action and calls my school?

Abraham: Until it stops being profitable. You see, I believe in polarization. We believe in the philosophy called the Power Parthenon of Geometric Business Growth. We believe in accessing a market from as many sustainable focal points as possible. We believe in advertising, strategic alliances, e-mails, joint ventures, space advertising, radio joint ventures, preview weeks.

Martial Arts Business: So, you're generating a lot of different leads from a lot of different sources.

Abraham: Because it's very easy for people today to procrastinate, equivocate. Ask yourself this question: Is there anything in your life right now that you have wanted to do, but you are procrastinating on it?

Martial Arts Business: There are a couple of things.

Abraham: Like maybe going on a trip, getting a brochure about a good locale maybe finding out about a new hotel, to do a seminar in, or interviewing or monitoring a speaker. Any of a million things.

Now, is the reason that you put



i've got a secret...

It's really true in our industry that the rich get richer, and the poor suffer, then fade away.

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it off because you really weren't interested or because it really isn't somewhat important?

Martial Arts Business: No.

Abraham: Did you then put it off because it was easy to procrastinate because it wasn't top-of-mind awareness?

Martial Arts Business: Exactly.

Abraham: The job for the promoter is to, first, keep your proposition aware at a higher level than anybody else, and second, to understand the Baskin-Robbins theory of marketing. It's bulletins, benefits and hot buttons. If the whole world just loved vanilla and chocolate ice cream, there wouldn't be a Baskin-Robbins.

The variety translates to different stimulus, different reasons why people might be interested. You might write to me and say, "Hey, how would you like to have your character built?" Well, maybe that appeals to some people. Then you write me again or communicate, "Jay, I know character-building is important, but I'll bet health is just as important to you." Or, "I'll bet confidence is important." And then you write to me again and say, "You know, a lot of people tell us that the character and the confidence is really high-ranking, but they really love the stress relief." ■

Look for part two of this interview with Jay Abraham in the Winter 2010 issue of Mastering the Martial Arts Magazine, and at MartialArtsProfessional.com





How to Write a Press Release that Actually Gets Some Press!

Attracting positive publicity is important to your business because it can bring paying students into your school and contribute to your professional reputation. One time honored and highly effective tool for getting your name and business covered by the media is the press release.

A good press release is simply a one-page story describing a news event that you want covered by the media. A press release should be no longer than one page. It needs to include a short bio about you and about your school but avoid bombarding the editors with an encyclopedic study of all your accomplishments. If you do, it will be thrown in the trash, unread. The bio goes at the end of the press release. If they want more information, they will call you.

So the editor can call if interested, the top left of the page should look like this:

For Immediate Release

Date:

Contact Information: (your name and phone number)

Right above the story, write your headline. The headline should summarize the main point of the press release in one line. The opening paragraph must answer five basic questions: Who, what, where, when and how. Make sure you cover all five questions in your opening paragraph. End your press release with this: –end–.

Before you start writing, create an outline. Just like a novel, a press release has a beginning, middle, and an end. Visualize your story as an inverted pyramid. Because the initial paragraph answers the five basic questions containing the most information, it's the broad side of the triangle. You prioritize all of the rest of information with the most important in the second and third paragraphs, and the least important at the bottom of the story.

> *...the initial paragraph answers the five basic questions containing the most information; it's the broad side of the triangle.*

Media Relationships

When you're first starting, no one will know who you are or why their readers/viewers would be interested in your news. With a little patience, you can build positive relationships with your local media. These relationships will be important to you, especially in smaller towns, where reporters tend to stay a long time in the print media. Broadcast media is different. Many broadcast reporters, your local anchor people, are working your territory on a contract. When their contract is up, they hope to move up to somewhere bigger.

The two most important things to remember when dealing with the media: Tell them only about the things that will interest their readers and viewers, and be very honest about your facts. Don't waste their time when nothing is happening, but call them when something interesting does. The trick to successful media relations is to know when something is newsworthy.

Content of a Press Release

A press release is only as good as the newsworthiness of the content. Notify the press of the things people find most interesting about the martial arts.

Everyone is interested in competition. Use your school's competitions to get attention from the press and potential students. The larger the competition your students are participating in, the more newsworthy the event.



The abiility to attract free media coverage is an essential marketing skill to possess.

Instruction can be an important subject for press releases. Write about improvements to your instruction methods and curriculum. Focus on how you are making a difference in the lives of your students.

Events, particularly those tied to a charity, are very newsworthy. After writing about the details of the event in the opening paragraph, talk about the fun things to be included like kick-a-thons or breaking contests. Mention the success of previous events. For example, if you had it in a mall, then find out how many people came to the mall that day. These numbers will be important for your press release. Then, cover the importance of the charity

Your annual tournaments or Black Belt testing are of great interest to most people. If your tournament is a large one involving out of town participants, it is of particular interest because hotels, restaurants, and other businesses will have you and your event to thank for some good business. Anything that benefits the business community as a whole is newsworthy.

Another thing to promote is authoring a book or writing an article in a national martial arts magazine. This is not only good for your professional reputation; it is a good sales boost to your school. If you win a national or regional competition, this is another important reason to write a press release.

A visit to your school or a seminar held in your school by a martial arts celebrity is certainly cause for issuing a press release. If you have achieved a new level of celebrity yourself, such as being featured in a national martial arts magazine, issue a press release.

Grand openings are newsworthy events, but have to be handled with special care. In the old days, there was

See **101**, *continued on next page*

101, *continued from previous page*

an interest in grand openings because people didn't know how to run the business. Now, they are so common, they are only newsworthy if tied to a gala affair, or a special event. Then, you issue invitations and invite the media. It should be a newsworthy event, like one of the Power Rangers stopping by, or a parents only meet and greet.

Successful students earning Black Belts is newsworthy. The local media loves stories about local people doing good things. The media understand that a Black Belt is very difficult to get and requires a lot of commitment and determination.

Another type of press release is to tie a topical subject to a solution or event offered by your school. For example, the June third cover story of the *U.S. News and World Report*'s was "How to Raise a Moral Child." The article starts with the header "Wimp or Bully." This article asks if parents are concerned about the escalating use of violence to resolve childhood disputes. If an opportunity like this isn't free advertising, I don't know what is. Issuing a press release mentioning the article and answering this question with the benefits of martial arts education is certainly newsworthy.

Human interest stories are always newsworthy. Watch for the opportunities in your students' lives for things they do that are extraordinary. The happier the story, the better the media like it.

If you have student in an academic competition at a high level, or who is involved in some charity work, issue a press release from your school. Give proper credit to the student and the parents.

Martial arts has two things that it does better than anything else I know; we teach people to overcome obstacles, and we transform their character. How many times have we heard the story of little Johnny showing up at karate school and his parents are complaining that his grades are terrible and they can't control him? Working with an instructor he respects and tries to emulate as a role model, he earns a Black Belt. The relationships between instructors and students are rich with human interest stories.

I don't know about you, but I can see the power and influence we have in these kids' lives and I cherish it. I take pride in our industry and what we have to offer. It is important that we all learn how to articulate what we do and how good it is for society. Press releases can get students in your school and give martial arts a good name. With more people confusing martial arts education with the MMA, we need to get sophisticated about using the media to build a professional image. ■▯



NEW FROM NAPMA



Learn how to create massive publicity and media coverage that attracts hoards of eager new prospects into your school.

See NAPMA.com/FreePR

Confident Sales Management

I called an insurance agent the other day to find out about rates for my new office building. From the lady who answered the phone, I found out much more information than I needed or wanted to know about the agent and his whereabouts. It seemed that he liked to take long lunch hours with another person in the office and she had no idea when he might "grace the office" with his presence. Boy, I have no idea what on earth was going on in that office, but I do know I found my Yellow Pages and looked for a new agent. I assure you this agent has no idea how the person who answered the phone sabotaged him and what business she deliberately cost him or how long had she been doing it. Was it an affair gone sour? Was the person who answered the phone just getting even? Who knows, but it's a good lesson for all of us to pay attention to within our own business.



The Success Coach

LEE MILTEER
NAPMA INNER CIRCLE AND PEAK PERFORMERS COACH

Just how well have you trained your folks? Have you suggested a script on what to say and not to say?

Chris Mullins, President of the Mullins Media Group, thinks you should be aware of how your staff sales represents you behind your back. He suggests using techniques like mystery shopping, mystery calling and surprise ride-alongs with your sales reps.

He also suggests training the person who answers the phone to convert inquiries into sales or face-to-face meetings. A lot of opportunity can be lost from your lead generation programs, if your staff is not properly trained to answer the phone or greet visitors to your business.

Once your staff is trained, you should have a program in place to make sure they are following the training, suggests Mullins. The receptionist, sales reps, support staff or customer service teams, may be sending prospects to the competition because it's easier than knowing the answer. Or, they may be saying in some way, "I don't have time for this" or it "doesn't really matter what I say to you, you're not going to buy".

Another red flag is yelling, swearing or eating lunch while in the middle of a conversation. Many of these little goofs are made by seasoned sales reps and veteran employees who have gotten too comfortable in their positions!

You may find some of the things that are being said are to try to manipulate the prospect into buying such as "Money's tight for me and if I don't get this sale, I won't be putting food on the table!"

Does any one on your staff try to hand off challenging customers to someone else? Are they doing this in front of clients in your waiting area?

See **MILTEER**, *continued on page 37*

LEE MILTEER SUCCESS COACH

Lee Milteer is a well-known success coach, professional speaker, author and developer of the highly-acclaimed Milloionaire Smarts concept. She is also the success coach for NAPMA's Inner Circle and Peak Performers Group and a frequent NAPMA speaker. She can be reached at **NAPMA.com/InnerCircle.**

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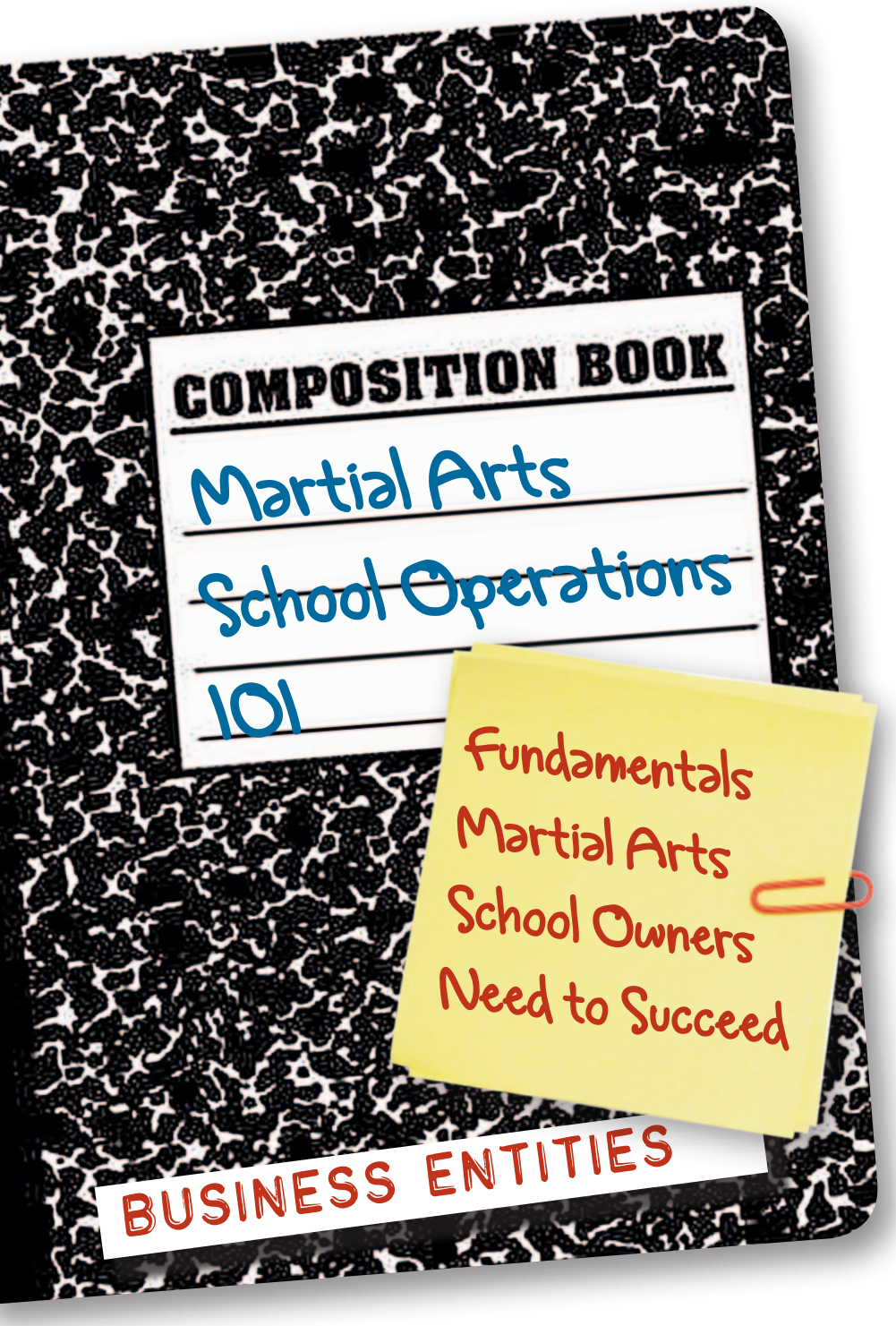


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By Toby Milroy
COO, NAPMA

Selecting the proper legal entity for your school is one of the most important decisions you will make, and one that has long-term consequences for almost every aspect of your operations and success. This article is not intended to offer legal advice for your state or specfic situation. However, it should provide you an overview of some of the most common mistakes school owners make when choosing the appropriate legal operating entity for your schools. Use this information to to create questions for your attorney.

This month's article covers how to start the decision-making process, with a brief overview of sole proprietorships, partnerships and "S" corporations.

Begin With the End in Mind

We all teach our students that they must set their goal for Black Belt at the beginning of their training. They must have a clear vision of what it is to be a Black Belt and how to get there. "A blind archer rarely hits his target."

However, many school owners tend not to listen to their own advice and stumble into business without clearly defining their goals and not laying the foundation to accomplish those goals while protecting their assets.

The good news is that the government wants to help you! We, the people, have decided to reward you for taking the risk of opening your business, and we want to give you the ability to limit your personal exposure to liability.

Many school owners simply choose the easiest legal structure to set up — a sole proprietorship — and risk unlimited personal liability and asset exposure in the event of an accident, lawsuit, natural disaster or business failure.

There are almost no cases where you should operate a martial arts school as a sole proprietor. Take advantage of the liability protection and tax benefits of some type of corporation, an LLC (limited liability corporation), "S" corporation, or a "C" corporation. Any of these will provide a substantial liability shield, and depending on your tax situation, significant tax advantages.

Your Options of Legal Operating Structure

When beginning a business, you must decide what form of business entity to establish. Your form of business determines the amount of regulatory paperwork you have to file, your personal liability regarding investments into your business and the taxes you have to pay. You may need to contact several federal agencies as well as your state business entity registration office. Business.gov has detailed information on the most common business structures:

Sole Proprietorship

A sole proprietorship is a business owned and managed by one individual who is personally liable for all business debts and obligations.

Sole proprietorships are the most common — and simplest — form of business organization. Sole proprietorships are owned by one person who is generally also responsible for the business's day-to-day operational responsibilities. Sole proprietors operate in many different capacities, including full- and part-time businesses, individually run businesses or those with employees, and traditional, home-based, or online businesses in all different industries. Sole proprietors own all assets and profits of the business and also assume complete responsibility for business liabilities and debts.

Forming a Sole Proprietorship

Unlike other business structures, when forming a sole proprietorship, you do not need to register your business with the state. Starting a sole proprietorship is often as simple as selecting a business name and obtaining appropriate licenses and permits.

Many states require a sole proprietor to operate under their personal name unless they formally file a trade name, or a "Doing Business As" (DBA) name.

How Sole Proprietorships are Taxed

Sole proprietors file their business taxes on their personal income tax returns. When filing, owners must clearly keep personal and businesses finances separate. Since the two are so closely intertwined, this is often difficult, but it's important for all sole proprietors to maintain accurate business records.

Sole proprietors file Schedule C or Schedule C-EZ, Profit or Loss from Business, with their Form 1040.

Advantages of a Sole Proprietorship

Easy and Inexpensive. For inexperienced entrepreneurs, sole proprietorships are a practical incorporation option — they are generally the least expensive and simplest business structure. Similarly, they are also easy to dissolve if the business does not go as planned.

Control of Operations. Sole proprietors are in complete control of their business. Within the parameters of business laws and regulations, owners have the right to make all operating decisions regarding their business as they see fit.

Receive and Allocate Income. All income generated by a sole proprietorship is received by the owner to keep or reinvest according to their discretion.

Disadvantages of a Sole Proprietorship

Unlimited Liability. This is a major issue, and the reason (even with abundant insurance coverage) we almost never recommend a sole proprietorship for a martial arts school. With the privilege of total control, sole proprietors also assume liability. Owners are legally responsible for their business's financial obligations, meaning your personal assets can be used to help satisfy debt incurred by the business.

Funding Difficulties. Sole proprietorships are often at a disadvantage when it comes to raising capital. Because sole proprietorships tend to start small and can be relatively unstable, investors are typically not drawn to them. Start-up capital is often limited to a combination of personal assets and loans.

Attracting Employees. Sole proprietorships tends to be less attractive to prospective employees because they generally do not offer as many employment benefits. There is also no chance of ownership potential, which may turn off driven workers.

Partnership

A partnership is a single business where two or more people share ownership. In general, each partner contributes to all aspects of the business including money, property, and labor or skill. In return, each partner shares in the profits and losses of the business.

Because partnerships entail more than one person in the decision making processes, it's important to discuss a wide variety of issues up front and develop a legal partnership agreement. This agreement should document how future business decisions will be made, including how the partners will divide profits, resolve disputes, change ownership (bring in new partners or buy out current partners), even how to dissolve the partnership.

Types of Partnerships

There are three general types of partnership arrangements:

- *General Partnerships* assume that profits, liability and management duties are divided equally among partners. If you opt for an unequal distribution, the percentages assigned to each partner must be documented in the partnership agreement.
- *Limited Partnerships* (also known as a partnership with limited liability) are more complex than general partnerships. Limited partnerships allow partners to have limited liability as well as limited input with management decisions. These limits depend on the extent of each partner's investment percentage. Limited partnerships are seen as attractive to investors of short-term projects.
- *Joint Ventures* act as general partnership, but for only a limited period of time or for a single project. Partners in a joint venture can be recognized as an ongoing partnership if they continue the venture, but they must file as such.

Forming a Partnership

To form a partnership you must register your business with the state. This process is generally done through your Secretary of State's office. The Business Entity Registration page has information on specific filing requirements in the state where your business will be formed.

You'll also need to establish your business name. For partnerships, your legal name is the name given in your partnership agreement or the last names of the partners. If you choose to operate under a name different than the officially registered name, you will most likely have to file a fictitious name (also known as an assumed name, trade name, or DBA name, short for "doing business as").

Partnership Taxes

Most businesses will need to register with the IRS, register with state and local revenue agencies, and obtain a tax ID number or permit.

A partnership must file an annual information return to report the income, deductions, gains, and losses from the business's operations, but the business itself does not pay income tax. Instead, the business "passes through" any profits or losses to its partners. Each partner includes their share of the partnership's income or loss on his or her personal tax return.

Advantages of a Partnership

Easy and Inexpensive. Partnerships are generally an inexpensive and easily formed business structure. The majority of time spent starting a partnership is often spent developing the partnership agreement.

Shared Financial Commitment. In a partnership, each partner is equally invested in the success of the business. Partnerships have the advantage of pooling resources to obtain capital. This could be beneficial in terms of securing credit, or by simply doubling your seed money.

Complementary Skills. A good partnership should reap the benefits of being able to utilize the strengths, resources, and expertise of each partner.

Partnership Incentives for Employees. Partnerships have an employment advantage over other entities if they offer employees the opportunity to become a partner. Partnership incentives often attract highly motivated and highly qualified employees.

Disadvantages of a Partnership

Joint and Individual Liability. Similar to sole proprietorships, partnerships retain full, shared liability among the owners. Partners are not only liable for their own actions, they are also liable for the business debts and decisions made by other partners. In addition, the personal assets of all partners can be used to satisfy the partnership's debt.

Disagreements Among Partners. With too many cooks in the kitchen, there are bound to be disagreements among at one point or another. Partners should consult each other on all decisions, make compromises, and resolve disputes as amicably as possible.

Shared Profits. Because partnerships are jointly owned, each partner must share the successes and profits of their business with the other partners. If there isn't an equal contribution of time, effort, or resources, this can cause discord among partners.

Corporation

A corporation is an independent legal entity owned by shareholders. This means that the corporation itself, not the shareholders that own it, is held legally liable for the actions and debts incurred by the business.

Corporations are more complex than other business structures. Corporations tends to have costly administrative fees and complex tax and legal requirements. Because of these issues, corporations and generally suggested for established, larger companies with multiple employees.

Forming a Corporation

A corporation is formed under the laws of the state in which it is registered. To form a corporation you'll need to establish your business name. For corporations, your legal name is the one you register with your state government.

To register your business as a corporation, you will need to file certain documents, typically articles of incorporation, with your state's Secretary of State office. Some states require corporations to establish directors and issue stock certificates to initial shareholders in the registration process.

How Corporations are Taxed

Most businesses will need to register with the IRS and state and local

See **MILROY**, *continued on page 31*

Were You Born With It?, Part 2

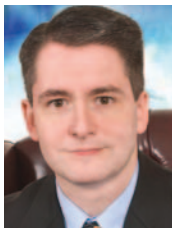
If not, is your school DOOMED for mediocrity (or failure)?

Last month, my column explored the influence of our environment on our performance as entrepreneurs.

Picture Donald Trump making his way to the boardroom, but, in place of his regular staff of executives and experts, are a bunch of interns and mailroom employees.

You, the entrepreneur, are like Michael Jordan (in his prime) or Donald Trump, except EVERY DAY is game day. EVERY DAY, you have the opportunity to choose to be successful, mediocre or even fail. It's important to consider who is on your team? Who is pushing you to be your best? Who holds you accountable? Who stimulates your creativity?

Do you have a group of highly skilled, motivated, experienced and entrepreneurial thinkers on your team or are you like most school owners, with a couple 20-year-old staff members (either paid or volunteer) that you are coaching and directing? Are you "hanging out" with highly successful business owners or are you surrounding yourself with other school owners who are doing about the same as you are?



School Growth Potential

TOBY MILROY
NAPMA COO

When Andrew Carnegie sent Napoleon Hill on his famous "quest" for the secret to the Science of Success, Hill visited and interviewed many of the nation's greatest entrepreneurial thinkers, such as Thomas Edison, Alexander Graham Bell, Henry Ford, Elmer Gates, Charles M. Schwab, Theodore Roosevelt, William Wrigley Jr., John Wanamaker, William Jennings Bryan and others.

Hill is considered to have influenced more people to become successful than any other person in history. He has been perhaps the most influential man in personal success technique development, primarily through the classic book, *Think and Grow Rich,* which has made a HUGE impact on me personally, and tens of thousands of entrepreneurs worldwide.

One of the key principles Hill discovered from his interviews was the "Master Mind" concept. EVERY ONE of these super successful and influential leaders had created an environment of support and inspiration for themselves. They had very intentionally surrounded themselves with people who sparked their enthusiasm, stimulated their creativity and inspired them to push through the dif-

See **MILROY**, *continued on page 37*

Why on earth would you even want to consider joining with Mile High Karate for your school, your students and yourself?

The key reasons why business owners in any business join a franchise rather than go it alone are: robust and complete systems, an opportunity to create real equity and therefore wealth from their business, and the incredible power that comes with organization.

Why would you?

For your particular situation the reasons are clear:

✔ **First:** Be a Martial Artist. We eliminate your need to be a "marketing expert," "sales trainer," "accountant," and "curriculum and education expert." You get to be a Martial Artist-Teacher, and we overlay all of the other systems for you.

✔ **Second:** Cut 10 to 20 years OFF of your LEARNING curve. That's time that if you do it yourself you'll never get back. Overnight, you'll turn on "Plug and Play" systems without having to develop them. Immediately implement proven processes and methods that make your school operate more efficiently and profitably.

✔ **Third:** Affiliate and work together with other "Winners," all working to develop a powerful national (and international) brand and school system. There's incredible power in lots of smart and success-oriented owners working together.

✔ **Fourth:** Plug your students into a huge national support system that helps them grow and enhance their character development, success skills, focus and achievement. You don't have to be the expert in all things since they will plug into web sites, webinars, and teleconferences.

✔ **Fifth:** Immediately start using unparalled sales and marketing materials. You'll have immediate access to our series of infomercials for upgrades, our infomercial for enrollment, and sophisticated AUTOMATIC sales processes to develop and support your students.

Reasons why some schools think they shouldn't consider Mile High Karate, maybe you are one of them:

It's not for me because: I'm a Shotokan, BJJ, Goju, Kenpo or _____ (fill in the blank for yourself) stylist.

Did you know that … It's NOT about changing your style, changing the root of what you teach your students, or abandoning your lineage or your first love?

It is about creating an INCREDIBLY strong "character development" program for kids and families, and overlaying effective marketing, sales, business and accounting systems over your existing curriculum and style. It's about having access to great teaching support if you need it, but it's not about changing what or who you are as a Martial Artist.

It's not for me: because I'm a member of _____ (fill in the blank for yourself; i.e. WTF, ITF or any other martial arts style association.)

Did you know that … It's not abandoning your current association or Master Instructor. It's about honoring that association by overlaying more effective business practices and student support to help your income SKYROCKET!

It's not for me because: Well, it says Mile High Karate and I'm BJJ, Kung Fu, Tae Kwon Do or _____ (fill in the blank for yourself) school.

Did you know that … It's really about Martial Arts instruction in a high-trust, clean-cut and professional environment. It's about creating a SCHOOL that teaches character, confidence, focus, and discipline to all ages.

You could just as easily think of it as:

Mile High Martial Arts
Mile High Kung FU
Mile High BJJ
Mile High Tae Kwon Do

It's not for me because: I don't want to "lose my name."

Did you know that … You don't have to? Really, think about it as "co-branding" — you're always the key person, the master instructor, of your career. You are the focal point for your students and your community. Mile High brings national clout, and you retain your local credibility.

For a complete, no-obligation information package and invitation to our next "Discovery Day," call or register online today.

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TOBY MILROY NAPMA COO

Toby Milroy is a 4th-Degree Black Belt, former school owner, Mile High Karate Regional Director and NAPMA's Chief Operating Officer. He can be contacted through **NAPMAFreeOffer.com** or **NAPMA.com**.

JOIN TOBY ONLINE:

Facebook.com/TobyMilroy

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revenue agencies, and receive a tax ID number or permit.

Corporations are required to pay federal, state, and in some cases, local taxes.

Advantages of a Corporation

Limited Liability. When it comes to taking responsibility for business debts and actions of a corporation, shareholders' personal assets are protected. Shareholders can generally only be held accountable for their investment in stock of the company.

Ability to Generate Capital. Corporations have an advantage when it comes to raising capital for their business — the ability to raise funds through the sale of stock.

Corporate Tax Treatment. Corporations file taxes separately from their owners. Owners of a corporation only pay taxes on corporate profits paid to them in the form of salaries, bonuses, and dividends, while any additional profits are awarded a corporate tax rate, which is usually lower than a personal income tax rate.

Attractive to Potential Employees. Corporations are generally able to attract and hire high-quality and motivated employees because they offer competitive benefits and the potential for partial ownership through stock options.

Disadvantages of a Corporation

Time and Money. Corporations do require a few fees and documents. Incorporating requires start-up, operating, and tax costs that are not required of most other structures.

Double Taxing. In some cases, corporations are taxed twice — first, when the company makes a profit, and again when dividends are paid to shareholders.

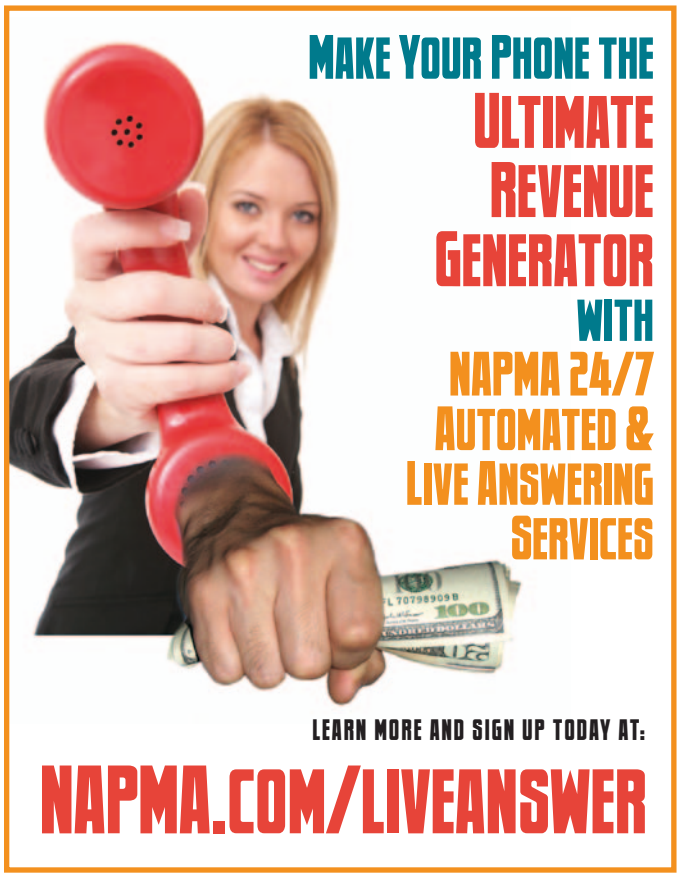
Additional Paperwork. Because corporations are highly regulated by federal, state, and in some cases local agencies, there are increased paperwork and recordkeeping burdens associated with this entity.

S Corporation

An eligible domestic corporation can avoid double taxation (once to the corporation and again to the shareholders) by electing to be treated as an S corporation.

What differentiates the S Corp from a traditional corporation (C Corp) is the ability to have profits and losses pass through to the shareholder's personal tax return. Consequently, the business is not taxed itself, only the shareholders. There is an important caveat, however: any shareholder who works for the company must pay him or herself "reasonable compensation." Basically, the shareholder must be paid fair market value, or the IRS might reclassify any additional corporate earnings as "wages." ■







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MILROY, *continued from page 30*

ficulties to achieve extraordinary (and in their cases, revolutionary) results.

Jim Rohn parrots Hill's philosophy by stating, "You are the average of the five people you spend the most time with." If this is true (which I personally believe fervently), then we all need to ask ourselves a few questions.

- Who are the five people you spend the most time with?
- Do they understand what it means to own a business?
- Do they live the day-to-day challenges that you do?
- Who pushes you to the next level?
- To whom are you accountable?

For years now, I've been CONSCIOUSLY seeking those people who are more successful, more effective and, frankly, more wealthy than me. When you surround yourself with the thoughts and feelings that you have and the people and the things around you, then that is what your subconscious mind believes you want — even if you hate it.

Imagine a group of like-minded business owners whose sole purpose is to help you succeed; a group who knows your strengths, vulnerabilities and aspirations; associates with the skills to help you navigate to levels of personal and professional enrichment you hadn't thought possible. A team who is entirely focused on your fulfillment!

The Master Mind Concept is supportive change. It is accountability with love. It is a powerful platform and forum to explore your deepest truths, both personal and professional, and to implement new ideas. One of the best ways to move toward more success is to upgrade your peer group.

Through my association with NAPMA, Mile High Karate and Stephen Oliver, I've been fortunate to be able to "hang out" with some of the most successful school owners, business operators and entrepreneurs in the martial arts industry.

In fact, NAPMA is in the early stages of launching just this type of mastermind group. The "Peak Performers" group is designed to help school owners take aggressive steps to grow their businesses and surround themselves with the nation's top school owners.

If you feel you and your business would benefit from this type of group, shoot me an e-mail at TobyMilroy@NAPMA.com. ■

MILTEER, *continued from page 31*

Play prospect yourself or ask someone you know to visit your business in-person. Ask a friend to call. Do follow-up calls to new clients and ask them about their experience with your staff.

Drop in on a few sales meetings in progress and observe how prospects are being handled. Use what you find out to put together more internal training to fix any problems, before it's too late.

Mullins says that not only is this information important to stop the loss of customers, but it's also a great way to recognize hard-working team members and to keep your team fired up and motivated. How you treat your internal team is directly related to how they treat your external customers! Give them the tools and motivation they need to do their job well. ■







How I Opened Five Schools in 18 Months



The Final Word

STEPHEN OLIVER
NAPMA CEO

Do I recommend that you open five schools in 18 months as I did when I was 23? No way! However, these lessons work for opening one school or growing your existing school.

Prior to opening, get training in business operations. Do extensive research to locate a good location with adequate income levels, population densities and age breakdowns. Negotiate a lease with build-out dollars and free rent.

The six steps that I followed:

1. Put all start-up capital into marketing.
2. Get 100 enrollments in six weeks.
3. Renew everyone on the second or third month.
4. Get them to pay cash.
5. Use that cash to improve facilities and to open location #2.
6. Continue to repeat this cycle.

The key ingredients most new schools miss:

First, growing slowly means either burning through lots of cash or going out of business. I had very little money when I was 23, and no other source of income for my wife, myself and full-time instructor. The business had to create cash in a hurry.

Second, "If you build it they will come" may work in Kevin Costner movies, but nowhere else. Facilities are almost irrelevant in a start-up. I've seen way too many schools rent a huge space, spend every cent on state-of-the-art training gear, then hope for someone to come.

Third, to get enrollments, a good first impression is important. To create prospects, good demographics are essential, and a highly trafficked center or high visibility doesn't hurt. However, you grow your school by generating prospects, having strong closing ratio to enrollments and good student retention. These are affected by marketing, sales and teaching skills. Nothing much else matters.

Fourth, create cash flow in a hurry. The model of low down payment, long monthly payments and no cash for renewals means you are going to either burn through lots of cash or go out of business. Every school I opened had positive cash flow in month one. You do this with big down payments, cash enrollments and cash renewals.

Fifth, be good at what you do before opening the doors. Know how to market your school, handle the enrollment process and how to convert them quickly into renewals. On-the-job training means you are going to either burn through lots of cash or go out of business very quickly.

Sixth, control your expenses. Many start-up schools, and even established schools, ramp their expenses up beyond what is reasonable for their revenue. Someone needs to do the selling, and someone needs to teach the classes. It is very difficult for that to be one person. Beyond that, you don't need much staff early on. When you add staff, they should be inexpensive, like someone to answer the phones or clean the bathrooms.

Seventh, reach out to your community. An excellent trend in our industry is to grow through referrals alone. That's great if you have 300 active students, but if you have 1, 25 or 50, that's not going to grow your school.

Finally, plunge ahead boldly. Tentative efforts lead to tentative results. Be committed to success. ■

STEPHEN OLIVER NAPMA CEO

Stephen Oliver, MBA and 8th-degree Black Belt, has been training as a Martial Artist since 1969 and operating professional schools since 1974. He's run a multi-million-dollar school operation (Mile High Karate) since 1983, and has been a former EFC Board Member and former NASKA World Tour Promoter. He is the leading consultant and coach to Professional Martial Arts School owners in the world.

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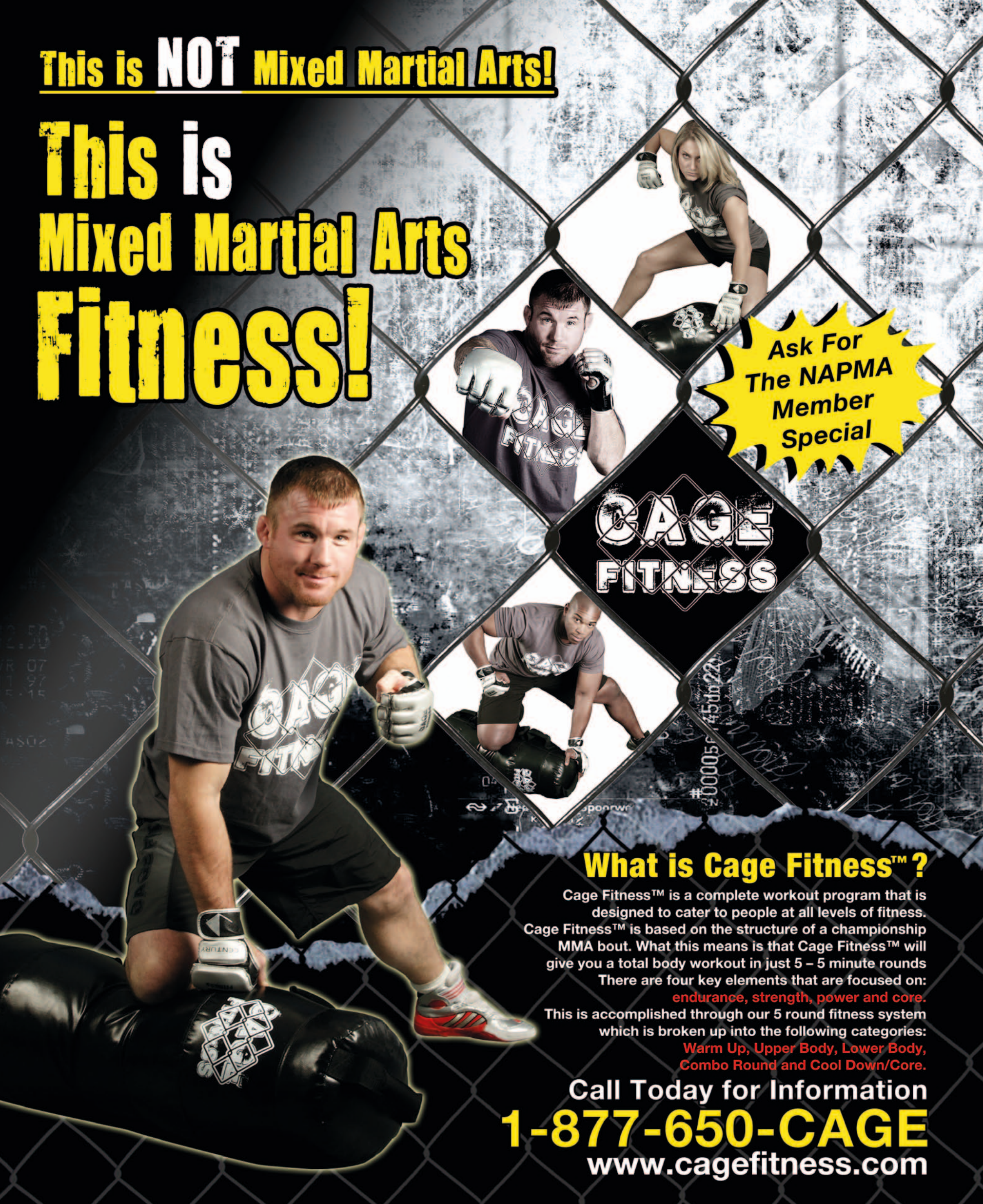
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