IF YOU'RE SO GOOD, WHY IS THIS STILL SO HARD?



The Established School Owner's Guide to Building Your Team From Within, Keeping Students for Life, and Running a School That Thrives With or Without You

Grand Master Stephen Oliver
Grand Master Jeff Smith
10th Degree Black Belts

MARTIAL ARTS WEALTH MASTERY

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Golden, Colorado

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Results described in this book are the experiences of the named schools and are not a guarantee of future results. This book is not legal, tax or accounting advice; consult your own professionals about employment, contracts and taxes in your state or province.

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INTRODUCTION

By Now, You Thought It Would Be Easier

— ✦ —

The Long Evening

Picture a Tuesday night at a school a lot like yours.

The 4:30 kids' class was terrific. The little ones were loud, focused when they needed to be, and proud of themselves when they bowed out. The 5:30 beginners caught on to a new combination faster than you expected. During the 6:30 adult class, a mother stopped you at the edge of the mat to tell you her son's teacher had called home, not with a complaint, but to ask what had changed. "He looks people in the eye now," she said. "He finishes things."

That is why you do this. That moment is the reason you opened the doors.

Now look at the rest of the evening.

Three website inquiries came in since Saturday. Nobody has called them back. One of them was from a family with two kids. Your best assistant texted at 3:00 to say he couldn't make it tonight, so you taught all four classes yourself and answered the phone between them, trying to sound fresh while you caught your breath. Two students you haven't seen in three weeks are still on auto-debit, and somewhere in the back of your mind you know what that means. The front desk is a pile of sticky notes. A parent asked about the next belt test and you realized you haven't set the date.

At 9:40, after the last student leaves, you mop the mats. Then you sit down and look at the bank balance.

It's not a disaster. The school is busy. Families like you. You have well over a hundred students, maybe close to three hundred. You've been open for years. By any outside measure, you made it.

But the balance on the screen does not match the hours you put in, and it certainly doesn't match the quality of what happens on your mat. You've had that thought before. You'll probably have it again next Tuesday.

The Questions You Don't Say Out Loud

We've spent a long time talking with school owners. Jeff and I have sat across the table from hundreds of them. The established ones, the owners who have been at it five, ten, twenty years, almost never open with the real question. They open with a tactic. "Should I raise my tuition?" "Is Facebook still worth it?" "How do I get my adult program going?"

Those are fair questions. But underneath them are the ones most owners never say out loud, even to their spouses.

- If I'm this good at teaching, why am I not making more money?
- Why does everything still depend on me after all these years?
- Why do I keep losing students I thought would make Black Belt?
- What happens to this school if I get hurt, or sick, or just tired?
- Is this as good as it gets?

If you've asked yourself any of those, you're in good company. And here's the first thing we want you to hear: those questions are not a sign that you've failed. They're a sign that you've outgrown the way you built the school.

Most owners built their school the same way. They were the best teacher in the building. They worked harder than anyone else. They were the marketer, the salesperson, the instructor, the counselor, the bookkeeper and the janitor. That approach works. It got you here. It

gets most schools to about a hundred students, sometimes to two hundred or more, and to a gross that sounds impressive to people outside the business.

Then it stops working. Not because you got worse, but because a school of your size has more moving parts than one person can hold together by effort alone.

That's the paradox at the center of this book. You are almost certainly better at the craft than you have ever been. And the business is harder than it has ever been.

The Expertise Trap

There's a sentence from one of my readers that I've never forgotten. Adam DiStefano wrote it after reading *The Way of the Mile High Maverick*, and it says what many established owners feel and won't admit:

> *I have lingered in the lower 90% for six years thinking I knew the answer; after all, I am a great instructor. Thanks to Master Stephen Oliver I learned that you can be the best instructor in the world but that does not mean you will be a great school owner.*

Read that again. Six years, thinking the answer was to keep being a great instructor.

That's the expertise trap. The very skill that made you successful convinces you that more of the same skill will take you further. So you go to another seminar on technique. You add a new program you're excited to teach. You earn another rank, another certification. You run even better classes. And the business stays exactly where it was.

I wrote in the preface of *Extraordinary Teaching* that your Black Belt doesn't pay the rent. That's not an insult to your Black Belt. It's a statement about what pays the rent. Your teaching is the foundation of a quality school. It is not, by itself, a business system.

We have a line for this that you'll see again in these pages:

> *You built your school on your teaching. You can't grow it on your teaching alone.*

Here's the brutal truth about where established schools get stuck. They don't have a skill problem. They have a connection problem.

Filling the school, keeping students and running the business get treated as three separate jobs. Marketing happens when the owner has a free afternoon. Retention happens when the owner remembers to call a student who's been missing. Billing, scheduling, testing and staff training happen whenever the owner can squeeze them in. The only thing connecting those jobs is you. When you're tired, distracted, sick, or on the mat teaching four classes in a row, the connections break.

There's another reason established owners stall, and I've written about it for years. The skills and thinking that took you to your current level of success are different from the skills and mindset that will move you to the next level.

The habits that saved your school in the early days were survival habits. You did everything yourself because there was no one else. You said yes to every event because you needed every lead. You taught every class because you couldn't afford not to. Those habits were right at the time. Many owners keep them long after they stop being right, and they come back to haunt them.

I've watched two kinds of owners get stuck here. The first wins a little and quits. They implement a couple of ideas, the gross jumps, the net jumps, and they decide this new, rather mediocre status quo is everything they ever wanted. The second wants what I call magic pixie dust. They see a well-run school from a distance and conclude they can take a few ideas and run their business by remote control, overnight.

Both miss the real next step, which is producing your results through other people, consistently. That's much harder than it looks. It has ups and downs. It requires you to train, supervise and lead in a way that teaching a great class never asked of you. And it's the only way an established school gets to the next level without grinding its owner down.

The next step for your school is not more of you. It's a school where a team runs those systems, and where the best people on that team were developed from within your own student body.

Who We Are and Why We Wrote This

I'm Grand Master Stephen Oliver, 10th Degree Black Belt. I began training in 1969. I opened my own school in 1975, at age 15, under Grand Master Jhoon Rhee, and earned my Black Belt from him in 1978. In August 1983 I moved to Denver and opened the first Mile High Karate in Lakewood, Colorado. We grew to 5 schools in 18 months and more than 2,500 active students by the time I was 25, and to 6 schools in 36 months. By the late 1980s we had more than 3,500 active students, and the organization kept growing after that, including international franchise locations. By age 25, Mile High Karate was doing over $1,700,000 in annual revenue, roughly $5,200,000 in today's dollars.

I've been coaching school owners since 1985. In 2000 I founded Stephen Oliver's Inner Circle, which became Martial Arts Wealth Mastery, and I'm its Founder and CEO. I'm also CEO and Chairman of NAPMA and Publisher of *Martial Arts Professional* magazine.

My co-author is Grand Master Jeff Smith, also a 10th Degree Black Belt. Jeff has been in the martial arts since 1965. He won the PKA World Light Heavyweight Championship on September 14, 1974, held the title until 1980 and defended it seven times, finishing with a professional record of 32–1 with 16 knockouts. He was the first recipient of the Bruce Lee Award. He founded Jeff Smith Karate in 1981 and became a Multi-School Millionaire. Today he's Chief of Instruction at Mile High Karate and at Martial Arts Wealth Mastery, and President of Sports Operations for PKA Worldwide.

Jeff was my teacher and mentor long before he was my co-author. I lived in his condo in Crystal City while I was at Georgetown and training at the Jhoon Rhee Institute. What I learned watching him was that the world champion was careful never to let his fighting interfere with his real career, which was running profitable martial arts schools.

We tell you this not to impress you. We tell you because between us we have made nearly every mistake described in this book. I've had the year where the economy dropped out, most of my staff quit at once, and I ended up deeply in debt. I've had the year where, from the outside, everything looked spectacular, and I sat back and asked myself, "Why am I doing this to myself?" The answers we share here came from fixing those years, not from theory.

We also tell you because the reader we wrote this for is not a beginner. If you have 100 to 300 students, you've been open five years or more, and you gross somewhere between $15,000 and $40,000 a month, you already know how to teach and how to open the doors. You don't need startup basics. You need a different way to operate.

Fill, Keep, Run — and the Team That Runs Them

Every established school has the same three jobs.

1. **Fill.** Bring a steady flow of qualified families and adults through the door every month, and enroll them.
2. **Keep.** Turn new students into lifetime students who stay, progress, renew their goals and bring their friends.
3. **Run.** Manage the money, the schedule, the staff and the standards so the school is profitable and doesn't depend on any one person.

You've been doing all three. The trouble is that you've been doing them personally, and separately.

This book connects them. It shows you how each of those jobs becomes a system, and, just as important, who on your team runs each system and how that person gets trained to run it.

That's the heart of what's different here. When Jeff and I look at the strongest, longest-standing schools, the ones that are true pillars of their communities, we don't see a lone wolf. We see a pack. We see a deep bench of Black Belts at every degree who teach with confidence and share the load. Those people didn't answer a help-wanted ad. They were forged, deliberately, inside that very school.

The biggest philosophical mistake an owner can make is believing that instructors are hired, not developed. Your future program director, your future head instructor, your future manager, may be in your 6:30 class right now, tying a brown belt.

Think about it this way. If you wanted to become a university professor, would you expect the university to pay you for your education? Of course not. You'd pay for the privilege of learning to teach at that level. A well-built leadership program works the same way. Your students aren't doing you a favor by helping. They're receiving an education in communication, public speaking, team management and teaching that will serve them in school, in their careers and in every part of their lives. The best of them will want to keep going. Some will want to make it their profession.

That's what makes developing from within so powerful. The same program that builds your future staff also keeps your best students longer, because it gives them a reason to stay past Black Belt.

So the book is built in five parts.

- **Part One, The Paradox,** explains why being great on the mat hasn't translated into a great business, and helps you find the one constraint holding your school back right now.
- **Part Two, Build Your Team From Within,** is the heart of the book. It shows you how to grow students into leaders, leaders into instructors, and instructors into program directors and managers, and how to pay, manage and lead them.
- **Part Three, Keep Them for Life,** covers attendance, the first four months, renewals and advanced students, and names the team member responsible for each.
- **Part Four, Fill the Mat,** rebuilds your marketing for a school that has "tried it all before," with each pillar assigned to someone other than you.
- **Part Five, Run It With or Without You,** gives you a one-page weekly scorecard, a profit plan, a deliberate path to stepping back, and a 90-day plan to put it all to work.

How to Use This Book

Read it with a pen. This isn't a book to agree with. It's a book to argue with, test and apply.

Every chapter ends with a short block called **Your Next Step**. It has three lines:

- **Decide:** one decision you need to make.
- **Measure:** one number to check this week.
- **Do:** one action to take in the next seven days.

Don't skip them. Reading is not implementation. We've watched too many talented martial artists get inspired by a book, put it on a shelf and go back to business as usual. Pick one action per chapter and finish it. Small, completed actions beat big, abandoned plans every time.

Some chapters will hit harder than others. That's by design. If your school leaks students, Part Three will feel personal. If your phone rings and nobody calls back, Part Four will sting. If you can't take a week off, Part Two and Part Five were written for you.

Here's one more request, and it's important. Before you turn to Chapter 1, go to the School Growth Scorecard in the Appendix. It asks you to rate your school honestly in six areas:

1. Teaching and student results
2. Enrollment
3. Retention
4. Revenue per student
5. Team and systems
6. Profit and owner freedom

Rate yourself now, before you've read anything that might change your mind. Write down today's date. Don't round up. Nobody else has to see it.

You'll use that baseline in Chapter 3 to find your biggest constraint, and you'll retake the scorecard at the end of the book. The gap between those two scores is the real measure of whether this book was worth your time.

If, as you go, you want a second set of eyes on your numbers, we offer something called the Most Valuable Hour. It's a free, one-hour growth diagnostic with our team. You bring your numbers; we help you see where the school is stuck and what to do first. Call or text 1-720-256-0208, or visit MartialArtsWealth.com. But you don't need us to start. You need a pen, the scorecard and the willingness to look at your school as a business owner looks at it.

You have spent years developing your martial arts. You've earned every rank. Now it's time to give the business that supports your art the same deliberate attention.

Let's get started.

YOUR NEXT STEP

Decide: Decide that the next stage of your school will be built by a team you develop, not by you working harder.

Measure: Complete the six-area School Growth Scorecard in the Appendix and write down your score in each area, with today's date.

Do: In the next 7 days, write down the names of five students on your mat right now who could one day help you run the school, and keep that list where you'll see it as you read.

PART ONE

The Paradox

Why good schools get stuck, and how to find the one thing holding yours back.

CHAPTER 1

Great Instructor. Overworked Owner.

— ✦ —

Two Different Black Belts

You hold one Black Belt already. You earned it the hard way, over years of sweat, repetition and correction. You probably hold several degrees beyond it. On the mat, you know exactly what you're doing.

Running the school requires a second Black Belt. Most owners have never formally trained for it.

That second Black Belt covers three areas, and the top-line success of your school depends on mastering each one at as high a level as your personal martial arts training:

1. **Adding new students consistently.** A predictable marketing system that brings qualified prospects through your door every month, follow-up that actually converts them, and an enrollment process that turns trial students into committed, long-term members.
2. **Maximizing student value.** Tuition that makes sense, proof that persuades parents and adults to invest at levels that sustain the school, and positioning as the premium choice rather than the discount option.
3. **Long-term student retention.** Processes that turn new students into lifers, a leadership program that develops students

into assistant instructors, and staff development so you aren't tied to the mat forever.

Look at that list honestly. How many of those did anyone ever teach you?

Your instructor taught you to kick, to block, to spar and maybe to teach. If you were lucky, someone showed you how to run an intro lesson. Very few of us were ever taught to build a marketing calendar, read a profit and loss statement, write an incentive plan, or train a program director. We picked it up as we went, usually by making expensive mistakes.

Here's what most established owners get wrong. They think that if they just become better martial artists, better teachers, or run better classes, their financial problems will disappear. Improving your teaching and classroom structure is foundational. We wrote an entire book, *Extraordinary Teaching*, on exactly that. But it does not solve everything. You also have to become a visible fixture in your community, add students on demand, build systems that work whether you're having a good day or a bad one, and develop staff to replicate yourself. You can't build a real business if everything depends on you being on the mat.

The Technician Who Had an Entrepreneurial Seizure

Years ago, at the recommendation of my friend Tom Callos, I read *The E-Myth* by Michael Gerber. I've since heard him speak and met him in San Francisco, and my respect for that book has only grown. It describes the martial arts industry almost perfectly.

Gerber says most small businesses are founded by a technician who one day has an "entrepreneurial seizure" and becomes convinced they should be self-employed. In our world, the technician is the Black Belt, the instructor, the competitor. The skill they were excellent at, the martial art and the teaching of it, becomes a small part of their job. Now they also have to understand marketing, sales, accounting, negotiation, legal issues and even facilities maintenance.

Most of these suddenly independent owners find they work a lot harder than before, for a lot less money, doing many things they're poorly suited for. A majority of small businesses are the "walking dead," struggling along with little progress, working the owner into an early grave. I don't think it's an exaggeration to say that martial arts school owners are often at the bottom of that heap.

You can see those habits in the fallacies that creep into an owner's thinking without ever being questioned. A few of them are especially dangerous for an established school:

- **"I can hire someone to take care of the business side while I teach."** This one gets owners in trouble in a hurry. Once you delegate an area, you remain responsible for it. You need a working knowledge of teaching, marketing, sales, accounting, legal issues, hiring, staff training and human relations, even if someone else does the daily work.
- **"The staff will run the show while I keep my own training high."** A poorly trained volunteer or a poorly paid employee is very unlikely to keep things running at the level your lifestyle and your school require. And if they *are* running it well, their pay had better reflect it quickly, or they may end up doing very well across the street from you.
- **"Adding employees means I'll do less myself."** A line I've always liked says it this way: "Always inspect what you expect." The only route to growth is adding people, but without aligned purposes and proper supervision, almost any employee will eventually detract from the quality of your operation instead of adding to it.
- **"Once I've delegated a task, I don't have to worry about it."** There are two ways to hand off a task. One is delegation. The other is abdication.

That last one deserves a closer look, because it's the difference between owners who build a team and owners who keep getting burned by one.

Delegation means you clearly define the task and what successful completion looks like. You train the person on the key processes. You involve them in building the action plan. You set benchmarks and timetables. You supervise at predefined intervals. You support and coach along the way. And you reward, retrain or correct based on results.

Abdication means you hand the task off and forget about it. Many owners do this with exactly the jobs they don't understand or don't enjoy, which are usually the business jobs. Abdicating any important task is a sure route to failure.

When an owner tells us, "I tried delegating and it didn't work," nine times out of ten what they tried was abdication. Part Two of this book is about doing the first one properly.

Separate Your Hobby From Your Business

Most of us didn't follow a normal career path into this work. A typical professional finishes school, picks a field expected to produce a solid income, and climbs. Many martial artists drift instead. Our hobby became a job, the job became a career, and somewhere along the way our instructor asked us to teach, and then we had our own entrepreneurial seizure.

There's nothing wrong with that story. But if you want a quality school and a reasonable income, you have to approach it as a career, not as a way to pursue your hobby full time.

I've always held myself to a simple standard: my income from the school should match what I could earn in any other pursuit, plus or minus 10%. That's the economist's view, and it's different from your accountant's.

Suppose, as an illustration, you could earn $50,000 a year in another career, and your school pays you $40,000. Your accountant says you made a $40,000 profit. An economist says you lost $10,000 compared to your other opportunity. That's called opportunity cost. If you're an

established owner working 60 or 70 hours a week, it's worth running that math on yourself.

The hobby also shows up in your curriculum. Do you teach what you love, or what your students and their parents came to learn?

I watched this play out when grappling took the martial arts world by storm. Owners around the country took up Brazilian Jiu Jitsu, fell in love with it, and immediately rolled their entire student body into the new curriculum. Moderately successful schools that had built a solid children's and family clientele slowly eroded. The owner had a great time. The students didn't share his newfound passion. He told himself the kids and parents loved it, while his active count quietly dwindled.

The same goes for tournaments. I've run one of the biggest tournaments in the country, and I'll tell you honestly that I've never seen open tournaments have a positive impact on a school or a student. If you love competing, coaching competitors or training with knives, wonderful. Do it on your own time. Just step back and ask whether what excites you is the same thing your clients and prospective clients are looking for.

Remember who writes the checks. It isn't you. The customer writes the check. Figure out what your market wants and give it to them. If you don't, someone else will.

Have You Reached Black Belt Rank in Business?

Years ago, after a seminar tour I did with Y.K. Kim, a few of us were talking about how many of the attending owners were stuck below $10,000 a month, and how backwards their curriculum, tuition and marketing were. Someone said it was amazing, given how much information is available. My answer was that, in business terms, most school owners are only green or blue belts. They don't know what they don't know.

That's even truer of the established owner, because time on the job feels like training. It isn't. Ten years of running a school the same way is one year of experience repeated ten times.

When Jeff, Toby Milroy and I reviewed several years of results from my coaching clients, the owners who struggled shared a few habits.

First, they spent most of their improvement time and money on technical skills. They flew overseas to train in their chosen art. They put 10, 15, 20 hours a week into their personal training. Technical knowledge matters. But low-performing owners couldn't see past it to the skills their business actually needed.

Second, they dismissed proven systems with excuses. "That's a big city; it wouldn't work in my area." "That's Tae Kwon Do; it wouldn't work for BJJ." They said it won't work with my students, in my town, with my style, with my staff, and then they did nothing.

Third, and most important, they had a fixed belief about what they were capable of. No matter how many owners they saw running larger, more profitable schools, they got stuck at a level and never rose above it, because of a belief about themselves they'd never questioned.

Here's the part that matters for you. If you've been open five years or more, you've almost certainly kept investing in your martial arts. You've attended the camps and the seminars. Maybe you've earned another degree or added a new certification. Those things make you a better martial artist. They will not make the business work. A higher rank on the mat does not raise your rank in business.

The cure is simple, and most owners skip it. Commit 30 minutes a day to training yourself as a business owner. That's it. The head of a large insurance company once said the difference between his mediocre salespeople and his top 10% was reading two books a month. You'd never expect a student to reach Black Belt on one class a month. Don't expect it of yourself in business.

When I was at Georgetown, training at the Jhoon Rhee Institute alongside Jeff and a stable of professional fighters, I learned that professionalism lives in the preparation, not just the execution. So I trained to be a professional school owner. I studied for two years with Jeff, Nick Cokinos, Jhoon Rhee and others about how to really run a profitable school. I've kept reading 20 or 30 books a year on running a school ever since.

So here's the question I asked in that column, and I'll ask it of you now. Do you train yourself as a professional school operator? If not, why not?

The Owner's Real Jobs

So what is your job, if it isn't simply teaching more and better classes?

Start with the three variables that matter in any school: enrollments, retention and tuition. Every activity in your week either helps you enroll more students, keep them longer, or earn more per student, or it doesn't. If it doesn't, it may just be activity with little merit.

Now look at how a typical established owner spends prime time, the hours roughly from 4:00 to 8:00 when students and parents are actually in the building. During those hours, if you're not teaching or personally connecting with students and parents, you're misusing your time. Those are the only hours you can really reach them.

Yet in prime time you'll find owners sitting at the computer, answering every phone call personally, running to the store for supplies, fixing the credit card machine, and returning calls from people who are neither students nor prospects. Meanwhile the questions that actually build the school go unasked:

- Who's in class tonight who won't be back if we don't do something?
- Who's in class who is ready to renew their goal?
- Who's in class who could help us with enrollments?

The owner's real jobs, in a school your size, look like this:

1. **Set the direction.** Decide what the school will become, and set the targets for enrollments, retention and tuition.
2. **Watch the numbers.** Know your active count, your dropout rate and your revenue per student every week, not once a year when the accountant calls.

3. **Build and lead the team.** Find, develop and manage the people who teach, enroll, follow up and run the front desk.
4. **Protect the standard.** Keep instruction and culture from slipping as others take over more teaching.
5. **Connect the systems.** Make sure marketing feeds enrollment, enrollment feeds a strong first four months, and retention feeds renewals and leadership.

Mopping the mats, teaching every class and answering every call aren't on that list. They have to get done. They don't have to get done by you.

FROM GRAND MASTER JEFF SMITH

When I look at owners who are stuck, I usually see a lone wolf. He teaches the tiny tigers, then the beginners, then the adults. In between, he answers the phone trying to sound energetic while he catches his breath. After the last class, he's the janitor, the accountant and the marketer. Maybe he has a dedicated senior student holding a pad or taking attendance, but there's no system and there's no team. He's the heart of the school, and he's also its bottleneck. He can't get sick. He can't take a vacation.

The thing I hear most from these owners is, "It's just me. I don't have anyone to help." That's the biggest philosophical mistake you can make. It's the belief that instructors are hired, not developed. The real answer is standing on your mat in a uniform, and they've been there for years.

I learned the cost of being everyone's everything the hard way. Years after our early growth in Denver, there was a period when, from the outside, I had an incredible operation. Five beautiful schools in prime locations. More than 1,200 active students. More than 40 paid staff, including over 30 Black Belts on staff. A NASKA-rated national tournament, Black Belt retreats, extravaganzas, intramural tournaments, seminars, and $1.5 to $2 million a year in gross revenue.

From the inside, it looked different. Three staff meetings a week and countless hours of staff training and supervision. Forty-five-plus weekends a year taken up with tournaments, exams, retreats and events. Sleepless nights covering payroll twice a month. Endless employee problems: hiring, training, supervising, disciplining, firing. Six- and seven-day weeks of 70 to 100 hours.

I sat back one day and asked myself, "Why am I doing this to myself?"

Then I changed just about everything. I retired from promoting tournaments. I cut the number of events. I closed two schools. I restructured so that the people running my schools became owner-operators, highly motivated to implement new ideas, and I supervised them through one meeting a week. I stopped working Saturdays and Sundays with few exceptions.

The result? My workweek was cut in half. I stopped working weekends. My income doubled. I had hobbies again. Things were fun again.

I'm not telling you to close anything. I'm telling you that more activity, more events and more hours were not producing more for me. A better structure did.

Here's one owner's result, as it appears in my book *Six Simple Steps to Add 100 Students*:

> *Ben Brown owns a Muay Thai school in Santa Rosa, CA (PHAS3 Martial Arts) and after 20 years in business skyrocketed from $16,000 a month to $65,000+ within 6 months of working with me.*

Twenty years in business. He didn't suddenly become a better Muay Thai coach in six months. He started running the school as a business owner instead of a technician.

Exercise: Track One Working Week

Before you go on to Chapter 2, do this. It will take a little discipline, and it will tell you more about your school than any seminar.

For one full working week, write down how you spend your time in 30-minute blocks, from the moment you start working until you stop. Record what actually happens, including the calls, errands and cleaning.

At the end of the week, mark each block with one of these letters:

- **T** for teaching on the mat
- **E** for enrollment work: calling inquiries, intro lessons, enrollment conferences
- **R** for retention and renewal work: calling absent students, progress reviews, renewal conferences, connecting with parents
- **L** for leading the team: training, coaching or meeting with staff and leadership students
- **P** for planning and numbers: reviewing stats, marketing plans, budgets
- **A** for administration: billing, bookkeeping, ordering, paperwork
- **M** for maintenance and errands: cleaning, repairs, supply runs

Then answer three questions in writing.

1. How many hours did you work in total?
2. What percentage of those hours went to E, R, L and P, the work that grows the school?
3. Which blocks could someone else on your team, or a student you develop, have done just as well after proper training?

Most established owners who do this honestly discover two things. They work far more hours than they thought. And most of those hours are T, A and M, while the work that actually builds the business gets whatever is left over.

Keep this sheet. You'll use it in Part Two when you start deciding who you need to develop, and again in Chapter 21, when you begin handing off the work only you have been doing.

YOUR NEXT STEP

Decide: Decide which of the owner's five real jobs you will stop neglecting first, and write it at the top of your planner.

Measure: Count the hours you spend on enrollment, retention, team leadership and planning this week, as a percentage of all the hours you work.

Do: In the next 7 days, track every working hour in 30-minute blocks and code each block using the letters in this chapter.

CHAPTER 2

The 100-Student Trap: Busy Is Not the Same as Successful

— ✦ —

Let the Bragging Begin

Get ten school owners together at a convention and listen. Within a few minutes, they'll be talking about three things: how many students they have, how big their facility is, and how much they gross.

It's interesting to watch, because those are the three numbers most likely to be exaggerated. Active student counts are the worst of all. And even when the numbers are honest, none of them on its own tells you much about whether the school is any good as a business.

I've seen this up close for decades. A few examples from friends and acquaintances over the years will show you what I mean.

One close friend's claim to fame was 1,000 students. He was grossing around $35,000 a month, which is scary for a school that size, and he carried a huge rent, a huge payroll and huge expenses. Many of those students came when they pleased and got rolled into the active count for show. He worked 8 a.m. to 10 p.m. daily, plus weekends, and ran a big renewal and retail push on Thanksgiving Day.

Another friend told me he had 450 active students. Most were kickboxing students on punch cards who came in sporadically. As long as they showed up once a month, they were counted. He grossed about $7,500 a month in an 8,000-square-foot facility.

Then there was a small school where I asked the owner for his active count. He said they had enrolled 1,400. When I pressed, that turned out to be every enrollment in the 12 years the school had been open. So I asked how many were active. He said 450 were "on programs," meaning anyone whose program hadn't expired, including families who had paid in full, quit two months later and had a year left on paper. Then I asked how many were actually attending.

He had no idea.

You may be laughing, but stop and ask yourself whether some version of this is happening in your school. That's the 100-student trap. Somewhere around 100 students, a school starts to feel successful. The floor is busy. The schedule is full. The roster looks healthy. And the owner stops asking the harder questions, because the busy-ness itself feels like proof.

Busy is not the same as successful.

Active Students, Not Names

The first correction is the simplest. Count only students who are actually training.

An active student is someone who has attended recently and is paying for the privilege. Not someone whose billing hasn't been cancelled yet. Not someone on a hold you forgot to follow up on. Not a family that prepaid two years ago and hasn't been seen since spring.

This matters for more than ego. In *Extraordinary Teaching*, we said the key number we target is student value: total gross revenue for the month divided by your number of active students. Don't deceive yourself by counting students who are on the books but haven't been seen in weeks. If you inflate the active count, you make your student value look worse than it is, and, more dangerously, you hide the students who have already quit in their hearts.

Many owners only realize they've lost a student when the bank tells them the payment didn't go through. By then, the student was already

gone. They had emotionally and mentally quit weeks earlier. A name on the roster is not a student on the mat.

So here's the exercise. Pull your roster tonight and sort it into three groups:

1. **Training:** attended in the last 14 days.
2. **Drifting:** on the books, but no attendance in 15 to 30 days.
3. **Gone:** no attendance in more than 30 days, regardless of billing status.

Your active count is the first group, plus any drifting students you can bring back this week. The rest are a to-do list, not a statistic. We'll build the system that works that list, and name the staff member who owns it, in Part Three.

The second correction is about money.

There's a difference between revenue families have committed to and revenue that actually landed in your bank account this month. Most owners know their billing number. Fewer know their collected number. And very few track the gap between them over time.

That gap tells a story. Declined cards, paused accounts, "we'll catch up next month" balances and families who quietly stopped paying all show up there. If your billing report says one thing and your deposits say another, believe the deposits.

I also want you to think about sustainability, not just the size of one good month. One-month numbers can look impressive, especially after a big renewal push or a summer camp. I'd much rather see a monthly billing check that, at a minimum, covers 100% of your fixed monthly expenses, and a total gross that regularly doubles that. That's a school with a foundation under it. A school that depends on a few big months to survive is one bad season away from trouble.

Picture an owner, as a simple illustration, whose fixed costs (rent, payroll, utilities, software, insurance) run $20,000 a month. If dependable monthly tuition only brings in $14,000, every single month starts in a $6,000 hole that has to be filled by new enrollments, retail

and events. That owner can be busy every night of the week and still feel broke, because the base doesn't carry the building.

Revenue Is Not Profit

Here's the next hard truth. Your net is far more important than your gross. In fact, your gross only matters relative to your expense structure.

Years ago, a very successful friend and I compared financials. He had multiple locations, each grossing $35,000 to $40,000 a month. In five schools, I grossed what he grossed in three. On the surface, he was winning. But my average rent was $2,700 and his was $6,500. My average school had two full-time and two part-time employees. His averaged five full-time. The bottom line was that my bottom line was really good. He had to put $45,000 of his own money into the operation to keep it running smoothly.

Another friend runs what I'd call a nice little, somewhat mundane school. His gross is always okay, never spectacular. He enrolls about eight new students a month, and frankly his curriculum bores me. But years ago he built his own building and made double payments until he owned it outright. No rent, no mortgage, lots of equity. His school runs at close to 50% net. He takes very nice vacations, buys a new car every couple of years, and has built real net worth.

Which of those two would you rather be?

Here's one more from my own experience. At one point I had a single remaining "corporate school" that I ran directly. That year it netted more than $90,000, after paying two full-time Black Belts more than $100,000 to run it, with almost no involvement from me. I visited it about seven times that year. I did none of the teaching, none of the enrollments and none of the grassroots marketing.

That school wasn't the biggest I ever ran. It was one of the most profitable, because it was lean, it was focused, and the people running it were trained Black Belts who knew exactly what their jobs were. Keep that picture in mind. It's what this book is building toward.

When someone tells me their gross, my response is usually, "So what's left over?" Do $30,000 a month with $15,000 left over, and I'll think you're incredible. Do $180,000 a month with $3,000 left over, and, nothing personal, but who cares?

For an established school, the biggest single lever on profit is usually payroll. As your school grows, it's tempting to add people to solve every problem. But industry benchmarks are clear that payroll above 40% of revenue crushes profit. Many owners at your stage hire to relieve their own exhaustion, not to produce results, and payroll creeps up until the owner is working just as hard for less. In Part Two we'll show you how to build the team so that each person you add pays for themselves, and how developing staff from within keeps that number sane.

Profit isn't greed. It's what lets you pay a great instructor what they're worth, replace the mats, survive a slow summer and build a school that's still standing in twenty years.

What Are You Really Paid Per Hour?

Now let's talk about you.

Recent industry data is sobering. According to Wodify's 2026 report, the typical BJJ school owner paid themselves about $60,000 in 2025, roughly $29 an hour, while owners past 200 students took home up to about $150,000. Gymdesk's modeling shows a similar pattern across schools: an owner at 150 students might expect about $49,000 a year, and at 250 students about $97,000.

Read those numbers twice. The difference between a school that pays its owner like a professional and one that pays like a part-time job is often not talent. It's size, structure and systems.

Now do your own math. Take everything the school actually paid you last year, salary, draws and owner benefits, and divide it by the hours you worked. Use the time log from Chapter 1 if you did it. Be honest about the hours, including the evenings answering messages and the Sunday afternoons doing paperwork.

Many established owners who do this calculation get very quiet. They discover they're earning less per hour than some of their own adult students, while carrying all of the risk, all of the debt and all of the stress.

Remember the opportunity cost idea from Chapter 1. If you could earn more doing something else, and your school pays you less, the school is costing you money, even if your accountant says it's profitable. That's not a reason to quit. It's a reason to change how you run it.

And remember this comparison: work 100 hours a week for $200,000, or 40 hours a week for $100,000. Which one really improves your life? Ask yourself the follow-up questions too. Did I miss the kids growing up? Do I take time to learn and grow? When was the last time I relaxed and recharged?

Wealth Versus Lifestyle

Let's define four words, because owners mix them up all the time.

- **Revenue** is how much total cash comes through the business monthly, quarterly or yearly.
- **Net income** is how much is available to you personally after all the regular business expenses are paid.
- **Wealth** is how much you've accumulated in real assets: equity in real estate, stocks and bonds, cash on hand and other truly valuable assets.
- **Lifestyle** is the quality of your life now: leisure time, travel, where you live, what you drive and how much real enjoyment you get out of life.

Money is good for two things. First, making sure you can do and have the things you want right now. Second, building security for your future, and not just for retirement. What if the school has a downturn? What if one of your kids has an unexpected medical expense, or you do? Are you strong enough to weather the storm?

Here's a personal example. Years ago, friends and employees laughed at me. Once a year I'd hold a Christmas party at my house, which sat in one of the most expensive neighborhoods in the Denver area with tremendous views of the city. Day to day, I drove an Audi 4000 with about 150,000 miles on it. I finally traded it when it failed emissions, got hail damage and needed more repairs than it was worth. During that period, the house appreciated more than $300,000, and the car went from the $20,000 I paid for it new to zero.

Remember, when they laugh, it's your money, not theirs.

We're tempted to buy things for the image we hope to project to friends, neighbors and other school owners. If an expensive toy truly adds to your enjoyment day by day, get it and enjoy it. Just don't buy it to impress anyone. Impress your clients, your students and their parents, not your competitors and peers. Why do you care what the other martial arts guys think?

Live below your means. Make decisions that accumulate assets. Long-term security is built on real assets like real estate, stocks, index funds and your bank balance, not on a bigger facility, a fancier sign or a larger student count you can brag about.

Activity Versus Accomplishment

All else being equal, more activity is better than less. Most owners don't work hard enough on the right activities. But you can never confuse being busy with being effective.

Ask the same question of every task: does this contribute to enrollments, renewals or retention? If not, it may just be activity with little merit. Some administrative work has to happen. The electric bill gets paid and the tax forms get filed. But minimize your time there.

These are some of the most common ways established owners stay busy without accomplishing much:

- Personally handling billing, bookkeeping or payroll reporting that should go to a billing company, bookkeeper or payroll service.

- Running errands, picking up supplies or doing manual labor around the school that a staff member could handle.
- Doing administrative work during prime-time hours.
- Sitting in enrollment or renewal conferences without ever asking the family to commit to a goal. Zig Ziglar said the difference between a professional visitor and a professional salesperson is asking for the sale.
- Expecting prospects who say they'll think it over to actually call back, instead of following up consistently.
- Sitting at the computer when students are in the building.
- Returning calls from anyone who isn't a student or a prospect during prime time.
- Running around to local tournaments, judging or "supporting your students."
- Doing personal training during class hours.
- Answering every phone call personally.

Read that list against your Chapter 1 time log. Circle every item you did last week. Each circle is time you took away from the work that actually grows the school.

I once watched two of my former employees and students open schools of their own. One made a huge effort to replicate my Denver operation. He opened multiple locations, built a big staff with high expenses and high grosses, and promoted a big tournament. The other opened one nice school, worked 20 to 30 hours a week, coached his kids' teams and spent real time with his family.

The first carried huge stress and huge liabilities, traveled constantly, was out of shape and made a decent income with lots of ups and downs. The second made a similar income without the negatives.

Which one was more successful?

So if student counts, facility size and gross revenue aren't the measure, what is?

The real secret of wealth in a martial arts school is student retention and loyalty. If your students absolutely love what you do, they tend to pay more for classes, stay as paying students much longer, add the entire family, bring their friends, become loyal volunteers, become assistant instructors and become staff prospects.

Look at the end of that list. The students who love your school are also your future team. That's the connection most owners miss. Retention isn't just a revenue strategy. It's your recruiting strategy, your leadership pipeline and your path out of teaching every class yourself.

Schools with excellent retention make exponentially more money to the bottom line than schools that constantly struggle to keep students happy. If you were going to apply yourself completely to one area, this would be it: get great at keeping your students in class and excited, for years.

That's where we're headed. But first you need to know exactly where your school is stuck. That's Chapter 3.

YOUR NEXT STEP

Decide: Decide what you will count as an "active student" from now on, write the rule down, and give it to whoever runs your front desk.

Measure: Divide what the school actually paid you last year by the hours you actually worked, and write down your real hourly rate.

Do: In the next 7 days, sort your entire roster into Training, Drifting and Gone, and recalculate your student value using only the students who are truly training.

CHAPTER 3

Find What's Holding You Back

Stop Fixing Symptoms

If you've been open five years or more, you've tried a lot of fixes.

You've run a new six-week special. You've offered a two-for-one. You've rearranged the class schedule, bought new equipment, redesigned the website, tried a new billing company, hired an agency, fired the agency. Some of those things helped for a month or two. Then the school settled right back where it was.

That's because most fixes treat symptoms. It's like trying to repair a sputtering engine with a new paint job. It looks different, but the root cause is still there.

Here's how we want you to think instead. Your school is a chain of connected steps. Families find out about you. They inquire. Someone responds. They book an introductory lesson. They show up. They enroll. They make it through the first four months. They test, progress and renew their goals. They stay for years, pay more as they advance, bring their friends and, eventually, help you teach.

A chain is only as strong as its weakest link. If one step is badly broken, working harder on every other step won't change the result much. Doubling your marketing won't help if nobody calls the leads back. A brilliant enrollment conference won't help if half your new students vanish before their fourth month.

I've used one formula for decades to describe how a school generates revenue:

New Enrollments × Tuition Rate × Retention Rates × Renewal Up-sells × Cash Ratio

Every factor multiplies the others. An improvement in any one of them can have a dramatic impact on your top line and your bottom line. But the factor that's weakest is costing you the most, because it drags down everything you've built in the other four.

So your job in this chapter is not to fix everything. It's to find the one thing holding you back right now.

The Only Metric That Matters

Before we look at the six places a school gets stuck, we need to talk about the number that sits underneath all of them.

For fifty years, martial arts instructors have judged themselves by the wrong standards: sharp uniforms, high kicks, tournament trophies. Some will tell you, with pride in their voice, "It's so hard to get a Black Belt in my school, almost nobody makes it."

Every time we hear that, we have to stop ourselves from shaking our heads. What they're really saying is, "I'm so ineffective at teaching, motivating and retaining students that almost none of them reach the goal our art is built around." That isn't a standard of excellence. It's a confession.

The true measure of an instructor, and the only metric that really shows the health of your school, is your retention rate.

Think about it. If a student trains with you for eight years, as long as you're a reasonably credible instructor, they're going to improve. Time and repetition guarantee it. But if they train for four months, it doesn't matter if you're the greatest grand master in the world. They'll learn very little of lasting value, and the potential you saw in them is lost.

This isn't philosophy. It's business. One renewal into a Black Belt program is worth six to ten times more than a single new enrollment. A student on a basic program might spend $3,000 or $4,000 with you over a year. A student who commits to a four- or six-year Black Belt

Leadership program will spend $20,000 to $30,000. You can't have the second kind of student without first mastering retention.

We grade instructors on a simple scale based on monthly dropout rate, the percentage of active students who leave each month:

- **An "A" instructor** loses 1–2% a month. Their school is a community.
- **A "B" instructor** loses 3–4%. Good, but there are leaks in the boat.
- **A "C" instructor** loses 5–6%. That's the danger zone. The school is a revolving door, and the owner is on an exhausting treadmill of new-student acquisition.
- **Anything above that is an F.** At that point you don't have an instruction problem. You have a crisis, and no amount of marketing will fix it.

Look at what small changes do. Dropping attrition from 7% a month to 3.5% will double your active count. The difference between losing 4% a month and 2% a month at a school of 500 is literally the difference between needing 20 new students a month and needing 10 just to stay even.

Jeff likes to put it simply: if retention is the goal, attendance is the key. Hold that thought. Part Three is built around it.

Six Places a School Gets Stuck

Every established school we've worked with is held back, at any given moment, by one of six constraints. Here they are, with the numbers that reveal each one.

1. Not enough inquiries. The phone and the inbox are quiet. You're relying on "word of mouth," which, for most owners, is code for waiting and hoping. Ask yourself whether you're doing 10, 15 or 20 different things every month to attract new students. If you're doing three, this may be your constraint. *The number:* new leads per month, by source.

2. Leads that don't turn into students. People are raising their hands, but they aren't enrolling. Most schools lose a huge share of their leads, in our experience as much as 80%, through poor follow-up. For our clients, we typically expect 50–70% or more of leads to convert to an appointment, and 50% or better of those appointments to convert to an enrollment. *The numbers:* lead-to-appointment rate, show rate, and appointment-to-enrollment rate.

3. Students who don't stay. Enrollments are fine, but the back door is wide open. Schools commonly lose 40–50% of new students within the first six months, according to DojoPractice. Industry benchmark data puts average retention around 19 months, with top-quartile schools at about 29. *The numbers:* monthly dropout rate, and how many of the students who enrolled six months ago are still training.

When students leave, owners usually blame price, schedules or the season. In my experience, most students ultimately drop out for one of two reasons. Either they got confused early and frustrated, or they never felt like part of the family. Studies of why customers stop doing business with a company keep finding the same leading cause, and it isn't poor quality. It's *perceived apathy*. If students like you, like your staff, have friends in class and feel they'll be missed, they're much less likely to quit. So when retention is your constraint, look first at two things: whether your first-year curriculum is chunked into bite-size pieces, and whether anyone on your team is systematically making sure no student falls through the cracks.

4. Revenue per student that's too low. The floor is full but the bank isn't. Most schools that come to us have a student value around $125 to $150. Industry benchmarks show a median of about $122 per student, with the top quartile around $164. The schools running seven figures are often at $300, $400, even $500. If you're under $150, it's very tough to make a living. *The numbers:* student value (gross revenue divided by active students), and revenue per new enrollment (gross revenue divided by new enrollments for the month).

That second number matters more than most owners realize. If your average student spends $5,000 with you over their training, you'd think nothing of spending $500 to $750 to get a new one. If your average student spends $500, it's tough to spend much of anything. Low revenue per student quietly strangles your marketing.

5. Not enough team capacity. You have demand, but no one to handle it. Calls go unreturned because nobody is assigned to them. Classes get cancelled when one assistant can't make it. You can't add a class time because there's no one to teach it. Owners in this situation say, "It's just me." *The numbers:* how many people besides you can teach a class to your standard, run an intro lesson, and conduct an enrollment or renewal conference.

6. Not enough owner capacity. You are the system. Every decision runs through you. Your time log from Chapter 1 shows 60, 70, 80 hours a week, almost all of it teaching, administration and maintenance. Even when the school is growing, it can't grow past the hours you have left. *The numbers:* your total weekly hours, and the percentage spent on enrollment, retention, team leadership and planning.

Notice that constraints 5 and 6 aren't marketing or retention problems at all. They're people problems. For many established schools, that's where the real ceiling is. You can find the leads, convert them and keep them, but only up to the limit of what you personally can carry. That's why Part Two of this book is the longest.

Take the Pulse

Numbers tell you a lot. But over the years I've found I can judge the success of a school within about five minutes of walking in during prime time.

Many years ago, around 1985 or 1986, I traveled with a couple of my key staff to Syracuse, New York, to visit a school run by a good friend, Steve LaVallee. His school in Liverpool, a Syracuse suburb, was 1,800 square feet on a second floor, with about $600 a month in rent, running

500 or more active students. It was possibly the lowest-overhead, highest-margin school I've ever seen.

We parked in a dingy area, found a strange heavy steel door with a dragon embossed on it, and opened it at about 5:00. At the bottom of the narrow staircase, I turned to one of my staff and said, "I really don't need to see anything else. I already know why this school is so successful."

Here's what we walked into. The windows were fogged up. The noise was deafening. Parents were sandwiched between students stretching for the next class. The class was split into four pods, rotating so that every student was working every minute in a tiny space.

All evening, his program director left the office only to bring the next parent and student in to enroll or renew. He was in enrollment and renewal conferences for four hours straight. The receptionist, with one finger in her ear and a headset on, was confirming intro appointments, setting renewal appointments and following up on anyone who had missed a class or a week of classes. The instructors kept up a stream of positive messages and perpetual movement. Parents brought their friends to watch. Everywhere we went in town, from the rental car counter to dinner, people knew LaVallee's school.

Look at who was doing what. The owner wasn't doing everything. The program director owned enrollments and renewals. The receptionist owned confirmations and missed-class follow-up. The instructors owned the energy on the floor. Every link in the chain had a person attached to it.

That's the pulse of a healthy school. Walk into your own school at 5:00 next Tuesday and try to see it as a stranger would. Is anyone confirming tomorrow's intros? Is anyone calling the students who missed? Is anyone meeting with parents? Or is everyone, including you, just teaching?

Follow the Money, Then Keep It Simple

As you diagnose your school, be careful whose advice you take.

Before accepting any idea, ask who's selling it and what's in it for them. An advertising agency usually gets paid a percentage of your ad budget, so to them, some advertising is good, more is better and a huge amount is fantastic. When results disappoint, you'll hear about image, branding and recall. To anyone selling you advertising, your tracking results is a negative, because it means they have to perform. A billing company may tell you how much of your revenue "should" run through monthly billing. Ask yourself whether that advice is about your school or about their percentage.

None of this means outside advice is bad. It means your numbers should make the decision, not the salesperson.

Then keep it simple. At the most basic level, every business is simple. Peter Drucker said the purpose of a business is to create and keep a customer. For our staff, I've expanded that just slightly to three points of daily focus: enrollments, renewals and retention.

Every day, ask three questions. What can we do today to enroll more new students? What can we do today to keep students longer? What can we do today to renew more students into our upgrade programs?

During prime time, ask three more about every class:

- Who's in class who won't be back if we don't act?
- Who's in class who can be renewed?
- Who's in class who could help us with enrollments?

Everyone has reached the end of an evening without adding a student or renewing anyone. Guard against that every single day. And as your team grows, make sure each of those questions has a name next to it. Your program director owns the renewal question. Your head instructor owns the "won't be back" question. Your front desk owns the follow-up. You own the answers to all three.

The School Growth Scorecard

Now it's time to put your school on paper.

In the Introduction we asked you to rate yourself on the six-area School Growth Scorecard in the Appendix. If you haven't done it yet, do

it now. If you did, pull it out and look at it next to the numbers from this chapter. The six areas line up with everything above:

1. **Teaching and student results.** Are students progressing, testing on schedule and reaching Black Belt? Would you be proud to have any class in your schedule observed by a prospective parent?
2. **Enrollment.** How many leads, appointments, shows and enrollments do you produce each month, and at what conversion rates?
3. **Retention.** What's your monthly dropout rate? What percentage of students who enrolled six months ago are still training?
4. **Revenue per student.** What's your student value, and what's your revenue per new enrollment? Do you have a clear upgrade path into Black Belt Club and Leadership?
5. **Team and systems.** Who besides you can teach to your standard, run an intro, conduct an enrollment or renewal conference, and follow up on absences? Are those jobs written down and assigned?
6. **Profit and owner freedom.** What's your true net? What do you earn per hour? Could the school run well for a week without you?

Here's how to use it.

First, use real numbers wherever you can. Pull them from your software, your bank statements and your time log. Where you don't have a number, write "unknown," and treat that as a finding. Not knowing your dropout rate is itself a retention problem.

Second, circle your lowest-scoring area. That's your probable constraint. If two are tied, choose the one closer to the front of the chain. It does little good to fix renewals for students who never enroll.

Third, check your choice against the pulse. Walk your school in prime time and ask whether what you see matches what the numbers say.

Fourth, don't try to fix all six. Pick one constraint and put it at the top of your weekly staff meeting for the next 90 days. Everything else gets maintained, not overhauled.

And fifth, look honestly at areas 5 and 6. For most established schools at 100 to 300 students, even when the lowest score is in enrollment or retention, the reason it stays low is that there's no one other than the owner to own it. That's the connection problem we talked about in the Introduction. You don't need to become better at every step. You need people who are trained, assigned and accountable for each one.

Part Two shows you how to grow those people from your own mat.

YOUR NEXT STEP

Decide: Decide which one of the six constraints is holding your school back most right now, and commit to making it your focus for the next 90 days.

Measure: Calculate your monthly dropout rate for each of the last three months: students who left divided by active students at the start of the month.

Do: In the next 7 days, fill in every number on the six-area School Growth Scorecard from your software, your bank statements and your time log, writing "unknown" wherever you can't find one.

PART TWO

Build Your Team From Within

The best instructors, program directors and managers you will ever have are already training on your mat. This is how you find them, develop them, pay them and lead them.

CHAPTER 4

Your Best Staff Are Already on Your Mat



"It's Just Me"

We hear it from established owners almost every week. "I'd love to grow, but it's just me. I don't have anyone to help."

Picture the owner who says it. Maybe he ran an ad for an instructor and got nothing usable. Maybe he brought in a black belt from across town to teach a few nights a week, and it didn't last. Maybe he's simply stopped looking, because every search ends the same way.

Here's the brutal truth. "It's just me" is not a staffing problem. It's a philosophy problem. It rests on the belief that instructors and staff are hired, not developed. That you have to find someone holding a "for hire" sign, pay them, and hope.

That road is a dead end. The people who will carry your school for the next ten years are not on a job board. They are on your mat right now, bowing in at 5:30, holding pads for the white belts without being asked.

> *Leadership is learned, not hired. Your greatest asset is the untapped potential within your own student body.*

This chapter is about seeing those people clearly, understanding why they are a better bet than any stranger, and avoiding the mistakes that make "hiring from within" go wrong.

The Help You Keep Looking For Is Already Bowing In

Walk into the most successful long-standing schools in this industry, the ones with three, four or five hundred active students that have become pillars of their communities. You won't find a lone wolf. You'll find a pack.

You'll see a deep bench of first, second, third and higher-degree black belts who make up the heart of the instructional team. They move with purpose, teach with confidence and share the load. They didn't appear out of nowhere. They were forged, deliberately, inside the walls of that school.

There is a chain at work here, and it starts with retention. When students truly love what you do, a predictable series of things happens. They pay more for classes. They stay longer. They add the whole family. They bring their friends. They volunteer. They become assistant instructors. And some of them become staff prospects.

Read that list again, because the last three items are the subject of this whole section of the book. Your future staff are the end product of your retention.

The reverse is also true. If no one gets to black belt, there aren't many black belts to hire. An owner who loses half of every new class in the first few months is not just losing tuition. He is losing his future head instructor and program director before he ever learns their names.

Over the years we have learned to spot the schools that have worked with us the longest. They aren't scrambling to find instructors. They aren't hiring outsiders and trying to retrain them. When a full-time position opens, they have a dozen high school or college-age leaders ready and eager to step up, because those young people have been preparing for that role for years.

Why Homegrown Beats Hired

Everyone in this industry knows you should "grow your own." Most owners nod and then hire a stranger anyway, because it feels faster. Let us remind you what you already know.

Martial artists as employees can be very self-righteous. Many believe that doing anything just to make money "off the students" is wrong. They never feel they're paid enough. And they want nothing to do with sales or marketing; they want to teach what they want to teach, to the students they feel like teaching.

Add to that a second reality. Martial arts can be a lot like a cult in one specific way: whoever taught someone first what the "true way" is often owns their heart for good. If a new hire holds allegiance to another instructor or another style, those feelings will show in every student and staff interaction. Do you want your students excited about the old, "real" instructor and the old, "true" style? Or do you want them excited about you and your school?

Take those tendencies and amplify them with martial artists who didn't come up through your system, and you can easily triple your headaches and cut your results in half.

There's one more hard lesson, and I learned it the slow way. If someone already failed running their own school, why would working for you be any different? Business owners have far more reasons to be self-motivated than anyone's employee. If you have a pure teaching role for a former owner who is genuinely strong on the mat, it might work. But failed school operators usually make failed employees. I hate to admit I've made that mistake a couple of times too many.

Compare that with a student you have trained for six years. They know your curriculum and your terminology. They know your class structure, your creed and your standards. They know the families, and the families know them. They were shaped by your culture rather than someone else's, so they are what we call a "product of the product."

That phrase is the real test. Picture a mother sitting on your parents' bench. Would she pay what you charge so her child could grow up to

have the character of the instructor, assistant or program director standing in front of her? A homegrown leader passes that test before you ever offer them a job, because she has watched them grow up on your mat.

Two Products of the Same System

Jeff and I are not theorists on this subject. We are both products of a school system that grew its own leaders.

I began training in 1969 at a branch of the Jhoon Rhee Institute in Tulsa, Oklahoma. I opened my own school in 1975, at age 15, under Grand Master Jhoon Rhee, and earned my black belt from him in 1978. Later I moved to Washington, D.C., to work for the Jhoon Rhee Institute, first as an instructor and then as its youngest-ever branch manager, while I was earning my degree at Georgetown University.

Jeff came up the same way. Grand Master Rhee recognized his potential and invited him to Washington to join the Institute as a professional instructor. Jeff rose to become responsible for managing the locations and training the entire instructor staff. He did that while becoming a world champion.

Neither of us was recruited off the street. We were developed, step by step, by a system that expected its students to become leaders. And that system made it possible for two full-time instructors per location to earn a good living teaching martial arts. That is the point. When you grow your own people, you are not just filling a slot. You are building careers that make the school stronger.

Here is how one owner who rebuilt his Black Belt Leadership Program put it:

> *"One of the things I am most grateful for is a dream I had for years before: to be able to provide a good living for my Blackbelt Leaders who want to stay and grow the mission with me." (Grandmaster Stephen J. Del Castillo, Krav Maga Martial Arts, Tampa, FL)*

The Student Journey Becomes a Career Path

If you want students to see a future on your staff, you have to show them one. Most established schools have a clear path to black belt and then nothing. The most talented young leaders in the building can't see where they would go next, so they go to college, get a job somewhere else and visit at Christmas.

Lay out a goal-oriented career path just as clearly as you lay out your belt ranks:

1. Black Belt Club
2. Assistant Instructor
3. Instructor
4. Head Instructor
5. Program Director
6. Branch Manager
7. School Owner

Not everyone will climb that ladder, and not everyone should. But everyone should know it exists. A twelve-year-old who sees a twenty-two-year-old head instructor who started as a nervous white belt in the same room understands something no recruiting ad can teach.

When you spot a promising candidate, take them under your wing personally. Guide them toward increasing leadership, accelerated progress in their own training, a winning personal appearance, escalating responsibility and a vision of a career in the martial arts.

Treat different ages differently.

- **For teenagers,** create a real career prospect and, when you do pay them, pay comparably to or slightly better than their other job opportunities. You're competing with the coffee shop and the grocery store. Win.
- **For adults,** consider hiring them at an early stage of their training for program director or front desk roles. The skills those jobs require, warmth, organization and follow-through, don't

depend on rank. An adult who loves the school and can talk to any parent doesn't need a black belt to help families enroll.

- **For your very best people,** keep the door open for them to open their own school with your help, when and if they want to and are ready.

That last point scares some owners. It shouldn't. A strong leader who has no path upward will eventually find one, and it may be across the street. A strong leader who has a path with you becomes a partner, a branch manager, or a licensee. In fact, the only real justification for opening a second location is that you are bursting at the seams with quality staff and want to give them a career path. We'll come back to that later in the book.

Where Hiring From Within Goes Wrong

Hiring from within is the right principle. Owners still find ways to ruin it. Here are the mistakes we see most often in established schools.

Mistake one: hiring loyalty instead of quality. Some owners hire only from within, and they hire the person who will work cheap or who has been the most "loyal" for many years. Then they get low results. Your student body is the pool you draw from. It is not the standard. A black belt who has been around for twelve years but shows up late, can't hold a class's attention and avoids parents is not a leadership candidate just because he's been around. Choose staff on intelligence, drive, charisma and the ability to accomplish your goals and theirs, not on seniority or athletic talent.

Mistake two: too much head count. Many schools have several part-timers, often high school students, doing work that should be handled by one high-quality full-time person. Three part-time instructors do not equal one full-time person who is focused on results and on building a career. A school needs two high-quality full-time people. One may be the owner, if the owner is completely focused on the results of the business. Neither should be a full-time student or

someone working a second job. Your teenage leaders are your future full-timers. They are not a substitute for them today.

Mistake three: underpaying the good ones. When owners finally find a quality person, they tend to underpay him or her. If someone excellent is running your school and their pay doesn't reflect it, don't be surprised when they end up doing extremely well across the street from you. We'll cover compensation in detail in Chapter 9.

Mistake four: blurring students and employees. This one causes more resentment than any other. A student in your leadership program is a student. They are enrolled in an education they are paying for, learning to teach as part of what it means to be a black belt in your school. An employee has a job, a schedule, duties and a paycheck.

When owners blur the two, they end up with students who are, in effect, under-trained part-time employees, often resentful because the expectations were never clearly communicated. Keep student leadership development separate from employment. And don't transition volunteers into paid employees unless it's into a full-time position with a salary and incentives. Drifting a helpful brown belt into "a few bucks for covering classes" is how you get the worst of both worlds. The distinction matters legally as well, so ask your accountant or employment attorney how your state treats student assistants and staff.

Mistake five: forgetting the relationship changes. As a teacher, you can often do no wrong in the eyes of a dedicated student. As an employer, you can often do nothing right in the eyes of a mediocre employee. The day a student becomes staff, the relationship changes, and both of you need to know it. Sit down and say it plainly. "You've been my student. Now you're also on my team. On the mat I'm still your instructor. At work I'm your manager, and here is what that means." Write down the duties and standards. If you are promoting a black belt over the people they came up with, announce the role and its authority in front of the team so nobody has to guess.

Mistake six: skipping the basics because you "know them." Knowing someone as a student is not the same as knowing them as an

employee. Use the same discipline you'd use with an outside hire. Have several people interview the candidate, because someone else who understands your culture may see what you miss. Run a background check on anyone you hire and keep it in the file. Have a clear, written understanding about appropriate behavior in the school and with and around students and their parents, including off hours. Put every new hire, homegrown or not, through an intensive 90-day training program with a probationary period. Watch character, conversation and attitude. If you see a crack in the façade, cut your losses quickly.

And when a black belt from another school moves to town and wants to join your team? Welcome them warmly. Then have them enter through the same door as everyone else, at white belt. That isn't disrespect for their past training. It's how they learn your system, your terminology and your way of doing things. If they're humble and dedicated, they'll embrace it and progress quickly. If their ego won't let them put on a white belt, they aren't the right fit for your school anyway.

What to Look For Before You Ever Make an Offer

Identifying future staff starts long before anyone is old enough or ready enough to hire. It starts with watching.

It is not always the most athletic student. Great athletes rarely make great coaches. Many owners make the mistake of choosing staff for physical talent. That's nice, but empathy and sincere concern for students matter far more. You want people who care more about their students than about themselves.

Use the Leadership Candidate Checklist. These are observable traits, and you can see every one of them in a normal week of classes:

- **Attitude.** Are they the first to say "Yes, sir" or "Yes, ma'am"? Is their demeanor positive?
- **Effort.** Do they always try their best, even on things they aren't good at?
- **Focus.** Do they make eye contact when you're teaching?

- **Helpfulness.** Do you see them instinctively helping a new student who looks lost?
- **Consistency.** Are they at every class, on time? Their attendance card will tell you.
- **Appearance.** Is their uniform always clean and worn properly? That shows discipline and respect for the art.

When you notice a student showing these traits, take note. They are your future leaders.

For adults, widen your lens. Look for potential future employees in the introductory classes you teach. The parent who asks smart questions, organizes the carpool and talks easily to everyone on the bench may be your next program director.

Finally, remember that people have different aptitudes. Some are great teachers and lousy at enrollment. Others are wonderful with the books but shouldn't be put in front of the public. Before you invite anyone onto the staff path, define what the job actually requires and match the person to it. A wonderful instructor who hates the phone is not a failed program director. He's a wonderful instructor. Put him where he wins.

FROM GRAND MASTER JEFF SMITH

I've watched it happen to more owners than I can count. You open your school with all the passion in the world. Then the grind takes over. You teach the little ones, then the beginners, then the adults, and in between you answer the phone, fix the credit card machine and mop the mats at night. You become a lone wolf. You're the heart of the school and also its bottleneck. You can't get sick. You can't take a vacation.

When an owner tells me, "It's just me, I don't have anyone to help," I ask him a question. If you wanted to become a university professor, would you expect the university to pay you for your education? Of course not. Your advanced students are getting an education in leadership, communication and teaching that will serve them for life.

Build that education, and you'll stop looking for help. You'll be surrounded by it.

YOUR NEXT STEP

Decide: Commit that your future instructors and staff will be developed from within, and that any outside black belt you bring on enters through the same door as everyone else.

Measure: Count how many current students meet all six traits on the Leadership Candidate Checklist.

Do: Teach or watch every class this week with the checklist in hand, write down every name that fits, and have one conversation with your strongest candidate about the career path in your school.

CHAPTER 5

The Leadership Factory: From Student Leader to Instructor



You Are Running a Leadership University

There's an old adage: the surest way to master anything is to teach it.

It's one thing to hear an explanation and another to perform the movement. But to truly internalize a technique, to understand its nuances and the principles behind it, you have to be able to explain it to someone else. You have to break it down, describe the process and convey the "why" behind the "what."

That idea should sit at the heart of your school. In the last chapter we said your best future staff are already on your mat. This chapter is about the machine that turns them into leaders. We call it the leadership factory, and once it's running, it is how you escape the lone-wolf trap for good.

Start with what families are actually buying. When a student or parent enrolls, they want more than punches and kicks. They are investing in discipline, focus, confidence and respect. The physical training is the vehicle. The real goal is leadership.

So your job is not just to teach a martial art. It's to teach students how to lead. That is not a bait-and-switch. It is the fulfillment of your promise.

Here's the shift in thinking that changes everything. You are not running a martial arts class. You are running a leadership university.

The physical curriculum is the coursework, and the development of teaching skills is the graduate program. When you frame it that way, for yourself and for your students, the top ranks stop being an exit ramp and become a launchpad.

Why Everyone Wins

A well-built leadership program is the ultimate win-win. Look at what the student gets.

- **Accelerated mastery.** When a green belt explains a basic concept to a white belt, the green belt's own technique sharpens. Assistants are forced to revisit the fundamentals, and their understanding deepens. They stop being passive recipients and become active participants.
- **Transferable skills.** Leadership students learn to be effective team members and then effective team leaders. They learn to speak in front of small groups and eventually large ones. Those skills give them an edge in school presentations, job interviews and future management roles.
- **Purpose and belonging.** Being on a leadership team gives students a bigger stake in the school. They're no longer just customers; they're contributors. That sense of responsibility is one of the strongest drivers of long-term retention there is. They become a "product of the product," living examples of the school's values.

Now look at what the school gets.

- **A built-in support system.** Imagine a school of 400 students. With a strong leadership program, you might have 100 advanced belts, brown belts, black belts and above, trained and available to help with introductory lessons, beginner classes, intermediate classes or simply an extra set of hands where a student needs attention.

- **A teaching model that scales.** A lone wolf can only handle so many students before quality slips. With a leadership team, a ratio of 7 or 10 students to each instructor or assistant becomes easy to keep, even as you grow. That protects the experience and keeps the back door from swinging open through neglect.
- **A funnel for future staff.** The goal isn't to hire every member of your leadership team. But this program naturally becomes the best incubator you'll ever have for full-time and part-time staff. When a 15-year-old has spent years in your leadership program, they've been trained in your system, they embody your culture and they have proven teaching skills. At 18, they are not an unknown quantity. They are a seasoned instructor ready for more responsibility.

Build the Culture Before You Build the Program

Here's where established owners go wrong. They like the idea, so they pick a few top students from the advanced class and ask them to start teaching next week.

That sets everyone up to fail. Those students may be skilled martial artists, but nobody has trained them to teach. They end up, in effect, as under-trained part-time helpers, often resentful because the expectations were never made clear.

A leadership system isn't a program you bolt on. It's a culture, and it has to be part of your school's DNA from a student's first class. The expectation should be that as students move up the ranks, they are given more responsibility and are expected to lead. Teach your curriculum from two perspectives at the same time: how to learn the material and how to share it.

Once that culture is in place, leadership becomes the expected path for every student. The question isn't whether you'll help teach. It's when, and at what level.

The most effective way to lock this in is to make leadership experience a requirement for promotion. Your testing standards should

show that you value teaching and leadership as much as physical skill. Here is one example of how to build leadership prerequisites into your higher ranks:

- **To test for brown belt:** must have assisted in 20 basic classes.
- **To test for first degree black belt:** must have 50 hours of leadership experience and have led the warm-up in 10 classes under supervision.
- **To test for second degree:** must have mentored two junior students through a full testing cycle and helped organize the annual school picnic.
- **To test for third degree:** must be responsible for planning and running the annual Black Belt Retreat.

That sends a clear message. Promotion is earned not just through personal achievement, but through contribution to the community. Responsibility grows step by step, confidence and competence grow with it, and everyone becomes invested in each other's success.

If you're adding this to an established school, don't spring it on students who are already close to testing. Announce it, give it a start date and let it phase in. The students who are halfway to brown belt will meet the new standard naturally. The ones testing next month shouldn't be penalized for a rule that didn't exist when they enrolled.

The Black Belt Club Is the Gateway, the Leadership Team Is the Invitation

To make leadership elite and attractive, you need a stepping-stone program. That's the Black Belt Club, the program students advance into from your basic program. Joining it demonstrates their commitment to earning a black belt.

Every Black Belt Club member focuses on their own training. From that group, you select the best of the best for your Leadership Team, which is the entry point to your Instructor Training Program.

Not every Black Belt Club member makes the Leadership Team, and that's the point. An invitation is a genuine honor. It recognizes

exceptional attitude and potential. That extra layer keeps leadership from feeling like an automatic next step. It stays a privileged position that has to be earned.

Use the Leadership Candidate Checklist from Chapter 4 to make those invitations: attitude, effort, focus, helpfulness, consistency and appearance. Invite in person, with the parent present for a minor, and make it a moment.

Build this culture and you'll run into a problem most owners would love to have: too much help. The most successful schools typically have 30 to 60 students in their leadership pipeline at any given time. That's so many that they often need a sign-up system to limit how many assistants are in each class. A large established school might have a leadership team of 100 students at different stages. A smaller school might have 30 or 40. The number matters less than having the pipeline at all.

Who runs this? Not you, eventually. In a mature school, the head instructor or chief instructor runs the leadership classes and the sign-up schedule, and the owner's job is to train that person and check the results. Early on, you'll do it yourself so you know exactly what you're handing off.

The Leadership Levels

The road from student to instructor should be a ladder, with clear stages, titles and responsibilities. That gives students the same motivation and goal-setting for leadership that your belt system gives them for skill.

Instructor Trainee. This is the entry level. A trainee doesn't start by teaching; they start by helping. Their job is to be an extra set of hands and a positive example. Give trainees something distinctive to wear, a different colored top or a special jacket, so they feel the identity and pride of being a leader in training. Their responsibilities include:

- Helping with class setup and line-up
- Greeting students at the door and helping with attendance cards

- Holding pads and targets
- Modeling correct technique during drills
- Encouraging beginners

There is one golden rule. The trainee is there to assist you, not to run the class while you sit in the office. They're shadowing you, learning by watching and by completing small, specific tasks you give them.

From there, responsibility grows with rank, so no one is ever asked to teach material they haven't mastered themselves:

1. **Level 1 trainees** (for example, green or purple belts) have just finished the basic material. They help only in basic classes. The information is fresh, and teaching it reinforces their own foundation.
2. **Level 2 trainees** (for example, blue or brown belts) can help in Level 1 and basic classes.
3. **Level 3 trainees** (for example, red or advanced brown belts) can help in any class below their own level.

Each level should come with its own study, not just more floor time. In our own leadership curriculum, Level 3 trainees read *Extraordinary Teaching* along with its Implementation Workbook, because by that stage they're ready to understand why the school teaches the way it does, not just what to do on the floor. Choose your reading deliberately and make it a requirement, just like a form.

The question that tells you you've framed it wrong. When you invite a student into the Leadership Team and they ask, "How much does it pay?" you've misframed the conversation.

Nothing about the invitation should suggest you're hiring them for a job. This is part of their Black Belt Leadership education, a program they're paying for. When you enroll a student in a Black Belt or Leadership program, make it clear from the start: a major part of becoming a true leader is learning the material so well you can teach it to others, and the program will guide them through beginner, intermediate and advanced training in how to be an effective teacher and communicator.

It's part of the curriculum. It's what they signed up for. It's a privilege, not a job.

Think about it this way. If you wanted to become a university professor, would you expect the university to pay for your education? Of course not. You'd pay for the privilege of learning to teach at that level. Your instructor training program works the same way. Students are acquiring communication, public speaking, team management and teaching skills that will help them in school and in every career they ever have.

Set that framework from day one and students are eager to learn these advanced skills. The question of pay never comes up. When it does come up, later, it's because a young adult has earned a real job on your staff, which is a completely different conversation. We covered the line between students and staff in Chapter 4, and we'll cover pay in Chapter 9.

The Youth Pipeline

A large part of your leadership team will be teenagers, roughly 12 to 16. You can't hire most of them for full-time roles right now. They are still one of the most valuable resources in your school, and they represent its future.

Young leaders are often the most relatable mentors your younger students have. When a 7-year-old watches a 14-year-old black belt confidently lead a drill, it plants a seed. That teenager becomes a hero, a role model to copy.

This youth leadership corps is also your main pipeline for future full-time instructors. By the time they graduate high school, they've had years of practical teaching experience. They know your curriculum thoroughly. They know your class structure and your philosophy. They're not a risky hire. They're a reliable asset you've spent years developing.

Teens need a few things from you to stay. Treat them as young adults. Give them real responsibility: assisting with younger classes,

leading warm-ups, mentoring newer students. That meets their need for independence and purpose while it builds your bench. And give them community. Teen retention depends heavily on social connection, so leadership workshops, teen-only training and social events outside the school all pay off. If their friends are training, they'll keep training.

Why the Leadership Factory Pays for Itself

Established owners sometimes see leadership development as a cost: time spent training kids who aren't paying staff. It's the opposite. The leadership factory is one of the most powerful retention and revenue engines in your school.

Many schools see a big drop-off after first degree black belt. Students reach the goal they've chased for years and simply disappear. That's a failure of the system, not the student. If first degree is the finish line, don't be surprised when they get off the train.

A black belt who isn't giving back is a black belt who is stagnating. The next phase of the journey has to include the move from student to teacher. When it does, your advanced students have a fresh challenge, your beginner classes get more hands-on help and your whole team gets stronger.

Sell the vision of the long journey, and leadership becomes part of it. We use the language of formal education because families already understand it:

- First degree black belt is the high school diploma.
- Second degree is the associate's degree.
- Third degree is the bachelor's degree.
- Fourth degree is the master's degree.
- Fifth degree is the PhD.

Not everyone wants a PhD, but most people see the value of a college education. The goal for most of your students should be, at a minimum, their "associate's degree," their second degree black belt. And at every level beyond first degree, teaching and leadership are part of the

coursework. You're not a seasonal activity. You're an educational institution, and your graduate program produces leaders.

Leadership also gives your advanced training a purpose beyond the student's own rank. We tell our students that the ultimate use of their skills is to protect those who can't protect themselves, to stand up for what's right and to make their community better. A black belt isn't just strong; a black belt is strong for others. That's why we tie leadership training, community service projects and teaching younger students together. Each one connects a student's personal development to contribution, and contribution is what keeps a 16-year-old black belt coming back when school, sports and friends are all pulling at them.

The same principle protects your culture from your most talented athletes. If you run a competition team, make your top competitors members of the Leadership Team too. That prevents the prima donna mentality and teaches them that being a champion also means being a leader and a role model. The best fighter in the building should also be the one helping the nervous white belt tie her belt.

FROM GRAND MASTER JEFF SMITH

When I first went to Washington to help Grand Master Rhee, I asked him a simple question. "Where are all your black belts?" Once you earned your black belt, your training was basically free, but you had to help with classes. There was no structured program for black belts and nothing new to aim for. They trained alongside the brown belts and drifted away.

So we set a new, more prestigious goal: a structured, paid program to take black belts to second degree and beyond, priced higher than the first. Grand Master Rhee was shocked. "We can't do that! They aren't even staying when it's free!" But when something is free, it's seen as having no value. At my Kensington school, I renewed 40 students into that new program in a single month, and the school made more revenue that month than the other three schools combined. Black belts don't want to be thanked for helping out. They want to be students again, with a real mountain to climb. Make leadership part of that climb.

YOUR NEXT STEP

Decide: Decide which ranks will carry leadership prerequisites for promotion, and set a start date when the new standards take effect.

Measure: Count the students currently in your leadership pipeline, trainees through black belts, and compare that number to the 30 to 60 found in the most successful schools.

Do: Write a one-page description of your Leadership Team, with its levels, its uniform, its responsibilities and how students are invited, and personally invite your first three candidates this week.

CHAPTER 6

Building Your Bench: The Instructor Training Program

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Stop Looking for Instructors

One of the most common and paralyzing beliefs among school owners is that you need a pool of experienced black belts before you can even start an instructor training program. Owners look around the school and say, "I don't have anyone to help me," because they're only searching for finished products.

Jeff has a line for this that every owner should tape to the office wall: stop looking for instructors and begin developing them.

A strong instructor training program doesn't start at black belt. It starts much earlier, with a student who has just finished your basic program coming back to assist in that same basic class. The material is still fresh in their mind, and explaining it to a new student forces them to understand it on a completely different level. That's step one.

The leadership factory in Chapter 5 creates the raw material: a pipeline of trainees from green belt to black belt who expect to help teach. This chapter is about the program that turns the best of them into instructors you can trust with a class, and then with a schedule, and eventually with a school.

If you run an established school, you probably already have helpers. What you may not have is a system. Helpers who learn by osmosis teach the way they happened to be taught. Instructors who come through a

program teach your way, to your standard, every night. The difference shows up on your attendance cards.

The Certified Instructor Ranks

Just as students work toward their next belt, your leadership students should work toward their next level of instructor certification. Tie that certification directly to black belt promotion. It isn't an optional extra. It's part of what it means to be a black belt at your school.

1. **First Degree Black Belt: Certified Assistant Instructor.** Has shown the ability to manage a class or a large group under the supervision of a senior instructor.
2. **Second Degree Black Belt: Certified Instructor.** Qualified to lead a class independently, after years of training in both the martial art and teaching skills.
3. **Third Degree Black Belt: Senior Instructor.** A higher level of experience and leadership. May be responsible for training junior instructors.
4. **Fourth Degree Black Belt: Head or Chief Instructor.** Part of the school's core leadership, able to manage programs and oversee the entire instructional team.
5. **Fifth Degree and Above: Master Instructor.** The highest level of both martial skill and teaching expertise.

Notice what this structure does. It answers the question every talented young black belt eventually asks: "What's next for me here?" It gives your advanced students a reason to keep training toward second and third degree, which protects your black belt retention. And it gives you a clear standard for who is allowed to do what on your floor.

A Master Instructor's job is to mentor the mentors. They lead the leadership classes, evaluate the certified instructors and make sure the quality of teaching holds up across the school. In a single-location school, that's often the owner at first. The goal is for it to become your

chief instructor, so you move from being a master of the art to being a master who creates masters.

Teaching Is Its Own Curriculum

When your advanced students enter the instructor track, you're no longer just teaching them martial arts. You're teaching them to teach martial arts. That's a distinct skill set, and it requires explicit instruction.

Your leadership program needs its own curriculum, separate from your martial arts curriculum. Here's the structure we use:

1. **The fundamentals of teaching:** how people learn, the three-part learning cycle of presentation, practice and performance, effective demonstration, clear explanation and purposeful correction.
2. **Class management:** setting expectations, maintaining attention, managing energy, handling behavior and creating a positive learning environment.
3. **Communication skills:** voice projection and control, body language, using names, giving feedback and active listening.
4. **Building relationships:** connecting with different age groups, building rapport, motivating students, communicating with parents and creating community.
5. **Specific teaching skills:** teaching forms, sparring, self-defense, weapons and test preparation.

Each module should include four things: written material trainees can refer back to, observation assignments ("Watch how I teach this class and write down three techniques I use"), practice opportunities ("Next class you'll lead the warm-up under my supervision"), and feedback and evaluation.

Those observation assignments and practice opportunities become your competency standards. A trainee doesn't move to the next certification because they've been around long enough. They move

because they have demonstrated each skill on the floor while a senior instructor watched. Write the standards down, check them off, and keep the record in the trainee's file the same way you keep testing records. Chapter 7 gives you the observation checklist to use.

Include the standards that have nothing to do with technique. Everyone on your teaching team must look, act and be the role model you're trying to develop in your students. That's the reason for enforcing grooming, cleanliness and proper uniforms on staff. A trainee who teaches a beautiful warm-up in a wrinkled uniform with an untied belt has not met the standard, because the six-year-olds in the front row are copying everything, not just the kicks.

Add the relationship standards too. Can the trainee use every student's name? Do they greet students at the door? Do they speak to parents with confidence and courtesy? These are trainable skills, and they matter as much to retention as anything that happens during the drills.

Gradual Release: From Watching to Leading

Don't throw leadership students into teaching without preparation. Use a gradual release, five stages that build confidence and competence step by step.

1. **Observe.** The trainee watches you teach and takes notes. After class you debrief: "What did you notice? What questions do you have?"
2. **Assist.** The trainee helps during class, holding targets, giving individual corrections and managing small groups, while you lead.
3. **Co-teach.** You share the teaching. You might lead the introduction of new material while they lead the practice portion. You're there to support and step in if needed.
4. **Lead with observation.** The trainee teaches the entire class while you observe and take notes. Afterward, you give detailed feedback.

5. **Lead independently.** The trainee teaches without your direct supervision. You spot-check classes and meet weekly to talk about how they're going.

Each person moves at their own pace, based on demonstrated ability, not on age or seniority. Some will race through the first three stages and stall at the fourth. That's useful information, not a failure. The point of the program is to find out, safely, what each person can do.

The certification ranks and the gradual release fit together. A Certified Assistant Instructor has proven themselves through stage three and is working in stage four. A Certified Instructor has reached stage five. A Senior Instructor is now the one doing the observing and the debriefing for the people coming up behind them.

The Quarterback on the Floor

Simply telling a student to "go help" is not training. In-class teacher development needs a structured, hands-on approach, and the lead instructor has to act like a quarterback: pulling the team together, giving clear instructions and sending them out to run the play.

Picture a one-hour class. Instead of one long block of instruction, break it into four or five segments of 10 to 12 minutes. Between segments, the lead instructor huddles up with the trainees and assistants on the floor. It doesn't have to be long. Thirty seconds is plenty. In each huddle, the quarterback does three things:

1. **Gives positive reinforcement.** "Great job helping Johnny with his stance. That correction was perfect."
2. **Offers one gentle correction.** "Next time we do that drill, keep your eyes up and scan the whole group, not just the one student you're with."
3. **Calls the next play.** "For the next ten minutes we're on roundhouse kicks. I'll demonstrate to the whole class. Your job is to grab a target, partner with two beginners and focus only on their pivot."

The instructor demonstrates, the team executes, and they regroup for the next play. The class stops being a lecture and becomes a coaching workshop, with your trainees in a continuous loop of instruction, execution and feedback.

On-the-floor responsibility should be tiered, too. You wouldn't ask a rookie quarterback to call plays in the Super Bowl.

- **The model** (beginner trainees) isn't there to correct anyone. When you call for a demonstration, they're at the front showing what excellent looks like.
- **The small-group orchestrator** (intermediate trainees) leads a small group through a drill, counts, holds the pad and offers basic corrections like "Good power, now let's hear that kiai!"
- **The class assistant** (advanced trainees and assistant instructors) helps coordinate the whole class, leading warm-ups, running a drill for half the room or taking aside students who need extra help.
- **The event leader** (black belts and above) takes on leadership beyond a single class: a test-prep cycle, a belt ceremony or the annual retreat. Now they're learning project management.

Then close the loop. Hold a two-minute debrief with the leadership team after the final bow. Recognize what someone did well. Ask a trainee what they noticed in the beginners tonight. Turn the answer into tomorrow's focus. It reinforces good work, trains their eye and makes them feel like a real team.

And teach the instructor's voice: the ability to project confidence and authority and be heard over a busy class without shouting. Practice it by having trainees lead the count or the student creed. At first you do it with them. Then they do it alone.

The Weekly Rhythm That Keeps It Running

An instructor training program lives or dies on its schedule. Owners who "do some leadership training when there's time" never find the time.

Put a weekly leadership class on the calendar, run by your head instructor or chief instructor, at the same time every week. That's where the modules get taught, where trainees practice teaching each other, and where you role-play the hard moments: the crying five-year-old, the parent who interrupts, the class that won't settle.

Your head instructor also owns the assistant schedule. Once the leadership factory is working, you'll have more helpers than any single class needs. Use a sign-up sheet or a simple weekly schedule to place assistants where they're needed and keep each class near that 7 to 10 students per instructor or assistant. Put your newest trainees in the basic classes where the material is fresh for them, and your certified assistants where the most help is needed, usually the busiest kids' classes and the introductory lessons.

And someone has to train the trainer. If your head instructor runs the leadership class, you observe your head instructor. Sit in on that class at least once a month. Watch how they give feedback, whether they hold trainees to the written standards, and whether the huddles and debriefs are actually happening on the floor. You are no longer coaching the trainees directly. You are coaching the person who coaches them.

Build supervision into the rhythm. For part-timers and leadership volunteers, it's fine to supervise closely, and you must, as often as every fifteen minutes on the floor. That's what the quarterback huddle is for. For full-time staff it's different. If you have to supervise a full-timer that closely, you have the wrong person.

Then repeat the basics on purpose. A rule of thumb I learned from Nick Cokinos is to circle back and retrain your staff, and yourself, every 13 weeks. Go back to the basics and drill, practice and rehearse them. The same goes for every role, not just teaching. Train each staff member

on every area they're responsible for, in what I like to call nauseating depth. Role-play. Record and review performance. Keep records. Give feedback. Tune and tweak. Then, 90 days later, start over. Continue that cycle forever.

Some owners hate spending that much time, because they're afraid people will leave and the effort will be wasted. Here's the question I always ask them. What's worse: a trained employee who leaves, or an untrained one who stays?

Finally, remember that handing a class to a certified instructor is delegation, not abdication. Delegation means you define the outcome, train the key processes, set benchmarks, supervise at set intervals and coach along the way. Abdication means you hand it off and forget about it. I can't tell you how many owners I've talked with who don't know what their program director does hour by hour, or what scripts are being used in their intros and renewal conferences. The same thing happens with instructors. Delegating a class doesn't reduce your responsibility for it. It changes your job from teaching the class to making sure it's taught well.

Develop Them Before You Desperately Need Them

The worst time to develop an instructor is the week your best one gives notice. Yet that's when most established owners start.

In the ten-step sequence I've used for years to take schools to the next level, the last step is creating effective recruitment and training processes for ongoing quality staff. It comes last because it depends on everything before it: you need students who stay, a black belt culture and renewals before you have people to develop. But once those are in place, it's the step that lets the school keep growing without you. The owners who get it right never scramble. When a position opens, they have young leaders ready to step up because those leaders have been preparing for years.

So map your staffing twelve months ahead. Here's a simple way to do it.

1. List every class on your weekly schedule and every key role in the school: lead instructor, assistants, front desk, program director, leadership class.
2. Next to each one, write who covers it today.
3. Then write who is next in line for it. That's your understudy.
4. Then write who is behind them. That's your bench.

Suppose, as an example, you have 20 classes a week and you are the lead instructor for 14 of them, with no understudy for 10. You don't have a staffing plan. You have a single point of failure. Now look at your certified ranks and your trainees. Who could be co-teaching those classes in three months? Leading with observation in six? Leading independently in twelve?

Then work backward. If a 16-year-old Level 3 trainee is going to be your Certified Assistant Instructor next summer, what modules does she need to finish this fall? Who's observing her? When is her first co-teach? Put the dates on the calendar.

Don't forget the turning points in your young leaders' lives. A senior in high school is about to make decisions about college, jobs and where to live. If you want to keep your best people, the conversation about a future on your staff needs to happen before graduation, not after.

The program you build becomes the manual for everyone who comes after. One school owner who has studied with us for years wrote this about our teaching book:

> *"This book will be our new instructor training manual and a key tool for use in training our instructors and future instructors in our Certified Instructor Training (CIT) Programs." (Krista Wells, Owner, 5th Degree Certified Master Instructor, Mercer Island Martial Arts, Mercer Island, WA)*

Whatever materials you choose, choose them once, teach them consistently and make them required reading at each level. Consistency is what lets your standard survive your absence.

FROM GRAND MASTER JEFF SMITH

Stop looking for instructors and begin developing them. If I could teach owners only one thing about staffing a school, it would be that.

When I was with the Jhoon Rhee Institute, I was responsible for training the entire instructor staff. We didn't wait for finished products to walk through the door. We built them, one level at a time, out of students who had grown up in the system and already knew what our standard looked like. The owners who struggle are the ones who wait until they're desperate and then hope someone qualified shows up. Start with the green belt who stays after class to help. Give her a job, give her a standard and give her feedback. In a few years, she's the one training your next group of trainees.

YOUR NEXT STEP

Decide: Choose the day, time and leader for a weekly leadership class, and commit to running it every week for the next 13 weeks.

Measure: Count how many of your weekly classes have no trained understudy who could teach them next week if the regular instructor were out.

Do: Build your twelve-month staffing map this week, listing every class and key role with who covers it now, who is next and who is behind them.

CHAPTER 7

Cloning Your Standard: Teaching Your Instructors to Teach

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Great Martial Artists Are Not Automatically Great Teachers

Here is something we can tell you with absolute certainty after decades of training instructors. The best martial artists don't automatically become the best teachers. Some of the most technically gifted people we've known were terrible instructors.

Why? Because they never learned that teaching is a skill of its own, one that has to be studied, practiced and mastered with the same dedication they brought to their art.

Think about your own side kick. You studied the chamber, the pivot, the hip rotation and the rechamber. You did thousands of repetitions. Instructors corrected you until it became second nature. Now ask yourself how much time you've spent learning how to teach that side kick to someone else. How many repetitions have you done of the teaching process itself?

For most of us, the honest answer is uncomfortable.

That matters more for an established owner than for anyone. When you taught every class yourself, your standard was simply you. Now you're handing classes to people you developed from your own student body. If you can't describe what makes your classes work, you can't

hand it off. Your instructors will copy your personality instead of your method, and personality doesn't transfer.

The difference between an instructor who struggles with 50 students and one who thrives with 500 isn't technical knowledge. It's teaching skill. And effective teaching drives retention, which drives revenue. That isn't mercenary. It's reality. You can't build a leadership factory if students don't stay long enough to become leaders.

This chapter is about making extraordinary teaching reproducible: one class structure, one set of teaching methods and one way to observe and coach, so that the 6:30 class is just as good when you're not in the building.

One Class Structure Everyone Teaches

Start with the structure. A common myth is that retention depends on a charismatic instructor or a constant stream of flashy new curriculum. It doesn't. Retention rests on relationships and goals, and the best-retained schools often have a curriculum some would call "boring." Their secret is the structure of the class itself.

Think of every class as a full-course meal. A class that is all dessert, fun and games, leaves students unskilled. A class that is all vegetables, dry repetition, leaves them bored. A great class is balanced from start to finish.

Here is the 60-minute structure we've refined over decades. It works for every age group with minor adjustments, and it's the one every instructor on your team should teach.

1. **Opening and warm-up (10 minutes).** Line up by rank, bow in and recite the creed, a dynamic warm-up, then a fast review drill of material from previous classes. High energy from the first second.
2. **New material (15 minutes).** A short focus statement, a demonstration, a breakdown into three or four key components, a quick check for understanding and then guided, controlled practice with constant feedback.

3. **Dynamic practice (20 minutes).** Target work, partner drills and combinations that blend the new technique with what students already know. Use your assistants here for individual attention.
4. **Form or application (10 minutes).** Put the technique into a form, a self-defense scenario or a sparring drill. Connect it to testing: "This will be on your next belt test."
5. **Game or skill drill (7 minutes).** Fun with control, always framed as skill development: "This game develops your reaction time."
6. **Cool-down and closing (8 minutes).** A brief stretch, a three-minute mat chat, recognition of stripes and achievements, and a bow-out on a positive note.

Adapt it to the situation. For a 45-minute class, trim the practice, application and game segments. For Little Tigers, shorten every segment and add more games. For adults, lengthen the explanations and add intensity. For a large class, use more stations and more assistants. During testing prep, replace the game with a test simulation.

The proportions can shift. The six elements cannot. Warm-up, new material, practice, application, fun and closing belong in every class, taught by every instructor.

Inside that structure, the main course runs on disguised repetition. Students need repetitions to master their curriculum, but repetition gets boring. So you keep teaching the same roundhouse kick while changing how you teach it: in the air on a count, on hand pads, on a body shield, on paddles for speed, on the heavy bag for power, with a partner, inside a form, with two teams competing for sharpness. Same skill, different context, no staleness.

The Teaching Toolbox

Structure tells your instructors what happens when. The toolbox tells them how. These are the methods we train every leadership student and instructor to use in every class.

Demonstrate, don't just show. Command attention first and wait for complete stillness before you begin. Demonstrate with excellence, because your demonstration becomes the mental blueprint your students copy. Use three speeds: full speed so they see the goal, slow motion to break it down, then full speed again. Narrate the three or four critical elements, not every detail. Then show the common mistakes, followed by the correct technique again. The brain learns by comparison.

Explain in threes. People easily remember three things. Four gets hard. "There are three critical elements to this kick. One, chamber high. Two, extend from the hip. Three, rechamber before you set it down." Use concrete, vivid language: "Stack your joints like building blocks," not "maintain structural alignment." And give the why behind the what in a sentence or two.

Correct without crushing. The default for nearly every situation is praise, correct, praise: name something the student is doing right, give one specific correction, then praise the improvement or the effort. Aim to catch students doing things right far more often than you correct them. We coach instructors toward roughly five positive comments for every correction. And follow the one-correction rule. A white belt's front kick may have four problems. Fix the one that matters most, celebrate the improvement, then layer in the next.

Ask questions. Check for understanding before practice ("Who can tell me the three steps?"). Ask questions that make students think ("Why do we pivot the base foot?"). Ask motivational questions that build anticipation ("Who's ready to break a board with this kick?"). With older kids and adults, use think, pair, share.

Repeat with purpose. Learning a physical skill takes repetition with focus, feedback and progressive challenge. Move from slow and correct, to faster with consistency, to variable practice in different contexts. Our rule is a minimum of 100 repetitions of a new technique in the class where it's introduced and at least 50 more in each of the next three classes.

Build patterns. Teach related techniques that build on each other instead of five unrelated moves per class. Front stance, then front kick from front stance, then down block and front kick, then a three-step combination. When Jeff organized his curriculum this way, his students could see how everything connected, and his retention went up.

Connect emotionally. "Today we're learning the side kick" is neutral. "Today we're learning the kick that can stop an attacker twice your size" connects the technique to the student's goals. This is why we train instructors in Black Belt verbiage, language that ties everything a student does to the black belt they're working toward.

Energy Is Part of the Standard

Students will never have more energy than you bring. If an instructor walks onto the floor tired, bored or distracted, the class matches it. This is non-negotiable for everyone on your team, including on the third class of the night and the day something went wrong at home.

Teach your instructors a pre-class ritual: a few minutes of physical warm-up, a review of the class plan, a few deep breaths and putting on the uniform as a deliberate shift into teacher mode. The first five minutes set the tone for the whole hour, which is why the opening ritual of creed, bow-in and warm-up matters so much.

No one can hold peak intensity for 60 minutes, so a good class cycles energy. High-energy peaks for new techniques, target work and games. Medium plateaus for refinement, forms and partner drills. Low valleys for explanation, stretching and the mat chat. That rhythm lets students sustain effort without burning out.

Then train your instructors to read the room. Distracted looks, sluggish movement and side conversations mean the energy needs to go up: change the activity, add a challenge, drop for push-ups. Silliness, wild movement and an inability to follow instructions mean it needs to come down: freeze in horse stance, slow everything down or call a brief mat chat to reset.

Give them the four voice levels: conversational for explaining, commanding for running drills, motivational for pushing effort and corrective, firm but never angry, for behavior. An instructor who only yells loses the power of the commanding voice. And teach the pause. When the room gets loud, the most powerful move is often to stop talking, stand still and wait.

FROM GRAND MASTER JEFF SMITH

Your energy sets the standard for the whole class, so I never left mine to chance. Before every class I'd step outside, do twenty jumping jacks, take three deep breaths and tell myself, "This is the best class of the day." It sounds simple, but it shifted my body and my mind into high-performance mode, every time.

Every instructor on your team needs a ritual of their own. It doesn't have to be mine. It has to be something they do every single time before they step on the floor, so their students get the same instructor at 7:30 on a Thursday that they got at 4:30 on a Monday.

Teaching Everyone at Once

Every group class holds students with very different abilities. The beginner needs step-by-step guidance, the intermediate student needs refinement and the advanced student needs a new challenge. Your instructors have to serve all of them at the same time.

The answer is to build levels of challenge into every activity. "Everyone, front kick for five minutes. White and gold belts, focus on chamber and extension. Green and orange belts, I want a fast rechamber. Blue belts and up, full power, full speed, perfect form." Same technique, three expectations, everyone challenged.

For large classes, use station rotation. Set up three or four stations, basic technique with an assistant, target work, form refinement and partner drills, and rotate groups every 10 to 12 minutes. The lead instructor supervises one station personally, and advanced students

lead the others. That's leadership experience built right into the schedule.

This is where your leadership program earns its keep. A class of forty with three trained assistants is effectively four groups of ten. Train your assistants to circulate constantly, give one specific correction per student, praise liberally and tell the lead instructor which students are struggling.

Teach every instructor the individual check-in. While students practice, circulate and stop with each one for five to ten seconds. Use their name. Give one piece of feedback. Move on. In ten minutes, every student in a class of forty has been seen. Over a month, that's hundreds of personal moments, and students who feel known stay.

And teach strategic grouping by need rather than rank: "If you feel confident with this technique, move to the right side for target drills. If you want more practice, stay here with me." It removes shame, and students usually sort themselves honestly.

Advanced classes need a different approach, and this is where many newly certified instructors stumble. They teach brown belts and black belts exactly the way they teach beginners. With beginners, you're teaching techniques. With advanced students, you're refining principles. Train the instructors who teach your upper ranks to do three things differently:

- **Less demonstration, more exploration.** Give advanced students a problem to solve. "Generate power on this roundhouse first from your hip, then from your core rotation, then from your base leg driving off the floor. Which feels most powerful? Discuss with your partner."
- **Teach frameworks, not just moves.** "Every strike has three phases: setup, execution and recovery. Think about all three today." One framework applies to every technique in the curriculum.
- **Allow personal style within the fundamentals.** Some students will be power fighters, some technical and precise, some

fast and tricky. All are valid, as long as the fundamentals stay intact.

Advanced students who are taught this way don't just stay longer. They become better teachers themselves, because they understand why things work, not just how.

Discipline, Mat Chats and Age Groups

Your instructors also need one shared approach to behavior. Good class management is proactive. Clear expectations, taught through your creed's values of focus, respect, discipline and control, plus consistent routines prevent most problems. Positive reinforcement does the rest: make a big deal of the student who is focused and ready.

When misbehavior happens, every instructor should use the same calibrated steps:

1. **Non-verbal correction:** eye contact, a pause or simply moving closer.
2. **A brief verbal redirect:** "Danny, eyes up here."
3. **A private word** while the class practices, framed as belief in the student.
4. **A time-out,** where the student controls their return by showing they're ready.
5. **A parent conversation,** framed as partnership, never a surprise, because the issues have been noted on the attendance card.

Some behavior, physical aggression, open defiance or anything dangerous, means immediate removal from class with a conversation with the parents afterward. And always frame correction against the black belt standard: "That's not the behavior of a future black belt."

Mat chats should follow a shared format too: three minutes at most, with a hook, a short lesson told through a story, an application to training or life and a specific call to action. Rotate themes that match

your school's values, such as respect, perseverance and confidence, so every instructor is teaching the same character curriculum.

Finally, every instructor has to adjust for age. A quick summary for your training notes:

- **Little Tigers (4 to 6):** short attention spans, so keep instructions to about 30 seconds, make everything a game, keep them moving and praise effort constantly.
- **Kids (7 to 12):** motivated by visible progress and recognition. Use stripes and clear goals, team competitions, peer modeling and short explanations of why.
- **Teens (13 to 17):** respect their intelligence, push them, give them responsibility as junior leaders and give them a voice.
- **Adults:** respect their time, explain thoroughly, offer modifications for different fitness levels and build social connection.

Observe, Score and Coach

None of this becomes your standard until someone watches for it. Build an observation checklist from this chapter and use it every time a trainee or instructor teaches under observation. For example:

- Did the class follow all six parts of the structure?
- Was attention fully commanded before each demonstration?
- Did the demonstration use three speeds and show a common mistake?
- Were explanations kept to three key points?
- Did corrections follow praise, correct, praise and the one-correction rule?
- Did the energy cycle, and did the instructor respond to the room?
- Were assistants given clear plays and huddled between segments?
- Did every student get an individual check-in by name?

- Was behavior handled with the right step, calmly?
- Did the class end with a mat chat and recognition?

Then run every feedback session the same way. Start with self-assessment: "How do you think that went? What would you do differently?" They'll often spot what you saw. Give three specific positives. Give one targeted correction. Set one goal for next time: "Your focus next class is the one-correction rule. I'll be watching for that." It's the same praise, correct, praise approach we use with students, and it protects confidence while driving improvement.

Who does the observing? In a mature school, your head instructor observes certified instructors and trainees every week, senior instructors observe the trainees they mentor, and you observe your head instructor. That's how your standard stops living only in your head and starts living in your team.

YOUR NEXT STEP

Decide: Adopt one written class structure that every instructor on your team will teach, with the six essential elements in every class.

Measure: Count how many classes this week were taught by someone other than you, and how many of those you or your head instructor actually observed.

Do: Write your observation checklist, use it to observe two classes taught by your instructors or trainees in the next seven days, and run a feedback session after each one.

CHAPTER 8

The Ultimate Team: Roles, Responsibilities and the Organization Chart

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From Teaching Everything to Leading Leaders

Every established owner reaches the same point. The school is too big for one person and not yet organized for a team.

You can feel it. You're still the person who answers the question nobody else can answer. You still know which family is behind on tuition, which brown belt is wobbling, and which intro never got a follow-up call. Your staff is willing, but they wait for you. When you're gone, things don't fall apart, exactly. They just stop moving forward.

Over the years I've watched a clear pattern in the owners I coach. Owners grossing $10,000 a month or less are teaching most of the time. Owners grossing $20,000 to $50,000 a month spend most of their time on marketing, enrollment and customer service. Owners above $50,000 a month, or with more than one location, spend their time training and supervising staff rather than doing the teaching or the selling themselves.

There are exceptions, but the direction is always the same. As the school grows, the owner's job moves away from doing the work and toward developing the people who do it.

If you're grossing somewhere between $15,000 and $40,000 a month, you're in the middle of that shift. You're probably still teaching

a lot of classes, still doing most of the enrollments, and still the backstop for everything else. That's not a criticism. It's a description of the stage. This chapter is about moving to the next one.

Here's what my own job looked like once Mile High Karate had multiple schools. My primary role was hiring and training staff. We held staff meetings pretty much every Monday, Wednesday and Friday. The staff learned the highest levels of teaching skill and, just as importantly, enrollment and grassroots marketing. In the individual locations, apart from belt testing, I personally handled two things: grand openings and turnarounds. I'd put myself into whatever school was in last place, make it my mission to turn it into the number one school within three to six months, and then hand it over to a branch manager.

I learned that model by watching Jeff Smith at the Jhoon Rhee Institute. Many times his role was to jump into whichever school was down, turn it around, and then lead the pack, raising expectations for every location.

That is the job you're growing into. Not the best instructor in the building. The person who builds the people who run the building.

FROM GRAND MASTER JEFF SMITH

At the Jhoon Rhee Institute I was responsible for managing the locations and training the entire instructor staff, and I was fighting professionally at the same time. Much of my job was stepping into whichever school was down, turning it around, and raising expectations for all the others. Every Friday, week after week, every location looked at the pace and at the results. That's where I learned that the standard has to be visible and the results have to be tracked, or nothing changes. It's also where I learned what I still tell owners today: stop looking for instructors and begin developing them.

The Roles of an Established School

Most schools in your range don't have too few people. They have the wrong structure. They have a handful of part-timers, a couple of loyal volunteers, a teenager at the front desk, and an owner covering every gap.

I've been banging this drum for a long time. Three part-time instructors working 20 to 30 hours a week do not equal one full-time person who's focused on results and on building a career. For a school to perform well, it needs two high-quality full-time people. One of them may be you.

Here are the roles an established school needs to fill. In a 150-student school, one person may hold two or three of them. In a 300-student school, most of them should belong to different people.

- **Owner and CEO.** Sets the vision, owns the numbers, hires and trains the staff, makes the final decisions and is visibly the senior person in the school.
- **Head Instructor or Chief of Instruction.** Owns the quality of teaching, the curriculum, the testing cycle, the leadership team schedule and the training of every instructor and assistant.
- **Program Director.** Owns new enrollments: inquiry response, booking and confirming introductory lessons, the enrollment conference, and usually the renewal conferences that move students into Black Belt Club and Leadership.
- **Student Services or Office.** Owns the front desk experience, attendance records, the empty-slot check at the end of each night, scheduling, and the routine communication that keeps families informed.
- **Instructors.** Teach assigned classes to the school's standard, know every student in those classes by name, and make the missed-class calls for their students.

- **Assistant Instructors and Trainees.** Help on the floor under supervision, hold pads, model technique, greet students at the door and encourage beginners.
- **Leadership Students.** Your pipeline. They are students first, enrolled in a program they pay for, learning to teach as part of their education.

A note about the Program Director. In my opinion, in most single schools, the program director is typically the owner, at least at first. It's a bad idea in most cases to make your first hire someone to "take care of sales." Most owners first fill a part-time, then a full-time head instructor position, which frees them to run enrollment themselves. You should master each and every function of your business before hiring someone else to do it for you. You can't teach what you don't know, and you can't supervise what you've never done.

Some jobs shouldn't be on the chart at all. Billing belongs with a billing company. Bookkeeping belongs with a bookkeeper. Payroll reporting belongs with a payroll service. Errands and manual labor around the school belong with a staff member, not with you. If you're doing any of these yourself, you're paying the most expensive person in the building to do the cheapest work.

Every one of these roles is also a rung on a ladder. Years ago I laid out the career path I wanted every student who showed real promise to see: Black Belt Club, Assistant Instructor, Instructor, Head Instructor, Program Director, Branch Manager, School Owner. That ladder is how the team grows from within. A student who sees it can picture a future in your school, not just a belt around their waist.

For adults, consider hiring at the early stages of their training for program director or receptionist roles.

One Name on Every Outcome

Here is the question that exposes most organization charts. For every important result in your school, whose name is on it?

Not "the team." Not "we all pitch in." One name.

In the book *Inside Apple*, there's a discussion of how, unlike most big companies, every task or project at Apple always has a person in charge. Someone who, for all the world to see, owns the outcome with no excuses. I shared that idea with my coaching groups years ago because it fits a martial arts school perfectly. When everyone is responsible for retention, nobody is. When nobody is, it lands on you.

Here's a simple responsibility chart. Write your own version, with real names, and post it where the staff can see it.

1. **Inquiry response and introductory lessons.** Program Director. Every inquiry contacted, every intro booked and confirmed, every intro followed by an enrollment conference.
2. **New enrollments.** Program Director, with the instructor who taught the intro supporting the conversation.
3. **Attendance follow-up.** The instructor who teaches the student calls after a missed week, and keeps calling in weeks two and three. A personal note from the instructor follows. If the student still hasn't returned by week four, the Program Director sends a letter and makes a personal call.
4. **The renewal list.** Head Instructor, updated every month with input from every instructor, the program director and anyone else in regular contact with students.
5. **Renewal and upgrade conferences.** Program Director or Owner.
6. **Testing cycle.** Head Instructor. Dates set, students prepared, ceremonies run.
7. **Leadership team.** Head Instructor or a Senior Instructor. Schedules, assignments and the in-class training of every trainee.
8. **Marketing activities.** A named staff member for each activity, with dates. Who is at the school fair? Who books the elementary school presentation? Who follows up the birthday party leads?
9. **Billing exceptions.** One staff member reviews the billing company's reports and makes the calls.

10. **The weekly numbers.** Owner. You can delegate the tracking. You can't delegate caring about it.

Look at item three. The renewal list rule is worth repeating: although we all consider ourselves great instructors, there are probably greater instructors on your staff for certain students. Often they're able to reach and motivate students who would never respond to you. Your chart should let them.

Also notice how the day is divided. The way I teach staff in my schools is this. From the morning until 3 or 4 p.m., full-time staff time is almost entirely focused on external marketing and administration. From 4 p.m. until 9 p.m., Monday through Friday, is class time, which means personal interaction with students and prospective students. During those hours your team is looking for chances to serve students, setting goals with them, running introductory classes and enrollment conferences, adding family members and asking for referrals. Nobody should be at a computer during prime time with students in the building.

Delegation Is Not Abdication

There are two ways to hand off a task. One builds a team. The other quietly destroys it.

Delegation is passing on responsibility for a task. Your role, when you delegate, is to:

1. Clearly define the task, with outcomes that define successful completion.
2. Provide training on the key processes for completing it.
3. Involve the staff member in building the action plan.
4. Define benchmarks and timetables.
5. Supervise at pre-defined intervals.
6. Provide support and coaching along the way.
7. Reward, retrain or correct based on results.

Abdication is handing off a task and then forgetting about it. Many owners try this, especially with tasks they don't understand or don't enjoy. Abdication of any important task is a sure and swift route to failure.

Here's the brutal truth. Just because you've delegated a task and made someone "responsible" does not mean your own responsibility has diminished. Once you delegate an aspect of the school, you still remain responsible for it.

I can't tell you how many times I've talked with an owner who doesn't know what his program director does on a minute-by-minute or hour-by-hour basis. He doesn't know the scripts that have been created for intros, enrollments or renewal conferences. He hired someone, felt relief, and stopped looking. Six months later he's wondering why enrollments dropped.

Successful owners are defined by their ability to train and support staff, and by their ability to delegate without losing track of the timeline or the training needs. If you can't describe exactly how your program director runs an enrollment conference, you haven't delegated enrollment. You've abandoned it.

Draw the Chart Before You Need It

There's a story that every veteran owner has either lived through or heard about. I've seen it more times than I care to count.

You develop a student from white belt to Black Belt. You teach them leadership skills and let them teach more and more of your students. Often they're also becoming a respected competitor, a cornerstone of your school. Your confidence grows, so you offer them a career position. Gradually they become the head instructor and teach most of the classes, while you become increasingly focused on enrollment, marketing and administration.

Gradually your students begin seeing that Black Belt as their primary teacher and mentor. The instructor starts to take great pride in "his" students. Then he begins to hear from students that he should

have his own school. Maybe his spouse tells him he's not paid enough, that he's the reason the school succeeds, since all the owner does is sit in the office and talk to people all day.

Then one day, like a lightning bolt out of the blue, it happens. I've seen previously loyal Black Belt employees move across the street. In one case, an instructor actually announced at the monthly belt test that students should join him across the street on Monday.

How do you protect yourself? What doesn't work is to always be the students' primary contact, working aggressively to make sure you're always seen as the top athlete, teacher and main contact. That approach is fine up to 100 or 150 students. Then you have to delegate and let others take real responsibility. Hoarding the relationships keeps you small.

What does work starts with structure. Your school must be built on a formal hierarchy with you visible at the top. It must always be clear that you're the senior person in the school and that everyone else reports to you. You still teach. You still appear at every test and every ceremony. You still greet families. Students should know who leads the school even when someone else leads their class.

Next, before anyone moves into a career position, sit down and put a clear understanding in writing. That understanding should cover:

- Your enthusiasm about helping this person build a substantial career in the martial arts.
- Your willingness to help them grow in any way possible.
- Your commitment to keep compensating them in proportion to their contribution to the school's results.
- Their commitment to support you and the school, now and always.
- Their understanding that it is never acceptable to teach your students outside your school, and that however the future unfolds, they will never solicit your students.
- Their understanding that it's fine for them to open their own school someday, under your banner or independently, but not

within a reasonable distance, so neither of you ends up competing with the other.

Notice the spirit of that list. It isn't a warning. It's a plan for their future that includes yours. The best protection against a defection is a career path so clear and so fair that leaving makes no sense. We'll come back to pay and ownership in the next chapter.

When One School Becomes Two

At some point, many successful owners start thinking about a second location. Before you do, ask yourself four questions. Why do I want a second location? Am I capable of managing multiple locations? Is my staff focused on our growth targets, or am I the only one worried about the numbers? Am I capable of managing a large staff?

Here is the picture I've seen far too often. An owner is doing fairly well, usually because of his personality as an instructor, and decides two schools will make more money than one. Suppose, as an example, the first school grosses $20,000 a month and nets $10,000. The second location opens. The first school slips to $15,000 because the owner is gone half the time, while its expenses climb to $15,000. The second location loses money for a while, then grows to $15,000 with $15,000 in expenses. The owner now works twice as hard, has three more full-time people on payroll, and takes home nothing.

Running multiple schools takes more than being good at running a school. You have to be a systems designer, a people developer and a staff supervisor. If you still want to move in that direction, here's the order:

1. Make sure your first school is very profitable.
2. Learn exactly why things work in your school: what makes an exciting class, the exact structure of your enrollment process, how your marketing can be systematized.
3. Become systems-driven. Make sure your first school can run profitably with you gone for a week, or even a month.

4. Become a teacher and coach of staff, not just of students. Develop your people into effective marketers, enrollment specialists and teachers. Teach them how to handle different kinds of families and how to recover when service goes wrong.
5. Set daily, weekly and monthly targets with every staff member, and hold them to it.
6. Build pay plans based on results, so every key full-time person has a real financial incentive and a real career opportunity in the school's success.
7. Create a no-excuses environment. If people are allowed to miss work, make excuses and dodge accountability while you're there, your problems will multiply when you're off-site.

When you do look for a second site, look close. It should be as near as possible without taking market from the first school, in the next significant neighborhood, where much of your marketing can benefit both locations. Don't go across town or across the state.

A word on licensing and partnerships. Owners often ask me about expanding through license agreements or informal "business arrangements." Many of those plans amount to a franchise without complying with franchise law, which is risky and unwise. I've been through franchise registration myself, and it's a serious undertaking. Get qualified professional advice before you offer anyone the use of your name in exchange for a fee. In my experience, the best expansion model for most owners is on-site ownership by someone you developed, with residual income for you as their trainer and chief instructor.

That last idea is the thread running through this whole chapter. The team that runs your school, and maybe your second and third schools, is standing on your mat right now in a Black Belt Club uniform. Your job is to give each of them a role, a name on an outcome, real training and a ladder worth climbing.

YOUR NEXT STEP

Decide: Choose one name, never "the team," for each of the ten outcomes on the responsibility chart, including the outcomes you'll keep for yourself for now.

Measure: Count how many of the ten outcomes currently have your name on them, and how many hours last week you spent on work that belongs to a billing company, bookkeeper, payroll service or staff member.

Do: Within seven days, post your organization chart and responsibility list in the staff area, and hold a one-on-one with each person to walk through what they own, how it will be measured and when you'll review it with them.

CHAPTER 9

Pay, Ownership and Aligned Interests



The Gulf Between Your Paycheck and Theirs

There's a common syndrome in every growing school. The staff starts to feel that you're getting rich while they slave, sweat and do the real work.

The irony is that most established owners aren't getting rich at all. Wodify's 2026 industry data found that the typical BJJ owner paid themselves about $60,000 in 2025, roughly $29 an hour. So when your head instructor grumbles about pay, you may be thinking, "If only you knew."

That's exactly the problem. They don't know. And what people don't know, they fill in.

Employees tend to miss two crucial facts about owning a business. With ownership comes higher potential reward and the potential for much greater loss. And over time, people tend to earn what they're worth. Your name is on the lease. You're the last one paid. You can't walk out on Friday and start a new job on Monday.

So what do you do about the resentment?

One option is to hide your wealth. Pretend you don't make much, drive the old car to the school and park the new one at home, and remind everyone how hard you work. I'm not much for lying and

pretending. Reality always comes out, and then you look like a hypocrite.

The other option is the one we recommend. Be honest. Don't hide your car, your house or your trips. Build a career path for your staff. Share the wealth, and show them exactly how their contribution can improve their own outcomes.

That's what this chapter is about. Not how to pay people as little as possible, and not how to pay everyone more and hope it works out. How to make the school's success and your team's success the same thing.

Pay for Results, Not Hours

I heard a comment a business owner made to a prospective employee years ago: "Son, I'll help make you rich, if you help make me richer." That pretty much sums up aligned interests.

Run your school with enlightened self-interest. Figure out how to make every concern you have as an owner also a concern for your key staff. If the school does really well, they should do really well. If it does poorly, they should have some sleepless nights too.

As an owner, what do you ultimately care about?

1. Student retention
2. New enrollments
3. Active count
4. Gross revenue
5. Net profit

Now look at how your staff is paid. If your head instructor earns the same whether the active count rises by forty or falls by forty, you've built a pay plan that tells him the active count isn't his business. Set goals for your staff, and create bonuses and pay scales so their outcomes and yours are closely aligned.

Many owners foolishly try to keep everyone's income as low as possible, while the gulf between their own income and their staff's keeps widening. If someone contributes a lot and the school succeeds,

share the wealth. If someone doesn't contribute or the school is struggling, share your pain. When everyone is focused on the same outcomes rather than the minutiae of process, results and staff harmony both improve.

In my columns over the years I've described three deadly staffing mistakes school owners make, and every one of them is a pay problem in disguise.

First, they hire low-quality people. They hire the person who will work cheap, or who has simply been the most loyal for the longest. Then they get low results. One of my chief trainers at Mile High Karate put it this way: "You can't have mules selling to thoroughbreds." Your staff has to be a product of the product. Ask yourself, if you were the mom on the bench, would you invest thousands of dollars in your child's training so they could grow up to be like your instructor, your assistant or your program director?

Notice that loyalty alone is not the standard. We want you to develop your team from within, but developing from within means choosing your best and training them hard, not promoting whoever stayed longest.

Second, owners carry too much head count: several part-timers, including high school students, trying to do work that should be done by one quality full-time person.

Third, when they finally find a quality person, they underpay them. When I wrote about this years ago, I said that if someone will work for $7 to $10 an hour, that should tell you it's the wrong person. In those years I typically started full-timers at a base salary or 10% of the gross, whichever was greater. If they earned only the base more than a month or two in a row, I started looking for their replacement. The dollar figures in that column are out of date. The principle isn't. You want people capable of earning a real professional income and willing to focus and work hard to earn it.

This isn't a new idea. Jhoon Rhee's schools produced an extraordinary number of champions and industry leaders, and that would have been impossible unless two full-time instructors per

location could make a good living running a martial arts school. When I was a full-time student at Georgetown University in 1980, I was earning a $30,000 base plus commissions, equal to roughly 10% of the gross. Grand Master Rhee believed that if you're providing a great service, you deserve to be well compensated.

Keep Payroll Lean by Paying the Right People Well

Here's the objection we hear: "I can't afford to pay a full-timer like that."

Usually the real problem isn't the size of the payroll. It's what the payroll is buying.

When I review a school's year-end numbers, I look at the major expenses as a percentage of gross revenue. My guideline for payroll has long been 25% to 33% of gross. Industry benchmark data puts the danger line higher: payroll above 40% of revenue crushes profit. Between those two figures is where most struggling schools live.

The pattern I see over and over is hiring too many people and not paying the good ones enough. Look for high performers and pay them well, as a percentage of gross revenue. One strong full-timer earning a meaningful share of the gross, with a bonus tied to results, will usually cost less and produce more than four part-timers paid by the hour to fill gaps.

Picture a school grossing about $30,000 a month, used here only as an example. It has a head instructor working full-time, three part-time instructors, and a part-time front desk person. Payroll runs about $13,000, over 40% of revenue. Nobody owns enrollment, and the owner still teaches two classes a night. Now picture the same school with one full-time head instructor paid a base plus a bonus on retention and active count, the owner running enrollment, and the leadership team covering the floor as part of their training. Payroll drops, and the people on it are focused on results.

Your class structure matters here too. A well-designed class structure means you don't need a huge number of instructors, or a high

payroll, to support a big and very profitable school. Your leadership students supply the extra hands. Your paid staff supply the leadership and the results.

Volunteers, Students and Employees Are Not the Same Thing

This is where many owners get into trouble, especially owners who are building from within.

If a student asks, "How much does it pay?" when you invite them into instructor training, you've misframed the conversation. Instructor training isn't a job. It's part of their Black Belt and Leadership education, a program they're enrolled in. From the start, make it clear that a major part of becoming a true leader is learning the material so well that you can teach it to others, and that the program will guide them through beginner, intermediate and advanced stages of learning to teach. It's part of the curriculum. It's a privilege, not a job. When you set that frame from day one, the question of pay rarely comes up.

Keep three groups clearly separate in your own mind and in your school:

- **Leadership students.** They're paying students developing as leaders. Their reward is rank, recognition, skill and responsibility.
- **Part-time staff.** Paid for specific hours and specific duties, ideally on a clear path toward something more.
- **Full-time career staff.** Paid a professional income tied to results, with a real future in the school.

My rule has always been this: don't transition volunteers into paid employees unless it's into a full-time salaried and incentive position. Paying a leadership student a few dollars an hour to do what they were doing as part of their training changes the relationship and rarely improves the work. It tells them they've become hourly help.

Teenagers deserve special thought. A large part of your leadership team will be twelve to sixteen years old, and they're your main pipeline

for future full-time instructors. When you do hire them, create a career prospect while paying comparably to, or slightly better than, their other opportunities. A sixteen-year-old weighing your school against a fast-food counter should see both a better paycheck and a better future.

For adults, create a career vision that is genuinely exciting. Then make sure your pay plan can deliver on it.

Open the Books

Although others may disagree with me, I don't believe in secrets. If you operate with an open book, you give your staff the tools they need to support your efforts. Withholding information handicaps those same efforts.

A friend of mine owned a rather large school with many instructors on the payroll. An explicit goal for his staff was improving retention. Yet he never shared the most important numbers with them: active count, monthly enrollments or monthly dropouts. How can anyone work toward a target they can't see?

Owners who hide the real numbers usually have one of five reasons.

1. **"If they knew how well I was doing, they'd all want more money."** My observation is that when people don't know what management makes, they tend to overestimate it dramatically, and to underestimate their own compensation relative to their contribution. Hiding the numbers usually makes the resentment worse, not better. And if you try to minimize everyone's income but your own, the valuable people eventually get paid well by someone else, while the people worth less than you pay them stay forever.
2. **"If they knew how bad things were, they'd be job hunting tomorrow."** Lie to your employees and they'll figure it out and lose all respect for you. Tell them the truth, and anyone valuable will redouble their efforts. Share your pain. Don't share the wealth in good times and hide the struggle in bad times. If the boat is sinking, pass out bailing buckets.

3. **"If my staff knows my numbers, my competitors will."** In some cases that's true. For most schools, so what? Real secrets are few and far between, and protecting them may cost more in lost effort than their disclosure ever would.
4. **"If my staff knows my numbers, the tax authorities will."** If you're hiding money, you're at risk whenever anyone besides you knows or can guess what's going on. My policy since day one has been honesty. Write off everything that's legal, and skip having to worry.
5. **"I'm the one with all the answers."** I don't expect my employees to turn off their brains at the door. With adequate information, people you never thought could contribute will, and in a big way.

You don't have to start by posting your personal tax return in the break room. Start with the operating numbers your team can actually move: active count, enrollments, dropouts, renewals, revenue against target. Put them on a graph. Review them at every staff meeting. As long as you're fair in proportionate compensation and honest in your dealings, the more you share, the more your team can contribute.

The Dramatic Metamorphosis

Something strange happens when someone goes from employee to owner.

- As an employee, they complain about 40 hours a week. As an owner, they work 75 or more without mentioning it.
- As an employee, they must be convinced of "what's in it for me" for every new idea. As an owner, if it helps pay the bills, it's a great idea and they implement it with enthusiasm.
- As an employee, they must be talked into reading material that would help their performance. As an owner, they develop a thirst for knowledge.

Over and over I've seen employees leave to become school owners, or stay and move from salaried employee to owner. In nearly every case they immediately doubled their effectiveness. Sometimes, and it's been entertaining to watch, an employee who struggled on my payroll for a year suddenly "proved" he could really perform on his own. Why did he struggle for me? Because he could.

The lesson isn't that employees are lazy. It's that ownership changes behavior. Any time you can create a feeling of ownership, real or otherwise, in a staff member, their performance goes up. Any time you can turn a branch manager into an owner, their effectiveness and their longevity both improve dramatically.

You can build that feeling long before anyone owns anything:

- Give each key person a number that is theirs, not "the school's."
- Tie a meaningful part of their pay to that number.
- Let them choose, within limits, how they hit it.
- Let them see the whole picture through open books.
- Give them public credit when the number moves.

A Career Path That Ends in Ownership

The best protection against a top instructor leaving to compete with you is a future so good that leaving doesn't make sense. That future has a shape.

Remember the career ladder from the last chapter: Black Belt Club, Assistant Instructor, Instructor, Head Instructor, Program Director, Branch Manager, School Owner. Most owners stop the ladder two rungs from the top. They'll promote a student to head instructor, and then quietly hope that person never wants anything more.

We'd suggest the opposite. Keep the door open for your best people to open their own school with your help, when and if they want to and are ready. Put it in the written understanding you create before anyone moves into a career position: you're committed to their growth and to compensating them in proportion to their contribution; they're

committed to supporting the school, never soliciting your students, and never opening within a reasonable distance of you. That understanding turns a potential competitor into a partner.

Structure matters. If you're thinking about expanding through license agreements or partnerships, get qualified professional advice first. Many arrangements owners propose to their instructors amount to a franchise, and franchising is regulated. In my experience, the best expansion model for most owners is on-site ownership by the person you developed, with residual income for you as their trainer and chief instructor. They get the pride and the upside of ownership. You get a strong school in your family of schools, run by someone who learned everything from you.

Be ready for one more thing. Expect no gratitude, and you'll never be disappointed. I once read a cover story in an industry magazine about a former employee of mine who was running a school he'd bought from me. He'd worked for me as an instructor and eventually as a branch manager. The article made it sound as though he'd discovered the school's best enrollment program on his own. In reality, I had personally relaunched that program in one of my branches, and he learned it working there. The lesson is not to stop developing people. It's to develop them without needing the credit. People you grow will someday tell their story as if they did it alone. Build the path anyway. Their success is the proof that your system works.

Here's what that path can look like from the other side. This is from a program director's letter to NAPMA:

> *"Without NAPMA's vast contribution I would not be working full time as a Program Director at my school involved in martial art I love, making a very good income so I can provide for my family while also making a larger positive impact on more people's life." Paul Resnick, Program Director/Instructor, IWKA BV Amsterdam, The Netherlands*

That's the point of all of this. When your pay plan, your open books and your career path line up, your staff stops thinking like hired help. They start thinking like owners, because in every way that matters, they are becoming owners.

YOUR NEXT STEP

Decide: Choose the one result each full-time staff member's bonus will be tied to: retention, enrollments, active count, renewals or revenue.

Measure: Work out this month's payroll as a percentage of gross revenue, and list how much of that payroll is part-time hours filling gaps.

Do: Within seven days, write a one-page pay and career plan for your head instructor or program director, showing base, bonus and the next rung on the ladder, and walk through it with them in person.

CHAPTER 10

Demand Better Results—and Get Them

The Most Underdeveloped Skill in Management

Most owners we work with are good to their people. They're patient. They're supportive. They're understanding when an instructor has a rough month, when the program director misses a few follow-up calls, when the front desk forgets to confirm tomorrow's intros.

And that's often the problem.

There's a classic article on this subject that every school owner should know. It's by Robert H. Schaffer, titled "Demand Better Results—And Get Them," published in the Harvard Business Review. Schaffer was a management consultant, and his subject was big companies, not martial arts schools. But his ideas describe our industry almost perfectly.

Schaffer opens with a striking case. A regulated public utility, an industry nobody expected much from, went from average productivity to among the best in its field within a few years. It didn't happen because of new technology, a reorganization, a new management team or a fancy program. It happened because the senior operating officer decided the company had to improve dramatically and was capable of it, and then placed a clear demand for better performance on his management team. Everything else that followed supported that

demand. Without it, Schaffer argues, the supporting programs would have produced little.

His central point is this. Most organizations could achieve far more than they do. Very few managers have the capacity, or feel compelled, to set high expectations in ways that actually produce results. In Schaffer's view, the ability to make demands may be the least developed skill in all of management.

Read that again with your school in mind. Your staff probably isn't failing because they lack talent. They may be failing because nobody has clearly and firmly asked them for more.

Why Owners Don't Make Demands

Schaffer explains why managers avoid demanding better results, and every reason shows up in martial arts schools.

Demanding more feels risky. If you ask for a big improvement and don't get it, you're embarrassed. If your staff misses a clear target, you might have to do something about it: retrain them, move them, or let them go. Then you'd have to replace them with someone you trust even less. Many owners are paralyzed by those consequences before they've even set the goal.

There's also the fear of rejection. Schaffer points out that managers absorbed the image of the boss as a loving, understanding, supportive father figure, while the demanding boss was cast as the villain. Martial arts makes this worse. Your staff came up through your school. You were their teacher before you were their employer. You don't want to lose their affection.

Here's the brutal truth. Your staff doesn't need you to be liked. They need you to be clear.

Schaffer describes several ways managers dodge the job of demanding results. Translated for a school owner, they look like this:

- **Rationalizing.** "They know what's expected." When you ask whether goals have been made clear, the answer is some version of "If they don't know by now, they shouldn't be here."

- **Blaming resources.** "We could get more enrollments if we had a bigger ad budget." "Retention would improve if we had more instructors." Improvement always seems to require more money or more people, never more results from what you already have.
- **Doing it yourself.** You tell yourself the team is overloaded, or that they lack some skill you have, so you teach the extra class, make the follow-up calls and run the renewal conferences yourself.
- **Toughness without specifics.** The opposite style. You grumble, needle and threaten, but never actually state a requirement and a deadline. It feels like being demanding. It isn't.
- **Hiding behind programs.** You buy new software, launch a new incentive plan, rewrite the curriculum, or start a staff training series, hoping the program will produce the result you haven't asked for.
- **Vague goals.** "Retention has to improve." "We need more enrollments." At the end of the month, who can say whether that happened?

Schaffer is especially sharp about that last escape. Long lists of goals and thick planning documents bury everyone in paperwork. Effort goes into the mechanics instead of the results, and the manager can point to the paperwork as proof that something is being done.

If you see yourself in that list, you're in good company. Almost every owner will recognize at least one of them.

Start With One Urgent, Specific Goal

Schaffer's remedy is not a sweeping change. It's the opposite. Make one successful demand, get a real result, and then use that success as the foundation for a more ambitious one. A series of demands, limited at first and then larger, each supported by a plan and persistence, works better than one big plunge.

Here's his process, adapted for a school.

1. **Select the goal.** Start with an urgent problem, something that already hurts: too many intros not enrolling, too many students vanishing after their first test, renewals stalled. Starting with a real problem creates the sense that achieving the goal is imperative, not merely nice. Gather the facts so you can show why it matters.
2. **Specify the minimum result.** Narrow broad goals down to one or two specific, measurable ones. You may protest that you have too many things to fix to focus on one or two. Schaffer's answer is that spreading your attention across everything keeps you trapped. The first goal must focus the team's energy on a sharply defined target.
3. **Communicate the expectation clearly, out loud and in writing.** State the goal, who is responsible, the deadline and any limits. Make clear that you're not asking permission to set the goal or inviting debate on whether it's attainable. The message is simple: this isn't a hope, it's a requirement.
4. **Monitor, but delegate the responsibility.** Have the person responsible give you a written plan: the steps they'll take, how progress will be measured and how they'll report it to you. Assign each goal to one person, even when several people contribute.
5. **Expand and extend.** Once the first demand succeeds, repeat the process with a new goal or a larger version of the first one.

Schaffer makes a point about step four that every owner should tape to the office wall. In his words: "When responsibility for results is not explicitly assigned, people 'delegate' it to the boss." That's exactly how you ended up as everyone's backup plan.

One of his examples is a large railway express terminal with high costs, low productivity and missed deadlines. Studies had identified big potential savings, but nothing happened. The turnaround began when management stopped talking about everything that was wrong and picked one clear, measurable goal: getting all of one category of

shipments out on time each day. Hitting that target launched a series of more ambitious improvements.

Here's how that might look in your school, as a hypothetical example. Suppose your program director books plenty of intros, but too many families leave without enrolling. You don't announce, "We need to enroll better." You sit down and say: "For the next 30 days, every introductory lesson ends with an enrollment conference, and we will enroll at least six of every ten families who attend. You own that number. Bring me your plan by Friday, showing how you'll prepare, which script you'll use and how we'll track it. We'll review it together every Monday." When that target is met, the next one might be same-day contact for every inquiry, or a second goal for renewals.

Expect to be tested. Schaffer notes that when managers raise expectations, staff often keep doing exactly what they've always done, as if they heard the words but don't believe them. Some will tell you it can't be done. Some may suggest, for your own good, that you lower your sights. That testing usually reflects their anxiety about whether they can succeed. If you're confident, you help them with the problem without lowering the bar.

Schaffer also warns that managers often bargain themselves down to comfortable expectations before they ever talk to their staff. Watch for that in yourself. And share the risk. If the goal requires a hard step only you can take, take it.

His conclusion is encouraging. With clear, non-negotiable expectations and a step-by-step approach, most people rise to the higher demands, and most of them come to enjoy working in a more results-oriented environment.

The $1,000,000 Watch

Many years ago I had the worst year of my business career. The Denver economy collapsed, my marriage fell apart, most of my staff quit en masse, and I ended up broke and more than $250,000 in debt.

After a proper mourning period, I decided I'd come back bigger than ever. I chose a reward that seemed outrageous for someone in my position: a solid gold Rolex. I put $500 I didn't really have down on layaway, and made a deal with myself. I could only have it if Mile High Karate did $1,000,000 or more that year. To call that a stretch goal is an understatement.

Now I had a target and a deadline. Here's what I did next, and notice how closely it matches what Schaffer describes.

- I spent several weeks on the action plan. I reviewed the previous year's numbers in detail, which was depressing, and looked for strengths, problems and opportunities.
- I worked out month by month what we needed in enrollments, new monthly payments, renewals and cash to hit the goal by year end.
- I reviewed the staff spread across six locations, sized up their strengths and weaknesses, and designed a training and motivation plan for each.
- I broke the $1,000,000 into bite-size targets for each school, monthly and quarterly, set in consultation with each school manager so they could really believe in them.
- I reviewed the incentive and bonus plans so every manager had a real reason to hit their own number.
- We trained, trained, trained. We drilled and role-played endlessly on information calls, introductory classes, enrollment conferences and renewal conferences. I started new Black Belt and teacher classes and pulled every staff member up to a higher level of competency.
- Every Monday we tracked targets against actual results on graphs and charts, with a clear focus on enrollments, renewals, retention and cash.

Did it go smoothly? Of course not. Several staff members quit because they didn't want to do "whatever it takes." We missed our target in three of the first four months. But we kept the goal in front of

us and plowed through $1,000,000 by November 12th. I went straight to the store and picked up my watch. The next year we hit $1.3 million, and the year after that $1.8 million.

The lesson for managing your team isn't the watch. It's the system: one clear target, a deadline, a number for every manager, pay tied to that number, relentless training, and a weekly look at the scoreboard. Winners remember results. Losers remember reasons.

Ten Secrets, One Standard

There are as many effective leadership styles as there are personalities. Still, I believe there are a handful of "secrets" that apply to leading any organization, including a martial arts school.

1. **Vision.** A clear, compelling picture of where the school is going, in as much sensory detail as possible. Not just a target active count.
2. **Communication.** You don't have to be a gifted speaker, but your vision has to reach your people in a compelling way.
3. **Emotional commitment.** People commit to a leader and a mission with their hearts long before their heads.
4. **Values.** People work hardest for contribution to others. When financial rewards are tied to that contribution, motivation stays high.
5. **Congruence.** Your words and actions must match. Long-term leadership is built on honesty and integrity.
6. **Team orientation.** Give credit. Involve the team. Let them find the means to reach the ends in your vision.
7. **Results orientation.** Focus on results, not process. Hold every team member accountable for the end result, not the activity, and let them choose their own means within limits.
8. **Goals.** Daily, weekly, monthly, quarterly and yearly. Boil the school down to two, three or four key numbers, graph them and watch them like a hawk.

9. **Walk your talk.** Nothing demotivates staff like hypocrisy.
10. **Fairness.** Everyone benefits from success and shares in failure. Reward successes generously, and make sure failures have consequences. If you never allow anyone to fail, you've never allowed them to achieve much either.

Read numbers seven and ten together. That's the heart of demanding results. You give real responsibility, real freedom in how to get there, and real consequences either way.

Aptitude, Skills and Motivation

There's an old saying I first heard from master trainer and author Danny Cox: "You can't teach a pig to sing. It wastes your time and irritates the pig."

When you evaluate staff, only three factors really matter: aptitude, skills and motivation.

Aptitude is where screening matters. Some people are great teachers and poor at enrollment. Others are great with the books but shouldn't be put in front of families. Define the aptitudes each role requires and choose accordingly. If after a reasonable period you decide someone just won't get it, the kindest thing you can do is decide quickly and help them move to a better fit.

Skills are your most important focus, and they're entirely your responsibility. Train every new staff member on every area they'll control. Not a broad description and a two-page job description. Train every detail in exhaustive depth. Role-play. Record performances. Keep records. Give feedback. Tune and tweak. Then, 90 days later, start over, and continue that cycle forever.

Some owners hate spending that much time and money, afraid the person will leave and the investment will be wasted. I heard it put this way once: "What's worse? A trained employee who leaves, or an untrained one who stays?"

Motivation is the one you can't install. Here's a radical idea: almost everyone is highly motivated when they start. Your job is mostly to stay

out of the way and not ruin it. Recognition helps. Money doesn't hurt. Incentives based on performance are a must. But people usually arrive motivated, and we often wreck it with silly rules, an unpleasant environment, unfair treatment or by downplaying their contribution.

When It Isn't Working

Every owner with a real staff eventually notices something. When you and your senior people discuss staff problems, one or two names dominate the conversation. When I had 40 to 50 people on staff, our management team always found that three to five people were the focal point of almost all the problems.

I've also found that as soon as you start thinking about letting someone go, it's probably already been too long.

That doesn't mean firing people casually. Be fair, and don't make your staff feel insecure. But ask yourself honest questions. Is there someone you've avoided dealing with because it's easier not to? Someone with a bad attitude? Someone who just drains your energy? Nick Cokinos had a great saying: "I'd rather have a crisis than a sloppy situation." Any sloppy situation becomes a crisis eventually, on its own schedule.

The same goes for the negative undercurrent among students. I once took over a branch that had been doing extremely poorly. The staff enjoyed working out but didn't care much about marketing or retention. When I made radical changes, the biggest complaints came from the Black Belts, followed by the Brown Belts. I explained as nicely as I could that they could adjust and be supportive, or find somewhere else to be happy. I irritated, or simply parted ways with, about 24 people. Then the school got a lot more fun. The negative energy disappeared, the truly loyal Black Belts stepped up as strong leaders once there was room for them, and the school went from 95 to 310 students in about 12 months.

Before you act on a complaint, take an objective look. They might be right. If you dropped the ball, admit it, fix it, regain trust and make a friend. Address complaints one-on-one, never in groups.

The coaching conversation comes first, and it should come early. Name the specific result that's missing. Restate the standard. Agree on a plan and a date. Follow up exactly when you said you would. Most performance problems are solved right there, because most of them were never clearly stated in the first place.

And when you have that conversation, keep your ego out of it. Take the blame for failures yourself, and share the credit for success with everyone. That one habit makes every demand you place on your team easier to hear.

YOUR NEXT STEP

Decide: Choose one urgent, specific, measurable result you will demand in the next 30 days, and the one person who will own it.

Measure: Find this week's baseline for that number, and write it at the top of a graph your whole team can see.

Do: Within seven days, meet with that person, give them the goal and deadline in writing, ask for their written plan by the end of the week, and schedule a weekly review for the next four Mondays.

CHAPTER 11

Culture, Brick by Brick

—✦—

Culture Is What Happens When You're Not in the Room

Your school's culture is the unseen force that controls everything. It decides how students behave, how instructors teach and what everyone treats as important. A strong, positive culture can carry a school to remarkable success. A weak or toxic one can quietly ruin it.

Peter Drucker is often quoted as saying that culture eats strategy for breakfast. In a martial arts school, that's literally true. You can have the best enrollment script, the best curriculum and the best pay plan in the industry, and still lose if the culture on the mat is sloppy, cliquish or negative.

Here's the test for an established owner. What happens in your school when you're not there?

Do classes start on time? Does the 5:30 instructor greet every student by name? Does the brown belt in the back row help the nervous white belt, or roll his eyes? Does the front desk answer the phone the way you would? If the answer depends on whether you're in the building, you don't have a culture yet. You have a personality.

That's the shift this chapter is about. In the early years, the culture of your school was you. Your energy, your standards, your example. That's how it should be at the start. But a school that runs with or without you needs a culture the team carries, one that's built into your rank requirements, your recognition, your hiring, your rules and your rituals.

Seth Godin describes culture in six words: "People like us do things like this." Your job is to define, clearly and visibly, what people like us do in your school, and to build it in so deeply that your instructors teach it to the next generation without being asked.

Grow It, Don't Import It

Some owners, eager for talent, make a big mistake. They try to import culture.

They want to attract fighters or high-level competitors, so they bring in an outside black belt, put that person on a pedestal and hope the prestige rubs off. It often backfires. The outsider may not share your philosophy, follow your rules or hold your values. Sometimes they bring an "all about me" attitude that poisons the environment. They aren't a product of your system, and they can undermine in months what took you years to build.

That's why one of our strict, non-negotiable rules for a healthy culture is this: your leadership must be developed from within.

I've said for years that martial artists hired from outside can triple your headaches and cut your results in half. If someone holds allegiance in their heart to another instructor or another style, it will show in every interaction with your students and staff. Do you want your students excited about someone else's "real" instructor and "true" style, or about your school?

Occasionally a black belt from another school moves into your area and wants to join. That's great, but they come through the same door as everyone else. They start at white belt. This isn't disrespect for their training. It's how you protect the culture and make sure they become a product of your system: your terminology, your philosophy, your way of doing things. If they're humble and dedicated, they'll embrace it and progress quickly. If their ego won't let them put on a white belt, they weren't the right fit anyway.

No one gets to behave differently, wear a different uniform or speak disrespectfully. Everyone is held to the same high standard.

Internal development also produces something you can't buy: a consistent technical standard. Grand Master Jhoon Rhee, an engineer by training, was famously strict about the mechanics of every technique: knee position, foot placement, the physics of each movement. It had to make scientific sense. That intense attention to detail, taught consistently from white belt on, produced many of the champions in his system. When people watched students like John Chung or Charlie Lee perform, the common comment was that their form looked so clean. It was clean because it came from one consistent, logical system.

When you grow your talent internally, your champions and your instructors become a true reflection of your school. They aren't just representing themselves. They're ambassadors for you.

Standards People Can See

A culture of leadership isn't something you announce. It's something you require.

The most effective way to build it is to make leadership experience a requirement for advancement. Your testing standards should show that you value teaching and contribution as much as physical skill. For example:

- **To test for Brown Belt:** assisted in 20 basic classes.
- **To test for First Degree Black Belt:** accumulated 50 hours of leadership experience and successfully led the warm-up in 10 classes under supervision.
- **To test for Second Degree Black Belt:** mentored two junior students through a full testing cycle and helped organize the annual school picnic.
- **To test for Third Degree Black Belt:** responsible for planning and running the annual Black Belt Retreat.

The message is unmistakable: promotion is earned not just through personal achievement, but through contribution to the community.

Once that's built into the rank structure, leadership becomes the expected path. It's no longer a question of whether a student will help teach, but when and at what level.

Recognition works the same way. We want you to avoid two flawed models. The first is the participation trophy: you show up, you get an award. It cheapens the achievement and teaches students that effort doesn't matter. The second is the lone winner: only one person can be Student of the Month or champion, which can demoralize the many who work hard and fall just short.

The healthiest approach is standards-based recognition. Anyone who meets a clearly defined standard is a winner, just like academic grading. If you score 90% or better, you earn an A, whether one student does it or twenty. Complete your character worksheet with 30 stripes and you earn the gold medal. Complete it with 20 and you earn silver. Perform every technique to the testing standard and you earn your belt. Keep the standard high but achievable for anyone who puts in the effort. Students learn that results come from their own work.

Then capture the proof. Make a Black Belt essay a requirement for first-degree candidates: how their training has changed their life. Set up a camera in a quiet corner at every Black Belt test and invite parents to share what they've seen. Ask good questions:

1. What was your child like before they started martial arts?
2. What were you hoping they would gain?
3. What are the biggest changes you've seen?
4. What would you say to another parent thinking about enrolling?

Share those essays and videos with prospective families, and with your current students. A beginner who watches a new Black Belt describe her journey sees the light at the end of the tunnel.

Now the most important part for an established school: assign it. The head instructor owns the leadership requirements and checks them before every test. A named staff member owns the stripe charts and medal standards. Someone owns the essays and the video corner at

every Black Belt test. If culture-building is everybody's job, it quietly becomes nobody's.

Products of the Product

Years ago, a coaching client of mine, Miko Peled, spent two days with me in Denver for consulting and a behind-the-scenes tour. His observation, not mine, was that what he learned most, contrary to his expectations, was the depth and quality of our character and personal development curriculum. He also observed that everyone, from staff to franchise owners to instructors to senior staff, was polite, professionally groomed and sincerely happy to be working with students and growing their schools.

That's what a culture looks like from the outside.

Everyone in your environment, including your senior students, should walk, talk and breathe as a product of the product. It's easy for parents and students to justify tuition when they're surrounded by people who are what they want to become. I've always believed that everything counts. Do you want to sell success? Make sure you and your staff are successful. Do you want to sell a premium leadership program? Make sure you and your staff all exhibit impeccable leadership.

Implement your own no-jerks rule, and apply it to staff and senior students alike. Talent doesn't earn an exemption.

Appearance is part of this. Like it or not, how you dress and carry yourself affects how people respond to you. Don't overdo it. Looking successful and well-groomed is one thing. Looking like you're trying to impress is another. In our environment, conservative is always better: successful, but conservative. Uniforms clean and worn properly. Staff dressed to a standard. Your leadership trainees in a distinctive uniform top or jacket, so every student can see who the leaders are.

Professionalism is also in the preparation. I learned that lesson in Washington, D.C., in 1980 and 1981, while studying at Georgetown and training alongside the professional fighters of the Jhoon Rhee Institute,

including Jeff Smith. Their training regimen was extraordinary compared with any amateur's. The lesson for me was that professionalism lives in preparation and training, not just in execution. I decided to become a professional school owner and spent the next two years studying with Jeff Smith, Nick Cokinos, Jhoon Rhee, Ned Muffley and others, and reading everything I could find about running a business. My question for you is the one I put to every owner: do you train yourself and your staff as professionals, or only as martial artists?

Be Impeccable

There's one part of culture that no school can afford to get wrong. It's the safety and dignity of every student.

I've watched this industry for more than forty years. Misconduct by instructors was a huge problem in the 1960s, 1970s and 1980s. The good old days never were. It still happens, and every time it does, it damages the trust parents place in all of us. Three things deserve your attention: preventing inappropriate behavior in your school, protecting your school against false allegations, and screening the staff and volunteers you bring in.

Start with hiring and promotion. Even when you're developing from within, follow a disciplined process:

1. Get a complete list of former employers and call them. If the person trained elsewhere, call their former instructors and ask about character and attitude.
2. Run a background check on anyone you hire.
3. Trust your intuition. If you, or anyone else who interviews the candidate, has a bad feeling, trust it no matter how strong the résumé.
4. Have several people interview every applicant. Someone who understands your culture may see what you'd miss.

5. Run an intensive 90-day training period for every new hire, and watch character, conversation and attitude closely. If you see a crack in the façade, act quickly.
6. Have a clear understanding up front about appropriate behavior with and around students and their parents, in every setting, including off-hours.

For many years, Mile High Karate's staff standards have spelled out that staff must protect the physical and psychological well-being of every student, avoid ever letting a student be needlessly injured, embarrassed or humiliated, and hold themselves to the highest standards of appearance, professionalism and ethical behavior in public and in private. They also state that dating or intimate contact with any student or any student's parent is inappropriate in almost all cases, and that sexual jokes, comments or advances toward any student or staff member are strictly against policy.

Then watch the culture. Listen to the conversations going on in your school. I was in one of my schools a few years ago when one staff member commented to another, behind closed doors, that a female student looked good in the splits. I stepped in immediately and made it clear that a comment like that about any student was totally inappropriate, in public or behind closed doors. Your school must be an environment of total respect.

When it comes to children, there's no such thing as too conservative. Parents, no matter how relaxed in their own lives, never object to a protective and safe environment for their child.

And here is the hard truth about modeling. Whether it's training or behavior, you'll be lucky to get your staff to 70% of what you model for them. "Do as I say, not as I do" never works. If you want an impeccable staff, the standard starts with you.

Moral Authority

At one of our coaching meetings at West Point, the lessons of that institution were impossible to miss. Cadets learn early that there are

only a handful of acceptable answers to any question: “Yes, sir.” “No, sir.” “No excuses, sir.” “I don’t understand.” There’s no room to blame a classmate or a teacher. Excellence is required in everything, from punctuality to personal appearance.

Time integrity is a good place to start. I’ve noticed that the people struggling the most have the hardest time showing up on time to anything. In an introductory lesson, being five or ten minutes late is a clear sign of disrespect for the family’s time. Classes should start on time and end on time. Private lessons should happen when scheduled. No student should ever stand at a locked door waiting for a perpetually late teacher.

You enforce that through moral authority. If you schedule staff meetings and you’re always late, you look like a hypocrite when you complain about late staff. The boss can’t be sloppy and expect a sharp staff. Unfortunately, the reverse isn’t guaranteed. You can model the best behavior and still have staff who don’t rise to it. That’s why continuous training, unexpected rewards, occasional consequences and better screening all matter.

For 25 years at Mile High Karate, we had what we called the drink policy. If you were late to a meeting, and late included thirty seconds, a list was waiting for you of what everyone else wanted to drink. Later we added that branch managers who were late bought lunch, and so did anyone who didn’t show up at all. My thinking was simple. If someone couldn’t be on time for a meeting with the boss, how could I be confident they’d be on time for classes?

I was late only once in those 25 years, to an intramural tournament with about 750 participants. Everything was running like clockwork without me. But it was my policy and my responsibility. I could have made an excuse. Instead, I spent more than $500 on pizza for every staff member and volunteer, and made a big deal of falling subject to my own rule. It bought credibility and compliance for years afterward.

That’s culture. Not a poster on the wall, but a story the staff tells new hires about what happened when the owner broke his own rule.

The Unbroken Chain

Every school's culture comes from somewhere. Ours has a lineage, and so does yours.

Grand Master Jhoon Rhee provided the vision. He reframed martial arts as character development and created innovations, from foam safety equipment to musical forms to a character-based curriculum, that opened the doors to American families. His students were required to maintain a B average or better to be eligible for Black Belt. He also had no hang-ups about running a successful business. He believed it's impossible to accomplish much of anything without financial resources, and that if you're providing a great service, you deserve to be well compensated.

Grand Master Jeff Smith provided the proof. As PKA World Light Heavyweight Champion, he showed that the system could produce the best fighters in the world, while also showing that a martial arts professional could be both a warrior and a successful executive.

My part was scale: taking the proven model and turning it into systems that could be taught to others, so individual success stories could become an industry-wide pattern.

FROM GRAND MASTER JEFF SMITH

When Grand Master Rhee was developing the first foam-dipped protective equipment, he used his own instructors, including me, as crash test dummies. That equipment made martial arts insurable and opened the door for children and families to train safely. What he built was meant to be passed on. A Black Belt who isn't giving back is a Black Belt who is stagnating. The next link in the chain is the instructor you're developing right now.

That's the real purpose of everything in this part of the book. You develop leaders from within, give them clear roles, pay them for results, demand their best and surround them with a culture of standards, respect and proof. Then they carry it forward. Your school stops

depending on your personality and starts depending on a culture your team protects, one link at a time.

YOUR NEXT STEP

Decide: Choose the one standard you will hold yourself to first, publicly, such as starting every class and every meeting on time, and the consequence that applies to everyone including you.

Measure: This week, count how many classes started on time and how many of your students testing for their next rank have met a written leadership requirement.

Do: Within seven days, add leadership prerequisites to your next two rank requirements, assign one staff member to own them, and set up the Black Belt essay and parent video process before your next test.

PART THREE

Keep Them for Life

Extraordinary teaching turns a new enrollment into a Black Belt, and a Black Belt into a leader. Your team runs every step.

CHAPTER 12

The Attendance Card Is Your Crystal Ball

— ✦ —

The Bank Tells You Last

Most owners find out they've lost a student the same way. A payment fails, the billing report shows a decline, and someone at the front desk says, "Hey, have we seen the Jones kids lately?"

Here's the brutal truth. By the time the bank tells you, the student is already gone. They quit emotionally and mentally weeks ago, sometimes months ago. The stopped payment is just the tombstone on a grave that was dug a long time before.

You already know this. You've been open five, ten, twenty years. You've watched good families drift out the back door while you were busy teaching, enrolling and fixing the air conditioner. What you may not have is a system that catches the drift while there's still time to do something about it, and a team that runs that system whether you're in the building or not.

That's what this chapter is about. Part Two was about growing your team from within. Part Three is about giving that team the systems that keep students for life. And the first of those systems is the simplest, cheapest and most neglected tool in the school: the attendance card.

Retention Is the Only Scoreboard That Matters

For fifty years, martial arts instructors have judged themselves by the wrong standards. Sharp uniforms. High kicks. Tournament trophies. We've all heard an instructor say, with real pride, "It's so hard to get a Black Belt in my school, almost nobody makes it."

What that instructor is really saying is, "I'm so ineffective at teaching, motivating and keeping my students that almost none of them reach the goal our art is built around." It's a confession of failure dressed up as a standard of excellence.

The true measure of an instructor, and the clearest picture of the health of your school, is your retention rate. A student who trains with you for eight years is going to get good. The time and repetition guarantee it. A student who trains with you for four months will learn very little of lasting value, no matter how great a teacher you are.

> *If retention is the goal, then attendance is the key. You cannot manage what you do not track.*

This isn't a philosophy point. It's a business reality. In our experience, one renewal into a Black Belt program is worth six to ten times a single new enrollment. A student who stays for years and moves into your Black Belt Leadership track is a completely different economic animal from a student who tries you for a season.

I've made the same point for years with simple arithmetic. If a school can cut its monthly dropout rate from 7% to 3.5%, it doubles its active student count and boosts its revenue per student dramatically. Nothing else changes. Same marketing, same building, same staff. Twice the school.

Jeff and I grade instructors on a plain scale built on monthly dropout rate, the percentage of active students who leave each month:

- **An "A" instructor** loses 1–2% a month. Their school is a community.
- **A "B" instructor** loses 3–4%. They're good, but the boat has leaks.

- **A "C" instructor** loses 5–6%. That's the danger zone, a revolving door and an exhausting treadmill of new-student marketing.
- **Anything more is an F.** You don't have an instruction problem. You have a crisis, and no amount of marketing will fix it.

Two cautions as you apply this. First, count active students honestly. A name on the books that hasn't been seen in three weeks is not an active student, it's a warning. Second, the grade belongs to the whole team, not just you. If your 4:30 kids class is run by an assistant you promoted from your own Leadership team, that class has a dropout rate too, and that assistant should know it.

Build the Card as a Student Dashboard

Over the past fifty years we've tried every attendance method imaginable. Software, barcode scanners, key tags, sign-in sheets, apps. The most effective tool we've found is still the physical attendance card.

We know what some of you are thinking. "It's the twenty-first century. My software does this." Fine. Keep your software for billing and reporting. But software is passive. A notification is easy to ignore. A scanner is impersonal. A physical card is an active tool, a piece of your school's culture that the student, the parent and the instructor touch every single class. It forces a human moment.

Design it as a complete dashboard. On the front:

- **The student's picture**, at the top. Non-negotiable. It lets every instructor, including a part-timer or a brand-new trainee, connect a face to a name instantly.
- **Full name**, clearly printed.
- **Contact information** for the student and parents. When someone misses class, nobody should be digging through a file cabinet or logging into a program. Grab the card and make the call.
- **Birthday**, so the school can celebrate it with a card or a "Happy Birthday" on the mat.

- **Enrollment date and program**, such as Basic, Black Belt Club or Leadership, so progress shows at a glance.
- **Standing appointment days and times**, for example "Tues 6:15 / Thurs 7:00." This confirms the commitment in writing.

On the back, a grid for attendance marks and a section for notes. Great class? Struggled with the side kick? Mentioned a big test at school this week? A one-line note from the instructor turns a routine follow-up call into a personal one.

When students arrive, they don't stroll past the front desk. They pull their card from the file box and hand it to an instructor or staff member. That handoff is your first point of contact of the night.

What the Card Tells You at the Door

The moment a card changes hands, your team should be reading three things.

Consistency. Are the marks grouped together, two classes a week, week after week? Or is there a mark, then a two-week gap, then another mark? Inconsistent attendance is the earliest warning sign of a student losing motivation. It shows up long before the bad attitude, the sloppy uniform or the "we're taking a break" phone call.

Progress toward testing. If your testing cycle runs 16 classes, a glance tells you where each student stands. "Johnny has 12. He's right on track." Or, "Suzy has 5 and the test is in three weeks. She's falling behind." Getting out of sync with their peer group is one of the main reasons students quit, so this is not a small thing.

A reason to connect. The card hands your instructor an opening line. "Hey, I see you've been here every single class this month. That's the kind of discipline a future Black Belt has." Or, "Mary, you missed last Thursday. Everything okay? We missed you. Let's get you in for a third class next week to catch up."

Here's a warning sign we see constantly in established schools. The cards exist, but they've become clerical. A teenager punches them while

texting. Nobody reads them. Nobody writes notes. That is a card system in name only. The card is only a crystal ball if somebody looks into it.

We also teach every instructor to read the students themselves, not just the cardstock. A student running low on motivation usually shows it: inconsistent attendance first, then less eye contact, a sloppy uniform or technique, standing at the back of the room, losing the smile. When the card and the student both say "running low," your team acts that night.

The Empty Slot and the Same-Night Call

Here is the system in one sentence. At the end of the night, someone checks the file box, and every card that should have been handed in but wasn't gets a phone call. Not tomorrow. Tonight.

This matters most with new students. We know that if a new student misses even a single week of classes in their first 30 days, they are already halfway out the door. Their habit hasn't formed yet, life gets in the way, the initial excitement fades. If you don't step in quickly, you will lose them.

The call is not a task to dread. It's customer service, and the tone is concern, never accusation. In spirit, it goes like this:

> *"Hi, Mrs. Jones, this is [your name] from the school. We missed Timmy in class tonight and I just wanted to check in personally and make sure everything's all right."*

Then pause and listen. Parents are almost always impressed. Maybe Timmy had too much homework or wasn't feeling well. Your staff member agrees that schoolwork comes first, says the class missed his energy, and offers a concrete way back: "He's welcome at our make-up class Friday at 6:00, or he could come for a third class next week. Which works better for you?"

In ninety seconds you've shown you care, reinforced the importance of attendance and headed off the risk of falling behind.

You've shown more personal attention than any other activity that child is involved in.

For students who have already gone quiet, one call isn't enough. The reactivation sequence I published years ago in my Mile High Maverick columns steps the contact up week by week:

1. Week 1: "Missed you in class" call from an assistant instructor.
2. Week 2: A second "missed you" call from an assistant instructor.
3. Week 3: A call from the head instructor, plus a personal "miss you in class" note from the student's instructor.
4. Week 4: A personal letter and then a personal call from the program director.
5. After that: regular monthly mail, plus a reactivation class where you call everyone who has left within the past 24 months.

Notice what that ladder does. Each week the contact comes from someone more senior. The family feels the whole school noticed, not just a front-desk script.

Who Owns Attendance

This is where most established schools break down. Everyone agrees attendance matters. Nobody owns it. The owner assumes the front desk is calling. The front desk assumes the instructors are calling. The instructors assume the owner will notice. Three weeks later, the bank tells you.

So name names. Here's how we assign the system in a school of the size most of our readers run:

- **Instructor trainees and leadership students** work the door. Greeting students and helping with attendance cards is one of the first official duties of a Phase 1 trainee. They learn every name and face, and the student gets a warm welcome from someone they look up to.

- **The lead instructor of each class** reads the cards before class starts, writes the notes after it ends and flags anyone who looks like they're running low.
- **Your student services or front-desk person** pulls the empty slots at the end of each night and makes the same-night calls, or makes sure the assigned assistant makes them. They log every call on the back of the card.
- **The head instructor**, your Chief Instructor if you have one, owns the weekly attendance review and the week 3 call. They are accountable for the dropout rate across all classes.
- **The program director** owns the week 4 letter and call, and the renewal conversations that follow when a student comes back strong.
- **The owner** looks at one number every week: active students and how many left. If that number is off, the owner asks the head instructor why, not the other way around.

I saw this kind of school at full speed in the mid-1980s, when I visited a friend, Steve LaVallee, whose second-floor school in Liverpool, outside Syracuse, New York, was running 500 or more active students in about 1,800 square feet. The windows were fogged. Parents were wedged between students warming up. The program director spent four straight hours in enrollment and renewal conferences. And the receptionist had a headset on all evening, confirming intro appointments and renewal appointments and following up on anyone who had missed a class or a week of classes.

Nobody in that building was wondering who was supposed to make the calls. Everybody knew their job.

Training Your Team to Run It Without You

A system you have to remind people about every night isn't a system. It's a nag. Here is how we train the team so it runs whether you're there or not.

Start with the why. In your next staff meeting, show your team the A-B-C-F scale and your honest active count. Explain that the attendance card is how the school protects every family's goal, and how it protects the jobs in the room. Homegrown staff who came up through your Black Belt Club understand this instantly. Most of them remember the night someone called *them*.

Script it, then role-play it. Write a simple version of the missed-class call in your own words. Then have staff practice it on each other, out loud, until it sounds like concern instead of a script. Run the hard versions too: the parent who's annoyed, the adult who says, "I've just been busy," the teenager who mumbles. Your trainees can practice on the senior staff. It's leadership training in its own right.

Use gradual release. The same five-stage model we use to develop instructors works for calls. A new trainee first listens while a senior staff member calls. Then they make a call with the senior person beside them. Then they make calls alone and report back. Then they spot-check others. Nobody gets handed a phone and a list on their first night.

Hold a short weekly review. Once a week, the head instructor sits down with the card box or the report and walks through three lists: students with a gap of a week or more, new students in their first 30 days, and students behind for testing. Each name gets an owner and a next action before anyone leaves the room. This takes twenty minutes. It's the most profitable twenty minutes in your week.

Inspect what you expect. Spot-check the backs of cards. Are notes being written? Are calls being logged? Is anyone's class showing more gaps than the others? This isn't about catching people. It's about finding the instructor who needs coaching before their class turns into a revolving door.

Close the loop on the floor. When a student comes back after a call, the lead instructor should know it and make a fuss. "We missed you! Great to have you back." That moment is what the call was for.

FROM GRAND MASTER JEFF SMITH

I tell my instructors that if retention is the goal, attendance is the key. If you're not tracking it with nearly obsessive detail, you're flying blind. I don't want to hear that a student "just stopped coming." Somebody held that student's card in their hand for weeks while the gaps got wider. Teach your people to read the card, make the call that same night, and treat it as the most important customer service job in the school. Don't delegate it to a machine. Make it human.

The physical attendance card shows you the future. It tells you which students are on the path to success and which ones are about to fall off a cliff. It gives you what you need to step in before it's too late.

The owner who reads this chapter and says, "We already have cards," is missing the point. So did most of the owners who come to us for help. The question isn't whether you have cards. It's whether a named person on your team reads them every class, pulls the empty slots every night, makes the calls the same evening and answers for the dropout rate every week.

You built your school on your teaching. You can't keep it full on your teaching alone. Your students stay because the people you developed notice when they're missing, and care enough to call.

YOUR NEXT STEP

Decide: Name the one person on your team who owns the end-of-night empty-slot check and the same-night calls, and the head instructor who owns the weekly attendance review.

Measure: Count your truly active students (seen in the last 14 days) and how many left in the last 30 days, then work out your monthly dropout rate and your grade on the A-B-C-F scale.

Do: Within seven days, put a picture, contact information, program and standing appointment on every active student's card, and role-play the missed-class call with your whole team in one staff meeting.

CHAPTER 13

The First Four Months: Forging the Habit



The Fight Is Won or Lost in 120 Days

The fight for a student's long-term success is won or lost in the first four months. This is the most vulnerable stretch of the whole journey. The excitement of enrolling is fading. The discomfort of learning something hard is rising. Soccer, homework, a new job and a dozen other things are competing for the same evenings.

In our experience, 80 to 90% of all student dropouts happen in this window. That doesn't mean most new students quit in the first four months. It means that of all the students who will ever leave you, the large majority leave early. If you can guide a student safely across those first 120 days, you dramatically improve the odds they'll stay for years. If you can't, you'll spend your career patching a leaking bucket.

Established owners usually know this in their gut. What we see, over and over, is that the first four months aren't run as a system. They're run as a mood. When the owner is energized and present, new students get a great welcome. When the owner is buried in billing or out sick, new students get whoever happens to be on the floor.

This chapter turns the first four months into a process with names attached to it. Every step below has an owner on your team, and every one of those people can be trained.

Here's a principle to put on the wall of your staff room. Students don't drop out. We, the instructors, let them drop out, by failing to track them, by failing to motivate them, and by failing to build a strong enough relationship in this critical early period.

We Don't Teach Karate, We Create Black Belts

The first four months start before the first regular class. They start with the mindset behind your whole school.

You are not in the business of teaching martial arts techniques. You are in the business of creating Black Belts. Everything in your school, from the posters on the wall to the words your instructors use on the mat, has to line up behind that single vision. From the moment a family walks in, they should understand this isn't a hobby to try for a few months. It's a leadership academy and a school of character development with a clear goal: Black Belt and beyond.

We once consulted with a school owner who had plenty of students but low, unpredictable income. He was still offering month-to-month memberships because, as he put it, "a lot of families go away for the summer and don't want to pay for months they aren't here." He had it backward. He was letting families' short-term plans set the culture of his school. The goal is what keeps them training through the summer. The goal is what makes martial arts a priority instead of an option.

Build the Black Belt culture into your building and your language:

- Make the biggest words on your wall a motto, not your logo. "Our Goal Is Black Belt." "A Black Belt Is a White Belt Who Never Quit."
- Teach every instructor and trainee to use Black Belt verbiage. Not "Good kick," but "That's a kick worthy of a future Black Belt." Not "Pay attention," but "A Black Belt always shows focus and respect."
- When a student struggles: "Is becoming a Black Belt easy? No. But it's worth it. Let's try that again with Black Belt determination."

That language isn't fluff. The brain prioritizes memories that carry emotional weight. When your instructors connect today's drill to a student's long-term goal, the lesson sticks better and so does the student.

The cultural foundation is laid in the enrollment conference, right after a successful introductory lesson. This isn't paperwork. It's a formal sit-down with the student and the parents where you plant the seed of the long-term vision.

In spirit, it sounds like this. Your program director congratulates the student on a great first class, then turns to the parents: "As much fun as we have, our school is about more than kicking and punching. We're a Black Belt school. Our goal is to help every student develop the character of a Black Belt: confidence, focus, discipline and the perseverance to see a tough goal through." Then back to the child: "Does that sound like something you'd like to become? A confident Black Belt leader?"

They will always say yes. That's your first buy-in. From that first conversation, the expectation is set. You aren't selling a few months of classes. You're inviting a family onto a journey, with the Black Belt Club as the path for students ready to commit to it.

Then make the goal personal with the Vision Sheet. It's one of the most powerful tools we've ever used:

1. The student pastes a photo of their own head onto a cartoon martial artist throwing a flying side kick.
2. They color the uniform and color the belt black.
3. At the top, they write their goal with a date: "I, [name], will earn my 1st Degree Black Belt by [date]."
4. In speech bubbles they write what they'll be like as a Black Belt: confident, strong, focused, a leader.
5. At the bottom, the parents write the changes they hope to see in their child.

Post the sheets on a "Wall of Future Black Belts." Every time that student walks in, they see their own face and their own promise. This

isn't a sales trick. It's the oldest principle in success psychology: begin with the end in mind.

The Standing Appointment Is Everything

One of the biggest mistakes an established school makes is offering a flexible schedule to new students. It feels like a benefit. It's a trap. It tells the family, "Karate isn't important enough to schedule. Just fit it in when you can." And whatever can be done at any time usually gets done at no time.

From the first introductory lesson, set a fixed appointment. When a student enrolls in your basic program, your program director doesn't hand over a schedule and say good luck. They sit down and say, "To make the best progress, we need you here two days a week. Will Tuesdays and Thursdays at 5:30 work, or are Mondays and Wednesdays at 6:15 better?"

Schedule it like a doctor's appointment. It goes on the family calendar and on the attendance card. That does three things:

- **It creates a habit.** When Tuesday at 5:30 comes around, the student's internal clock says, "Time for class."
- **It creates accountability.** You know exactly when they're supposed to arrive, so you notice right away when they don't.
- **It lets you manage your classes.** You control the student-to-instructor ratio instead of having 30 kids one day and 5 the next.

For the entire basic program, treat new students as if they're still on their intro. Use your automated reminders. Send a text the day of class. Send an email. Reconfirm. Over-communicate until the habit is second nature.

You Are the Gasoline in Their Ferrari

A good instructor can teach the curriculum. A great instructor provides the inspiration, motivation and belief that keep a student going when training gets tough, boring or inconvenient.

Jeff likes to put it this way. A student's potential is a Ferrari, a high-performance machine capable of incredible things. The techniques and curriculum are the roadmap. The instructor is the gasoline. Without the instructor, that Ferrari is a beautiful, expensive piece of metal sitting in the garage.

You can't fill the tank once at enrollment and expect it to last to Black Belt. You refuel every class. And not every student has the same size tank or gets the same mileage. That's why we give every instructor on the floor a short set of daily habits:

- **The 3-Foot Rule.** No student gets within three feet of an instructor or staff member without being greeted warmly, by name.
- **Names three times a class.** "Great stance, Michael!" "Sarah, keep that chamber high." "Follow David's lead, look at his focus." The photo on the attendance card means even a part-timer has no excuse.
- **Three appropriate physical touches a class.** A high five, a pat on the back, a gentle correction of an arm position. An instructor who stays on the podium yelling commands puts on a performance. They don't build relationships.
- **Praise, correct, praise.** "The speed on that punch is fantastic. Pull that other hand back to your hip a little faster and it'll be even more powerful. Keep that great speed!"

Train your instructors to fuel different engines differently. The shy, anxious student needs gentle, private praise and private correction until confidence grows. The class clown has a full tank but is doing donuts in the parking lot, so redirect that energy with a small leadership job: "Be my role model for the front row today." The naturally talented student can still get bored, so give them the "why" and more complex applications. The hard-working, less coordinated student needs the most encouragement, and their fuel is praise for effort, not results.

And train them to spot a student running out of gas: inconsistent attendance first, then less eye contact, sloppy uniform or technique, hiding in the back row, a lost smile. When they see it, they don't yell. They pull the student aside: "Hey, you seem a little down today. Everything okay?"

We've seen world-champion martial artists who were superb technicians and poor instructors. Their classes were technically perfect and emotionally flat, and their retention showed it. Two more habits round out the fuel supply. First, be the ultimate role model. Your energy is contagious. If the instructor is bored, tired or uninspired, the class will be too, so your people walk onto the floor with passion even on the days they don't feel it. Second, share stories. Don't just teach the technique, tell the story behind it. When a nervous white belt hears about a confident Black Belt in your school who started out just as shy, the goal suddenly feels reachable. Your homegrown instructors have the best stories of all, because many of them were that nervous white belt on your mat.

Your new students don't need a performer. They need a mechanic who keeps the tank full.

Teach So It Sticks, and Teach Character Parents Can See

The first four months are also when your teaching method either builds confidence or quietly destroys it. Most new students don't quit because class is too hard. They quit because they can't remember last week's lesson and feel like they're failing.

The brain learns through repetition, pattern recognition and emotional connection. Our rule is that a new technique needs a minimum of 100 repetitions in the class where it's introduced and at least 50 more in each of the next three classes. Teach related techniques that build on each other, a front stance, then stepping in front stance with a front kick, then a down block and front kick combination, rather than four unrelated moves a night. When Jeff organized his beginner

curriculum around patterns like this, he watched retention climb, because students could see how everything connected.

We teach every instructor to run new material through a three-part learning cycle. **Presentation:** demonstrate with energy, frame it emotionally, break it into chunks and explain the why. **Practice:** purposeful repetition, slow and correct first, then faster, then in different contexts, with constant feedback. **Performance:** let students show each other, create small showcase moments and celebrate effort. A beginner who leaves class able to do something they couldn't do an hour ago comes back on Thursday.

Then give parents results they can recognize. Most parents can't tell a good side kick from a bad one. But they are experts on their own child's behavior at home and at school. If you only teach kicking and punching, you're offering a commodity, and there's always another school nearby that can do that.

Build character into the curriculum with structure, not speeches:

- **Mat chats** of three to five minutes on a Black Belt word like respect, connected to life at home.
- **The Self-Discipline Sheet,** a weekly home job list the parent signs. Four weeks of signatures earns a Self-Discipline stripe.
- **The Healthy Eating Sheet** and **the Book Club Sheet,** each leading to its own stripe.
- **The A-Team,** inspired by Grand Master Jhoon Rhee's policy that students had to keep at least a B average to test for Black Belt. Any student who brings in a report card of all A's and B's earns a patch and is honored in front of the school.
- **A community service challenge** once or twice a year, with a stripe or patch for everyone who takes part.

When those systems run, parents start saying things like, "I don't know what you're doing here, but my son has never been so respectful." At that point the value is so clear they won't let their child quit.

Small Wins and the First Parent Conference

New students need a steady stream of small wins. Break the first belt into stripes so progress is visible every couple of weeks. For example: a stripe at week two for stances and footwork, week four for the first hand techniques, week six for kicks and week eight for putting it together in a form or self-defense. Hold a short ceremony at the end of class for each stripe. It's a mini-graduation, and it gives a fresh burst of motivation right when the novelty is wearing off.

Then get ahead of doubt. At the 30- or 60-day mark, schedule a proactive ten-minute parent-teacher conference. Don't wait for questions. The instructor opens with a specific positive update and then asks the key question: "Have you noticed any changes at home?" That question prompts parents to look for the changes you've been promising. When the parent says, "Now that you mention it, she's doing her chores without arguing," the instructor connects it: "That's the Black Belt discipline we talk about starting to take root. She's right on track to test for her first belt in about a month. You've made a great decision."

Ten minutes. It reaffirms the decision, links the dojo to home life, sets up the first test and strengthens the partnership.

Who Runs the First Four Months

None of this works if it lives in the owner's head. Here is how we assign the onboarding system, and how each person is trained:

- **The program director** runs the enrollment conference, plants the Black Belt vision, completes the Vision Sheet with the family and sets the standing appointment. Train them by role-playing the enrollment conference until it sounds like an invitation, not a pitch, and by having them sit in on yours before they lead their own.
- **Student services or the front desk** owns the reminders: the day-of text, the email, the reconfirmation, for the entire basic

program. They also keep a "new student list" of everyone in their first 120 days. Train them with a written checklist and a weekly review of that list with the head instructor.

- **The beginner class lead instructor** owns the 3-Foot Rule, the names, the touches, the stripes and the stripe ceremonies. Train them through the quarterback huddles and post-class debriefs described in Part Two, with an observer checking those specific habits.
- **Leadership trainees** greet at the door, help with cards and model techniques at the front of beginner classes. These are exactly the duties of a Phase 1 trainee. A seven-year-old who sees a fourteen-year-old leader greet them by name feels like they belong.
- **An assigned instructor** holds the 30- or 60-day parent conference. Give every new student a named instructor on day one so the parent knows exactly who their partner is.
- **The head instructor** reviews every new student weekly, checks the cards for gaps and makes sure no one in their first 30 days misses a week without a same-night call.
- **The owner** reads one number: how many of the students who enrolled four months ago are still active.

Put the whole process on one page and hand it to every new hire. The goal is that a family's first four months feel exactly the same whether you're on the mat that night or on a plane.

YOUR NEXT STEP

Decide: Assign a named owner for each stage of the first four months: enrollment conference, reminders, beginner class, 30/60-day parent conference and weekly new-student review.

Measure: Of the students who enrolled four months ago, how many are still active? Count them this week.

Do: Within seven days, start the Vision Sheet and Wall of Future Black Belts for every student enrolled in the last 90 days, and book a ten-minute parent conference for each one.

CHAPTER 14

Rank as a Renewal Moment

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Your Testing Cycle Is Your Retention Cycle

Human beings, especially kids, run on rhythm and momentum. They need short-term goals to stay engaged on the way to a long-term vision.

One of the most common errors we see in old-school and hobbyist schools is a testing cycle that's too long. Students wait six months, nine months, sometimes a year between belt tests. The owner believes the long wait makes the belt more valuable. What it actually creates is a motivational vacuum.

Think of a student's enthusiasm as a wave. When they earn a new belt, excitement peaks. They're proud and eager for the new material. Then the material gets harder, they hit a plateau, and the initial thrill fades. If the next test is too far over the horizon, it looks unreachable. Motivation bottoms out, and they quit.

In the early days we tested every four, five or six months, and we saw the same pattern every time. Students trained intensely for the month or two before a test, then coasted for months afterward. Through decades of trial and error we found the balance that works best up to Black Belt: a test every two months, roughly 16 to 20 classes.

Here's why a two-month cycle is so powerful:

1. **The next goal is always within reach.** A student always feels a few weeks away from their next accomplishment.

2. **Students retain more.** Test over shorter cycles and they learn smaller portions more deeply, instead of forgetting the first month's material by month six.
3. **The whole school gets a pulse.** Every two months there's a build-up of excitement, a celebration and a launch into the next cycle. That energy is contagious.
4. **You catch problems early.** If a student falls behind, you know in weeks, not months, and there's time to get them back on track with their peers. Falling out of sync with their group is a major reason students drop out.

> *Your testing cycle is your retention cycle. And every promotion is the moment a family is most ready to talk about what comes next.*

That's the point of this chapter. Rank isn't just recognition. Handled well, every promotion is a renewal moment: a natural, happy time for a family to set the next goal and recommit to it.

Build the Ladder Before You Ask Anyone to Climb It

Before you try to renew a single student, look hard at the structure of your school. The life cycle of a student follows a natural progression: introductory lesson, basic program, Black Belt program, then the master level and leadership training. Many schools introduce advanced programs too early, before the earlier stages are fully developed. It always fails, because you can't renew students into programs that lack substance or clear value.

Build it from the ground up. The introductory program should be compelling enough that students want to continue. The basic program should create momentum toward Black Belt training. The Black Belt Club and Black Belt Leadership programs should lead naturally to the master and leadership levels. That takes years to develop, and there's no shortcut. Without the structure, there's no climate for renewal. Without that climate, you won't renew students in real numbers.

Part of the structure is the belt system itself. Decades ago there were often only about four belt levels before Black Belt, with eight months or more to earn each one. After Black Belt, second degree took two or three more years. No wonder so many students quit. The programs simply lacked enough short-term goals.

Grand Master Jhoon Rhee, a traditionalist with an open mind, was persuaded to try a different approach. The first step was more belts: a belt about every three months, so a student could reach Black Belt in roughly three years. Each level had to be exciting and a natural progression from the last. Belts still had to be earned. A belt that's simply handed out loses its value in the student's mind and stops motivating anyone.

Over time we refined this into the granular system many schools now use, and we were the first to work with the supply companies to produce those belts. White, gold, high gold, orange, high orange, green, high green, and on through purple, blue, red and brown with their "high" and "low" steps, then a conditional Black Belt, then Black Belt, then a striped belt for each stage toward second degree. Each is a formal test and a new belt to tie on. Students feel the progress. Just as importantly, parents see a consistent return on their investment every two months.

This isn't belt inflation. It's breaking a huge, intimidating goal, a Black Belt that may take four or five years, into a series of short-term victories. As a colleague of ours likes to say, "Inch by inch, it's a cinch."

Make the requirements visible, too. Give every student their belt requirements in writing. They should know they'll be tested, how often and on what. Spell out what you expect after seven, fourteen and twenty-one lessons, or however your program is organized, and make clear that attendance and attitude count. When students know the score, the challenge motivates them. And check progress often. A system that checks students every six months lets a child fall six months behind on a lesson they missed. A system that checks every seven lessons catches it while it's easy to fix, and keeps the whole group graduating together.

Motivation Moves in Waves, and Your Team Rides Them

The stair-step picture of belt progress, white belt climbing to Black Belt one step at a time, is only half true. Student motivation looks more like a wave. In our experience it runs in a cycle of about thirty days. Students stay fired up for a few weeks, then motivation wanes and hits a low point, and they need help climbing back to a high.

Two lessons come from this. First, the best time to present a renewal is when motivation is high. Second, you need a deliberate system all month long to lift students out of the lows.

The cheapest motivational tool in your school is a roll of electrical tape. Stripes look insignificant, but children are deeply motivated by any symbol of achievement. That little strip of tape puts a smile on their face, and they run off the mat to show their parents.

The students who *didn't* get a stripe need more from your team, not less. Some of the responsibility is theirs. Most of it is ours. Teach your instructors to take control of that moment by talking to the parent: "She just needs a little more work on one part of the lesson. If she practices at home this week, we'll test her for the stripe next class." It seems like a small thing. To a child or a parent, that missed stripe can be the one incident that leads to quitting. Handled well, it becomes a deposit in the relationship.

During a break at one of our seminars, an owner mentioned that it took eight years to earn a Black Belt at his school. The reply was immediate: "Don't have many Black Belts, do you?" An eight-year Black Belt may be technically better than a three-year Black Belt, but they're not more motivated to keep going. A student who has repeatedly experienced reaching goals is far more likely to renew for second degree, third degree and beyond. My schools have had third-, fourth- and fifth-degree students who stayed for ten years and more. Very few of them would exist if the first Black Belt had taken eight years.

Make Deposits Before You Ask

I introduced a concept years ago that captures the whole renewal dynamic: the emotional account. Every positive interaction with a student or parent is a deposit. Every broken promise, ignored struggle or careless moment is a withdrawal. When the account is low or overdrawn, asking for a renewal is futile, because the positive climate doesn't exist yet or has to be rebuilt.

The rule is simple. Never request a commitment without first making a deposit.

This is why we teach a marathon mindset. The average owner is a sprinter. A quick intro, a short-term program, a few motivating classes and an extension. That's fine for the short distance. But Black Belt and leadership renewals are a marathon. They require rapport and a relationship deep enough that the family trusts your sincerity and your commitment to their child. That foundation takes time and can't be rushed.

Commitment runs both ways. Never ask a family to commit to a goal unless you fully intend to honor your side of it. Your side is delivering the instruction, motivation and attention that make the goal reachable.

It also means delivering more than you charge for. There's a line from a grandfather in Missouri farm country, quoted in our book *Extraordinary Teaching*, that every staff member should hear: "The only way to stay employed is to be worth twice what you're paid." Apply it to your school. If a family pays one hundred dollars a month, they should feel they're getting two hundred dollars of value. When families feel that, they become natural candidates for renewal.

Value also has to be visible. Grand Master Rhee once observed that most of his students quit after earning their Black Belts, and he wasn't sure why. Training after Black Belt was essentially free; students helped teach in place of paying tuition. The lesson was hard and clear. If advanced training is free, students don't value it. And if they won't stay when it's free, they certainly won't pay for it. Programs need real, easily recognized value before anyone will invest in them.

Extraordinary Teaching tells the other side of that lesson through a university martial arts class. About twenty-five students were paying twenty-five dollars a semester, which covered uniforms and testing and almost nothing for instruction. The previous instructor had run it like a workout and never conveyed what the material was worth, so the students didn't value it. When the class changed hands, tuition was doubled to fifty dollars a semester, with uniforms and testing charged separately. By the end of the first semester, enrollment had grown to one hundred students. Charging appropriately also compels you, and your staff, to work harder to deliver that value.

Finally, take full responsibility. In our view, only about ten percent of dropouts come from genuinely outside causes: a job, school, a move, a parent's decision. You should keep about eighty percent of your students. Beyond the unavoidable losses, the responsibility is yours. A high dropout rate means the school isn't honoring its side of the agreement. We tell our instructors they are great teachers, and then we hold them to a measurable standard of greatness: their retention percentage.

Make the Graduation the Stage

Your belt test shouldn't be a dull exam. It should be a graduation and a celebration. Hold it on a Saturday. Invite family and friends. Create excitement. The graduation ceremony is one of your best retention tools, and a powerful one for referrals too.

A structure that works:

1. **The grand entrance.** Upbeat music as testing students line up and march onto the floor.
2. **The welcome.** Thank the families: "For the last two months these students have worked hard on the mat, at home and at school. Parents, this day belongs to you too."
3. **The demonstration.** Students perform their material as a group.
4. **The board break.** Every student breaks a board, a metaphor for breaking through limits.

5. **The belt presentation.** Call each student up. Kneel to their level, look them in the eye, name what they did well, tie on the new belt, shake hands and have them bow to their parents.
6. **The closing mat chat.** "This new belt is not an ending. It's the next step on your journey to Black Belt." Then announce the next conversation: "For those of you who earned your high brown belt today, I'll be meeting with you and your parents after graduation to talk about your final preparations for Black Belt."

That last step is the bridge. The family is proud, the student is glowing and motivation is at its peak. It's the right moment to sit down and set the next goal.

Don't Pick the Watermelon Before It's Ripe

When is a student ready for a renewal conversation? Our view is simple: the best time to enroll a student in the next step is when they want it. For most students that's after they experience the success of passing their first belt test. Some schools move earlier, but that only works if your team has made big deposits in the relationship already.

Not every student fits neatly. Some aren't ready to pass after their first cycle, so they haven't tasted success, and it's easy for them to say no. The good news is that existing students give you many opportunities. Unlike an intro, one "no" isn't the end.

We tell instructors, "Don't pick the watermelon before it's ripe." When they ask how to know, the answer is, "Thump the melon." Watch for the signs. A few students tell you themselves: the one who won a trophy early, or whose brother or friend is already in the Black Belt Club. Those almost renew themselves. For everyone else, your team has to read the signs and prepare the student.

That preparation is a system, and it runs on two lists:

1. **A monthly renewal list.** Update it every month based on feedback from instructors, the program director and anyone else with regular contact with students. You probably have too many

students to know each one well enough yourself. Rely on your staff. Some of them reach students you never will.

2. **A monthly appointment list** of newer students who are ready to move from the introductory stage into their next program. It's fluid. Add to it all month.

Students who are falling behind, from missed classes or attention problems, don't go on the renewal list yet. They go on the personal-attention list first. Help them catch up, and they'll get there.

Who Runs the Renewal Cycle

Renewals are a team system, and the owner should not be the only one who can run them. Here's how we assign it:

- **Lead instructors** keep the belt requirement sheets current, check progress every seven lessons, award stripes and have the "missed stripe" conversation with parents. They feed names to the renewal list every month.
- **Black Belts on your Leadership team** run test preparation cycles and organize graduation ceremonies. In the tiered leadership model from Part Two, that's the Event Leader stage, real project-management experience for your future staff.
- **The head instructor** owns the testing calendar and the monthly renewal list, and makes the final call on who's ripe.
- **The program director** holds the renewal conferences. In a strong school, on graduation day, the program director may go from one family to the next for hours. Train them by role-playing the conference as goal-setting with the Vision Sheet in hand, never as pressure. Have them sit in on yours until they can lead their own.
- **Student services** books the renewal appointments and confirms them, just as they would an intro.
- **The owner** reviews renewal numbers every month and coaches the program director, not the families.

Renewals done this way don't feel like sales. They feel like the next chapter of a goal the family already chose.

FROM GRAND MASTER JEFF SMITH

I tell every instructor the same thing: your testing cycle is your retention cycle. If the next belt is too far away, the student stops seeing it. Break the journey into steps they can reach every couple of months, make each graduation a real event, and have the conversation about the next goal while they're still holding their new belt. That's not pressure. That's leadership.

YOUR NEXT STEP

Decide: Commit to a testing cycle of about two months up to Black Belt, and name who owns the monthly renewal list and who runs renewal conferences.

Measure: How many students tested in your last cycle, and how many of them had a goal-setting conversation about their next step within two weeks?

Do: Within seven days, build this month's renewal list with input from every instructor and your program director, and schedule the conversations.

CHAPTER 15

Beyond the First Black Belt

—✦—

The Finish Line That Empties Your School

For many owners, the Black Belt ceremony is bittersweet. It's the peak of a student's journey, years of effort finally rewarded. And in a lot of schools it's also the beginning of the end. Students earn the belt, reach the goal they've worked toward for years, and then they simply disappear.

That's a failure of the system, not the student. If you've designed your school so first degree is the final destination, don't be surprised when people get off the train there.

For an established school, this leak is expensive in two ways. First, you lose your most committed, longest-tenured families, the ones who refer, volunteer and set the tone on the mat. Second, and this is the part most owners miss, you lose your future staff. Every Black Belt who walks away is a potential assistant instructor, program director or head instructor you'll now have to replace with a stranger.

When I wrote about hiring from within, one of my first pointers was simple: have great retention. If no one gets to Black Belt, there aren't many Black Belts to hire. This chapter is where Part Three and Part Two meet. Keeping students for life is how you grow the team that runs your school.

Make Them a Student Again

Even Grand Master Jhoon Rhee, the father of American Tae Kwon Do, faced this problem. In the early days he ran a network of schools in the Washington, D.C. area and struggled to hold on to his instructors. His top instructor left to open a competing school down the street and took some of the best talent from his locations with him.

When a young Jeff Smith arrived in Washington to help, he asked a simple question: "Where are all your Black Belts?" The system at the time was that once you earned your Black Belt, training was essentially free, but you were expected to help with classes. There was no formal program. Black Belts trained alongside the brown belts with no new goal to aim for, and they stagnated.

The answer was a new, more prestigious goal: a structured program to take Black Belts to second degree and beyond. And it wasn't free. The second-degree program carried a higher fee than the first-degree program.

Grand Master Rhee was shocked at first. "We can't do that! They aren't even staying when it's free!" But the logic held. When something is free, people see it as having no value. A paid, exclusive, high-level program redefines the Black Belt. It's no longer a graduation. It's the entry requirement for a more elite level of study.

When Jeff put this in place at his Kensington school under Grand Master Rhee, he renewed 40 students into the new program in a single month, and that school brought in more revenue that month than the other three schools combined. The demand had been there all along. It just needed a compelling goal.

FROM GRAND MASTER JEFF SMITH

When I asked Master Rhee where all his Black Belts were, the answer was that they had nothing left to reach for. So we made them students again. A paid, exclusive, high-level program, with a real curriculum and a real goal. You're not asking a Black Belt to do you a favor by helping teach. You're offering them the privilege of continuing their elite training. Make that offer, and deliver on it, and they stay.

Three rules make this work in your school:

1. **Renew before the test.** The conversation about the second-degree program happens before the student tests for first degree. Focus is high and commitment is at its peak.
2. **Frame it as the next logical step.** First degree is the beginning of advanced study, not the end of education.
3. **Charge for it.** A meaningful investment affirms that the advanced program is a serious, structured curriculum for dedicated martial artists.

Your program director owns that pre-test conversation. Your head instructor makes sure every candidate is ready for it, academically and emotionally, well before test day.

The Rotating Curriculum

Signing a Black Belt up for a second-degree program is step one. If that program means practicing the same three or four techniques for two years, they'll get bored and you'll lose them anyway.

We remember being new Black Belts ourselves. To test for second degree, we had to wait two years, with almost nothing in between. No progress checks, no new curriculum segments, nothing. Student behavior was completely predictable. People came to class sporadically for a year and a half, then trained hard for the few months before the test. The consistency was gone. The biggest mistake you can make is to change the rules of the game after students earn their Black Belt. If steady progress checks, clear goals and constant motivation got them this far, why stop?

The rotating curriculum came out of necessity when I was running six locations in Denver. I had two problems. Many of my head instructors were excellent at teaching the under-belt curriculum but weren't yet equipped to develop students to second, third and fourth degree, so I needed a way to centralize and control the quality of advanced instruction. And with Black Belts at every stage of training

across six schools, running a separate curriculum for every level had become impossibly complex.

The solution was one unified curriculum for all Black Belts from first to third degree, rotating in blocks. A two-year path to second degree, for example, can be broken into six four-month blocks. Here's how it works:

- Every Black Belt, whether brand new or testing for second degree next cycle, trains in the same class on the same block of material.
- At the end of four months, everyone tests on that block.
- Then the curriculum rotates to the next block, and everyone learns it together.

That solved several problems at once. Instruction got simpler, because one curriculum served all advanced students, which let me bring the Black Belts from all six schools together once a week for a master class and guarantee quality. Learning never stopped, because every four months there was fresh material. The Black Belts became a team instead of isolated individuals on their own tracks, with real esprit de corps. And it scales, whether you have 10 Black Belts or 200.

A block might focus on bo staff fundamentals: basic strikes and blocks, a staff form, self-defense with the staff and controlled partner drills. The next might be advanced kicking and combinations: tornado, 540 and butterfly kicks, sparring combinations, defenses against multiple attackers. Variety keeps the training fresh and builds well-rounded martial artists.

Then add interim goals, using the same psychology that works for color belts. The student receives their formal embroidered Black Belt at first degree. On the road to second degree, they earn a striped class belt at each successful testing cycle: a gold stripe at four months, orange at eight, green at twelve, and so on until they're eligible for second degree.

This didn't water anything down. It made a more robust curriculum possible, with more substance in the years between ranks. A paid long-term program, a rotating curriculum and interim goals together are the formula for exceptional Black Belt retention.

Selling the Vision: A PhD in Martial Arts

One of the biggest mental hurdles for owners is fear of asking for a long-term commitment. Five, six, even nine years can feel overwhelming. The instructor projects their own hesitation onto the parent and assumes the answer is no. "I just can't see how anybody signs up for five years."

Yet at the most successful schools, about 90% of students who qualify for Black Belt Leadership choose the longer, more substantial option over the basic Black Belt program. That comes down to two things. You ask them. And you prepare them, so the long-term goal feels logical and normal.

The best framework is formal education. When a parent enrolls a child in kindergarten, they aren't making a one-year commitment. They're starting a thirteen-year journey. Nobody thinks six years of elementary school is unusually long.

There are seasonal, recreational activities like soccer and baseball. And then there's school. In one school, children learn reading, writing and arithmetic. In ours, they learn discipline, focus, confidence and leadership. We are not a seasonal activity. We are an educational institution. In our coaching we contrast this "educational institution" model directly with the health club model, where members pay month to month until they drift away.

Then use the degree analogy to lay out the whole martial arts career:

- **First Degree Black Belt** is the high school diploma, the foundation.
- **Second Degree** is the associate's degree, two more years of focused study.
- **Third Degree** is the bachelor's degree.
- **Fourth Degree** is the master's degree, a level of expertise that qualifies you to teach and guide others.
- **Fifth Degree** is the PhD, the pinnacle of formal study.

Not everyone wants a PhD, but most people value a college education. So the goal for most of your students should be at least their "associate's degree," second-degree Black Belt. That's why top schools design Black Belt Leadership as a six-year path: four years to first degree, two more to second. When a parent says, "Six years is a long time," the answer is simple: "It's the same length as elementary school. That's the time it takes to build a foundation of leadership that lasts a lifetime."

People don't invest in a term. They invest in a vision of their child as a confident, disciplined second-degree Black Belt and leader. Bring the Vision Sheet back to the table and help the family write down what they want. You're not selling a program length. You're helping them outline a dream.

The numbers can follow the vision. At the Mile High Karate location in Sterling, Virginia, we tracked the ratio of new students to renewals and reviewed it with our Inner Circle and Peak Performers members. About 87% of all new students ended up renewing. Roughly half of all new enrollments renewed at white belt, in their first two months. About half of the rest, around a quarter of total enrollments, renewed by their second belt, leaving about 12% after the fourth month. And of those renewing, around 90% upgraded into the highest program, Leadership. Notice how early most of those decisions happen. The vision has to be in place from the first conversation, not introduced at Black Belt. That only happens when the vision is set on day one and every staff member speaks the same language.

Forging Champions Without Breaking Students

Advanced retention has another enemy: the belief that great students and champions require brutal, grueling training for everyone. We learned the hard way that this is a recipe for a revolving door. We were training students so hard that we trained them right out of the school. In our quest for a few great students, we were losing hundreds of good ones.

You can't force-feed passion or bully someone into becoming a champion. Create the desire instead. For the students who do have the fire to compete, build a **Competition Team** as a school within a school:

- **Invitation only.** Membership is an honor, based on skill, attitude and commitment.
- **Extra training,** with its own sessions focused on competition drills, conditioning and strategy.
- **Core classes still required,** so competitors stay well-rounded and connected to the rest of the student body.
- **Leadership required.** Your top competitors also serve on your Leadership team. That prevents the prima donna mentality and teaches that a champion is also a role model.

Then accept the bell curve. A school that brags about how tough its Black Belts are but only has a handful is, in many ways, a failure. It's far better to have 50 or 100 Black Belts. Some will be truly great, a large group will be solid and dedicated, and some will have barely made it. That's how a university works too. Set a clear, high standard for passing, and understand that within it there will be a range. Within that hundred, your champions will rise on their own.

Teach Advanced Students Differently

As students reach the advanced ranks, your teaching has to change. With beginners, you teach techniques. With advanced students, you refine principles.

A beginner needs to learn what a front kick is. An advanced student knows, so now you teach how to generate maximum power, how to set it up, how to adapt it and how to teach it. That calls for a different approach:

- **Less demonstration, more exploration.** Give them a problem. "Generate power from your hip. Now from your core rotation. Now from your base leg. Which feels most powerful? Discuss it with your partner."

- **Conceptual frameworks.** Every strike has a setup, execution and recovery. Teach the framework once and they can apply it to fifty techniques.
- **Personal style.** Some will be power fighters, some precise technicians, some fast and tricky. Within the fundamentals, all are valid.

This is the bridge between advanced retention and Part Two. Whatever got students to Black Belt, keep doing after they earn it. And a Black Belt who isn't giving back is a Black Belt who is stagnating. The next phase is the move from student to teacher, through your Assistant Instructor Training Program. Select students from Black Belt Leadership who show promise and invite them in. Give the leadership program its own curriculum: the fundamentals of teaching, class management, communication, building relationships and specific teaching skills. Develop each trainee through gradual release, from observing, to assisting, to co-teaching, to leading under observation, to leading independently. Each moves at their own pace, based on demonstrated ability.

After a trainee teaches, hold a short feedback session with the same structure every time. Start with self-assessment: "How do you think that went? What would you do differently?" Then give three specific things they did well. Then give one targeted correction, not five. Then set one goal for next time: "Your focus next class is the one-correction rule. I'll be watching for it." It's the same praise-correct-praise approach we use with students, and it protects confidence while driving improvement. Advanced students who are being developed this way have every reason to stay. They're no longer only customers. They're contributors.

Who Runs Advanced Retention

Here is how we assign the system, and where your homegrown leaders take over:

- **A Master Instructor or Chief Instructor,** fifth degree and above where you have one, runs the weekly Black Belt master class and the rotating curriculum. Their job includes mentoring the mentors: training the instructor team, leading the leadership classes and evaluating certified instructors. They also develop and refine curriculum blocks, and serve as community ambassadors, representing the school at events, writing for local publications and carrying its philosophy. After fifth degree, the journey is less about physical ability and more about this kind of contribution.
- **Senior instructors** run the Competition Team and the advanced classes, and train junior instructors.
- **The program director** holds the pre-test conversation about the second-degree program and the Black Belt Leadership conferences, using the degree analogy and the Vision Sheet. They're trained by role-play and by sitting in on the head instructor's conferences first.
- **Advanced students on the Leadership team** assist in classes below their rank and step into the Assistant Instructor Training Program, where every one of them is tomorrow's staff.
- **The owner** watches two numbers: how many first-degree Black Belts continue into advanced training, and how many advanced students are in the instructor pipeline.

We can usually tell which schools have worked with us the longest. They aren't scrambling for instructors or hiring outsiders and trying to retrain them. They have a deep bench of loyal, homegrown instructors who came up through their own program. When a full-time position opens, a dozen high school and college-age leaders are ready to step up, because they've been preparing for years.

That's the legacy. Not just the students you graduate, but the leaders you create who inspire the next generation. You move from being a Master of the art to being a Master who creates Masters.

YOUR NEXT STEP

Decide: Commit to a paid, structured program beyond first degree, with a rotating curriculum, and name the instructor who will run the weekly Black Belt class.

Measure: Of the students who earned first degree in the last two years, how many are still training with you today?

Do: Within seven days, map your first two four-month curriculum blocks and schedule the second-degree program conversation with every student testing for first degree in the next cycle.

PART FOUR

Fill the Mat

Six Simple Steps, rewritten for a school that has tried them before, and assigned to the people who will run them.

CHAPTER 16

The Marketing Parthenon: Six Simple Steps for an Established School

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“We Tried That”

Bring up marketing with an owner who has been open ten years and you will usually hear a list of things that didn’t work.

“We did a booth at the county fair. Stood there all weekend. Got a handful of names.” “We did school talks. The kids loved it. Nobody signed up.” “We paid an agency for Facebook leads. Half of them didn’t answer the phone.” “We tried the Halloween thing. Lots of candy, no students.”

Every one of those stories is true. Almost every one is missing the same few pieces.

Here’s the brutal truth. You teach great classes, your students love you, and the flow of new students is still a trickle of referrals and the occasional walk-in. You’ve trained thousands of hours, some of them with the best people in the martial arts, and there is still no path beaten to your front door.

That isn’t a teaching problem. It never was. Learning more about your art and becoming a better teacher will not magically fix your marketing. The problem won’t fix itself, and ignoring it only makes it worse.

You built your school on your teaching. You can't grow it on your teaching alone.

Good teaching doesn't market itself. There is a syndrome in our industry that I've watched for decades. Call it the super-instructor syndrome. A good number of people, a few of them my friends, honestly believe that if you learn more, become more expert at your art, or sharpen your teaching skills, students will flock to your door.

They won't.

Being expert in your field and developing your students' skills is foundational. It is also completely inadequate, by itself, for short-term or long-term success. You also have to master hiring and training staff, marketing, enrollment, leadership development and the other business basics. Don't confuse your hobby, mastering more martial arts, with your career, building your school into a profitable business.

Established owners are especially prone to this because their teaching is genuinely good. Word of mouth did fill the school once, slowly, over years. So when enrollment flattens, the instinct is to wait for it to kick back in.

Most schools are losing somewhere around 7 to 10 percent of their students every month. That's the industry pattern I've seen for most of my career. At that rate a 200-student school can lose 14 to 20 students a month without anyone doing anything wrong in class. A trickle of referrals doesn't replace that. A system does.

When I came up at the Jhoon Rhee Institute in Washington, D.C., my first job as a new staff member was the switchboard for nine locations. When the TV spots ran, every line lit up. I watched Grand Master Jhoon Rhee's marketing in action and was smart enough to know I didn't understand how to replicate it. So I studied. I spent hundreds of hours at the Library of Congress reading John Caples, Claude Hopkins and David Ogilvy, took every marketing class the SBA and SCORE offered, and went to work.

That study is what let me move to Denver with minimal capital, knowing nobody, and open five schools in 18 months with more than 2,500 active students by the time I was 25. The plan in every location

was 100 students in the first month and 200 within 90 days. Teaching mattered enormously. But teaching didn't fill those schools. Marketing did.

The Parthenon: Many Pillars, Not One Hope

The Parthenon in Athens doesn't stand on one column. It stands on many. Knock one out and the roof stays up.

Your new-student flow should be built the same way. Most marketing activities, on their own, won't produce a flood of enrollments. But each one can be good for two, four or five enrollments a month. When you build a Parthenon of marketing strategies, you get consistent enrollments every month regardless of season, style, target audience or location.

The six pillars I teach are:

1. Live event marketing
2. Community outreach
3. Guerrilla marketing
4. Referrals
5. Search marketing
6. Social media

This chapter covers the first three and how to organize all six. The next chapter covers referrals, search and social, the pillars where your students and your reputation do the selling.

My standing rule is simple: it's always the Parthenon. Never back off. A school that wants steady growth should have something like 20 significant marketing activities running every month. Not 20 ideas on a whiteboard. Twenty things that actually put your school in front of families.

Repetition is the reason. A long-standing advertising rule of thumb says a prospect needs to be exposed to your message around seven times before they really understand it. Picture a mother who glances at your banner, forgets it, sees a rack card at the dentist, hears a neighbor

talk about how much her son's behavior improved, watches that neighbor's kid hop out of the car in his uniform, and then finds your flyer in a pizza box. She calls on the seventh exposure, not the first. What you want is for families in your community to see you everywhere.

That's why "we tried that" is misleading. You probably tried one thing, once, and judged it on whether it produced enrollments by itself.

Plan the Homeruns, Then Plan for Failure

There is a counter-intuitive point here that established owners need to hear. It is easier to grow by 100 students in two or three months than it is to do it over ten or twelve.

Why? Dropouts. If you try to add 100 students over a year, you have to enroll 100 plus everyone you lose that year. If you do it in a month or two, you only replace a month or two of dropouts. Then you go back to working on retention and need far fewer new students each month to hold your new level. When I did turnarounds in my own schools, that's exactly what I did. I repeated the grand opening plan, and by month three I was focused on renewing everyone instead of pumping in as many as humanly possible.

You will not do this by cutting prices. If you add 100 students, you want your gross to grow meaningfully. Half-price specials and other junk enrollments won't get you there, and those students drop out faster.

Here is how to build the plan:

1. List everything from all six pillars you could run in the next four to six weeks.
2. Put heavy emphasis on the items that can be big homeruns.
3. For each item, sketch a minimum, likely and homerun result.
4. Assume a bunch of them will crash and burn.
5. Do enough that your minimum results add up to roughly double what you need.

My biggest homeruns have been elementary school programs, movie theater promotions around blockbusters, and large community events full of your target audience. A client in Mankato, Minnesota went to a marathon for four hours and turned it into 60 enrollments. A client in Dallas generated 850 leads in two weekends when a Star Wars movie opened. Those are real, and they're exceptional. Plan as if you'll get the minimum.

Your goal, in that window, is to be so overwhelmed with traffic that you're both exhausted and elated. My clients call it drinking from a firehose. An established school already has a team, a curriculum and a culture that can absorb the flood, if you've organized them to do it.

The First Three Pillars, Done Right This Time

Pillar one: live events. Fairs, carnivals, festivals, trade shows and community days put hundreds or thousands of families in one place. Most schools that "tried" them set up a table with brochures and waited. Families walked past.

What works is an engaging booth and a process. Bright colors and strong signage. A prize wheel front and center, because a spinning wheel draws a crowd and gives you a reason to talk to every family. Prizes on a back table, lead forms in between, places to sit and fill them out. Live demonstrations by your students, because nothing stops foot traffic like kids breaking boards. A clear call to action on the banner.

Then the part most schools skip: a script and on-the-spot scheduling. The goal at the booth is not a name on a list. It's an appointment on the calendar before the family walks away.

When it's done properly, the numbers tend to look like this: 100 leads collected, 80 to 90 appointments made on the spot, 40 to 50 first introductory lessons taught, and 20 to 25 enrollments. One school owner, Ken, scheduled 32 introductory appointments in two hours at an event in the rain, with a cover over his prize wheel.

Notice where that funnel breaks. If nobody calls, texts and emails each family before the appointment, many won't show. The booth is only the first half of a live event; Chapter 18 covers the second.

Who runs it:

- **Event lead:** your program director or a trained staff member who owns the calendar of events, books the space, and is responsible for the appointment count.
- **Booth team:** two or three staff members or instructors who run the wheel, the script and the scheduling.
- **Demonstration team:** Leadership students and Black Belts, supervised by an instructor. For them it's a leadership experience and a chance to represent the school. Keep it a privilege of the Leadership program, not unpaid staffing.
- **Follow-up:** the front desk or program director, who starts confirming appointments that same night.

Before the event, role-play the opening line, the spin and the scheduling question until they sound natural.

Pillar two: community outreach and the missing permission slip. In marketing, community outreach is sometimes called a host-parasite or host-beneficiary relationship. You partner with an organization that already serves your families, a school, a pediatrician, a community center, a family business, and you bring them something valuable in exchange for access to their audience. Done right, both sides benefit, and so does the community.

The best example is the one most schools think they've already tried: school talks.

Early in the 1980s I started what I called PE Teacher for the Day. I'd teach a first introductory class to every child in an elementary school during their PE period over a couple of days. Over the years others rebranded it as "school talks." What got left out when people copied it was the key to making it convert: the permission slip.

With any given school, we would typically get permission slips back from 75 to 85 percent of the students, with name, address, phone and

email. Over the years we added a line at the bottom offering two free weeks of lessons and a free uniform to everyone who participated, with a box asking if the family would like to be contacted. Then we followed up by calling, texting, emailing and mailing every participant.

That is the difference between "the kids loved it" and new students. Teaching the whole school, 300 to 500 kids rather than one class of 25, and getting permission to follow up.

There are three versions that have worked best for me, in order of volume:

1. **Before- or after-school enrichment program.** Six lessons promoted through a PE Teacher for the Day visit. Roughly 20 percent of the student body signs up for the enrichment program, and roughly 30 percent of those participants end up enrolled in your school.
2. **PE Teacher for the Day on its own.** Teach the entire school, collect permission slips, and follow up hard. From a school of 500 we'd typically end up with 10 to 20 enrollments.
3. **A children's charity fundraiser.** Partner with a well-regarded local charity, create a modest introductory offer, and have public and private schools distribute the flyers. The response is lower, but I used to print these in lots of 100,000.

During one nine-month stretch when I jumped in to run a location in Littleton, Colorado, I enrolled 482 new students purely through elementary school outreach, with days of up to 36 enrollments. It was exhausting and extremely productive.

An established school has years of credibility, families from those schools already on the mat, and parents on the PTA. Use them.

Who runs it:

- **Outreach coordinator:** a staff member who owns relationships with principals, PE teachers, PTAs, scout troops, sports teams and employers. Daytime hours are perfect for this role.

- **Visiting instructor:** your best children's instructor, plus an assistant, to teach the PE classes. Train them to deliver a high-energy class to large groups.
- **Follow-up:** the front desk or program director, working the permission slips the same week.

Pillar three: guerrilla marketing. The term, coined by Jay Conrad Levinson in his 1984 book of that name, uses surprise and unconventional methods, mostly low or no cost, to create buzz and visibility.

The options are many: bandit signs, rotating banners with fresh offers, rack cards and lead boxes in local businesses, flyers in pizza boxes, A-frame signs, posters in merchants' windows, welcome packs for new residents, information in pediatricians' waiting rooms, library workshops, movie nights in the park, and special offers for employees of local businesses.

None of these will fill your school by itself. Several together keep your name in front of families week after week, which is exactly what the repetition rule demands.

FROM GRAND MASTER JEFF SMITH

One of the sessions I teach new Martial Arts Wealth Mastery members runs about three hours. It covers 52 ways to create a flood of new enrollments with little or no expense: signs, banners, rack cards, lead boxes, partnerships with local merchants, and dozens more. Most of them cost very little money. What they cost is labor and consistency. An idea in a notebook enrolls nobody. Pick the ones that fit your community, put a person's name next to each, and put them on the calendar.

Who runs it: one staff member owns the guerrilla list. Every month they report what went out, where, and how many leads came from it. A part-time front desk person can run much of this during slow daytime hours.

Give Every Pillar an Owner and a Schedule

Here is where established schools fall down. They have the people. They don't have assignments.

The way I've always taught staff is that from early morning until three or four in the afternoon, the focus is almost entirely on external marketing. From four until nine, Monday through Friday, it's classes, which means personal interaction with existing and prospective students. Most owners show up at four and treat the day as four to nine. That's a teaching job, not a business.

In a school your size, marketing can't depend on the owner's mood or free time. Write it down:

- **Owner:** sets the annual marketing plan and budget, approves the monthly Parthenon, reviews results weekly. Personally handles the biggest relationships, such as a school district or a major employer.
- **Program director:** owns the appointment and enrollment numbers from every pillar, and usually leads live events.
- **Outreach coordinator:** owns community and school relationships.
- **Front desk or student services:** owns guerrilla distribution and same-day follow-up on every lead.
- **Head instructor and instructors:** deliver demonstrations, PE classes and event workshops, and make every introductory lesson excellent.
- **Leadership team students:** demonstrate and represent the school at events as part of their leadership development, always supervised.

Then put it on a calendar: each month's activities, the person responsible, the date and the minimum expected result. Review it at the weekly staff meeting in Chapter 19.

This is also how you grow people from within. A brown belt who helps at a booth this spring can run the booth team next year. An

assistant who teaches PE Teacher for the Day learns to command a gym full of strangers. Marketing becomes another rung on the ladder from student to staff.

What Can You Afford to Pay for an Enrollment?

Everyone has heard that you should spend about 10 percent of gross revenue on advertising. That doesn't tell you much. Some very top schools spend nearly nothing on direct advertising; others spend as much as 20 percent.

Start somewhere else: what is an enrollment worth to you? That depends on two things, your retention and your tuition.

Here are two extreme but real examples. A kickboxing program with an average student lifespan of three months and $49 average tuition has a lifetime value of about $147 per student. At 10 percent, it can afford about $14.70 per enrollment. A solid martial arts program with an average lifespan of 33 months and $130 average tuition has a lifetime value over $4,000. At 10 percent, it can afford over $400 per enrollment. If its call-to-enrollment ratio from a source is 50 percent, it can pay $200 per call.

To approximate your own number, take a year's gross and divide by the number of enrollments that year. If you're changing quickly, use three years.

Two more layers matter. First, free enrollments: referrals, walk-ins, family add-ons, birthday parties and outreach. If many of your enrollments cost nothing in media, you can pay much more for each paid one and still average about 10 percent. Second, think at the margin. The next enrollment from paid media will cost more than the average, but if a student is worth thousands over the next several years, you should be willing to pay a lot for one more.

That's why retention and pricing, covered in Parts Three and Five, are also marketing decisions. Every month you add to the average stay raises what you can afford to spend to fill the mat.

Track cost per lead, cost per appointment, cost per introductory lesson and cost per enrollment for every pillar. “We tried that” becomes “that pillar produced six enrollments at a cost we can afford,” or “that one didn’t, and here’s why.”

YOUR NEXT STEP

Decide: Decide which six to ten marketing activities, drawn from at least four pillars, your school will run over the next six weeks, and name one team member responsible for each.

Measure: Count how many leads, appointments and enrollments came from each source last month, and calculate your average value per enrollment (last year’s gross divided by last year’s enrollments).

Do: In the next 7 days, book one live event or one elementary school visit, and train the team that will run it, including the script and same-night follow-up.

CHAPTER 17

Let Your Students and Reputation Sell: Referrals, Search and Social



The Class Is the Marketing

Every established school has an asset most startups would pay dearly for: a few hundred people who already believe in what you do.

They are your students and their families. They see the changes in their kids. They tell their friends at work, at the soccer field and at the gym. Their children walk out to the car in uniform, and the neighbors notice. When a mother finally calls you, it's often because a friend mentioned your school by name and it sounded familiar.

That's the good news. The bad news is that most schools treat all of this as luck. They hand out a few guest passes, ask students to "bring a friend sometime," and hope.

The three pillars in this chapter, referrals, search and social media, all run on the same fuel: what actually happens on your mat. A great class gives your students something to talk about. A proud parent gives you a review. A powerful moment at a belt test gives you content worth posting. Your job is to turn that fuel into a system, and to put a named person in charge of each part.

Critical Mass and the Referral Event

Let's start with something that should be obvious. You have to reach a certain critical mass of students before referral systems work well. My

rule of thumb is about 100 active students. If you're reading this book, you're likely past that.

Here's the standard I hold larger schools to: a school of 250 or more active students should be able to enroll as many students as it loses every month through internal referral events alone.

Notice the word *events*. Referral events, where students actually bring their friends into the school, work much better than passing out guest passes or offering rewards for enrolling friends. A guest pass goes in a backpack and stays there. An event gives the student a reason, a date and a little excitement.

Referral events fall into two categories:

1. **One student brings many friends.** Birthday parties and pizza parties, where a single student brings 10, 20 or 30 friends into your school at once.
2. **Many students bring one or two each.** Buddy days, bring-a-friend weeks, theme nights and family events, where a large share of your student body each brings a guest.

You need both. The first type produces big batches of new prospects. The second type gets your whole student body in the habit of inviting.

Birthday Parties, Buddy Days and Family Add-Ons

Birthday parties. Turn the traditional birthday party into a martial arts celebration. The birthday child's friends take a fun class, play games, break a board and leave with a certificate. A martial arts class is a unique party favor, and every guest's parent is a prospect. Offer attendees an introductory program before they leave.

Pizza parties. Same format, different occasion. Earning a new belt, a report card full of A's, getting braces off. Run it like a birthday party, minus the singing.

Buddy days and buddy weeks. Designate periodic days, or a full week, when students bring a friend to train with them. Plan partner drills and group challenges so the guest has fun and bonds with your student. Make the guest feel like part of the family.

Beyond those, the list of event ideas is long. Here are some that work well for established schools:

- Bring-a-sibling day and parent-child classes
- Parent observation day, with parents joining select drills
- Belt graduations with friends invited to witness
- Board-breaking day
- Theme nights, such as ninja training or superhero night
- Martial arts movie nights
- Holiday events, such as a Halloween costume class
- Bring-your-co-worker classes for adults
- Women's self-defense seminars where students invite friends and family
- Summer camp open houses

The key to all of these is the same as with school outreach in Chapter 16: get the guest's name, address, phone and email, ideally on a permission slip, and then follow up. Not once. I teach owners to follow up 24 or more times over the coming ten months. A guest may not enroll this week, but may in three, five or seven months. Once you collect a lead, follow up forever.

Family add-ons. Here's an internal referral source most established schools leave on the table. For every child you enroll, what if mom or dad trained too? In my own schools I averaged about half of the kids having a parent enroll with them, and often both parents. No amount of Mother's Day and Father's Day specials will do that. It comes from inviting parents at the very first contact and building a genuine family environment.

For siblings, the best approach is assumptive. Stock up on uniforms. Give the brother or sister a uniform and tell them it's their day to join. Nothing beats a one-on-one conversation, a uniform in their hands, and having them jump into class.

Former students. An established school has something else a new one doesn't: years of alumni. Former students and their families are a

referral network hiding in your database. Reconnect with them through email, alumni classes or reunion events around a big Black Belt test. Invite them to share their stories. Some will come back to train. Others will send their own children, or a friend. The best list you will ever own is the list of people who already know you.

Who runs it:

- **Program director:** owns the referral event calendar, at least one event every month, and is responsible for the number of guests and enrollments from each.
- **Instructors:** promote events in class for two weeks beforehand, teach the event classes, and make guests feel welcome.
- **Front desk or student services:** collects guest information at the door and starts the follow-up sequence within 24 hours.
- **Party coordinator:** a trained staff member, often a promising assistant instructor, who runs birthday and pizza parties. This is a great early role for someone you're developing from within. It teaches them to lead a room of children they've never met.

Proof: Testimonials, Essays and Reviews

You can have the best leadership program, the most engaging classes and the most inspiring culture, but if you don't communicate that value, you're leaving your school's greatest asset unused. Testimonials provide social proof. They pre-frame new families and keep reminding current students why they started.

Start with Black Belt essays. When a student prepares for their first-degree Black Belt test, a key requirement should be an essay reflecting on their journey and how training has changed their life. These essays are marketing gold. More importantly, they're a powerful source of inspiration for the students coming up behind them.

Recognition feeds proof, too. The healthiest approach is standards-based: anyone who meets a clearly defined standard is a winner, the way any student who scores 90 percent earns an A. When twenty students earn a medal for completing their character worksheet, you

have twenty proud families, twenty photos and twenty reasons for parents to talk about your school. Neither the participation trophy nor the lone winner gives you that.

Then gather video testimonials from parents. At a major event like a Black Belt testing, set up a camera in a quiet corner and ask parents to share their experiences. When a parent, with tears in their eyes, talks about how your school transformed a shy, unconfident child into a focused, respectful leader, that story is more powerful than any ad you could ever buy.

A few practical rules make the difference between a usable testimonial and an awkward one:

- **Set the scene.** Film against a clean wall or a banner with your logo, with the person facing a window or light source.
- **Get good audio.** An inexpensive lapel microphone beats the phone's built-in mic.
- **Ask the right questions.** Don't say "Can you give us a testimonial?" Ask: What was your child like before they started? What were you hoping they'd gain? What are the biggest changes you've seen? What would you say to another parent thinking about enrolling?
- **Keep it short.** Aim for 60 to 90 seconds. Edit longer interviews down to the best moments.

Use this arsenal everywhere. Show the essays and videos to families considering your program. Share them with your current students. Post them, with permission, on your website, your Google listing and your social channels.

Reviews. Almost everyone checks out a business by searching for it first. When a parent searches for martial arts in your area, your Google reviews show up right alongside your name, and a high rating with a substantial number of positive reviews can significantly boost your visibility and inquiries. Reviews also answer the questions parents worry about: Are the instructors professional? Is it safe? Is it right for my child's age?

Generating them is simple, but it has to be systematic:

1. Ask. When a family has had a great experience, at a belt promotion, after a progress report, at a Black Belt test, ask them to leave a review.
2. Make it easy. Give clear instructions or a direct link so leaving a review takes a minute.
3. Respond to every review, positive or negative, promptly and professionally. Thank people. Address concerns.
4. Don't neglect other platforms, such as Facebook and Yelp, but Google is first.

Be careful with incentives. Review platforms have rules about rewarding reviews, and breaking them can cost you. The best incentive is an experience worth writing about, and a staff member who remembers to ask.

Who runs it: the student services manager or front desk owns the review count and the testimonial library. The head instructor makes the Black Belt essay a testing requirement. One staff member films testimonials at every major event.

Being Found: Search and Your Google Business Profile

When a family decides to look for classes, the first thing they do is search. Search marketing has five parts: your organic search presence, paid search advertising, retargeting, your Google Business Profile, and reviews. We just covered reviews. Here's the rest, in plain terms.

Your Google Business Profile. This is the listing that appears in local results and on maps, and for most schools it's the single most important page they own. Claim or create it. Make your name, address and phone number accurate and identical everywhere they appear online. Write a full description of your school's philosophy, programs and what students gain. Upload high-quality photos and videos of real classes, your facility and your instructors in action. Post regularly about events, promotions, belt graduations and student achievements.

Turn on messaging. Check the insights to see how people find you and how many call.

Your website and organic search. Families search for phrases like "martial arts classes near me," "kids martial arts programs," "Brazilian jiu-jitsu for beginners" and "karate classes in" followed by your town. Make sure your pages use the words your families actually use, with your location. Publish local content that answers common questions: the benefits of training, how to choose a school, what to expect as a beginner. Get listed accurately in local and martial arts directories. Build relationships with local organizations that will mention and link to you. Make sure the site works well on a phone, because that's where most parents will see it.

Paid search. Pay-per-click ads put you at the top of results when someone searches for exactly what you offer. Organize campaigns by program or age group, write ads that speak directly to what parents want, limit them to your area, set a realistic daily budget, and send each ad to a dedicated landing page with a clear offer and a simple form. Track conversions so you know which keywords produce appointments, not just clicks. Be aware that paid search can only scale as far as the number of people actually searching in your area.

Retargeting. Most visitors leave your site without acting. Retargeting ads on Google and Facebook follow up with people who visited your program pages or started a form, keeping you in front of them until they're ready.

Who runs it: for most established schools, the technical setup belongs with a good agency or a trained specialist. The owner or program director still owns the results. Someone on staff, often the office manager, keeps the Google profile current with fresh photos and posts every week.

Social Media the Team Produces From Real Classes

Many, if not most, school owners start with a misunderstanding about social media. Simply having an account and posting a lot doesn't do

much. The algorithms don't show most of those posts to many people. Platforms like Facebook and Instagram are worth billions because they've built effective advertising models, and that means social media is now an area where you must budget appropriately.

Whatever new platforms come and go, and some like TikTok have real potential, Facebook and Instagram are still the 800-pound gorilla for reaching local families.

Paid social works when you track it. Know your cost per lead, cost per introductory lesson and cost per enrollment. Here's an example from what we've seen with clients. If you typically convert 50 to 70 percent of social leads to appointments, and 50 percent or better of those to enrollment, then a $50 lead becomes roughly a $100 appointment and a $200 enrollment. Compare that to what an enrollment is worth to you, using the lifetime value math from Chapter 16, and you can decide how much to spend.

Agencies can help. Many promise to handle everything, come on strong early, and turn out to be one-trick ponies. The ones that work well are the ones you meet with weekly, or at least a couple of times a month, to review results and adjust offers and targeting. Don't hand it off and stop watching.

Your organic content does a different job. It shows prospects and current families what life inside your school looks like. The best content doesn't come from a marketing department. It comes from your classes:

- **Educational posts** on the benefits of training: discipline, confidence, focus and fitness.
- **Success stories** from students and parents, including the Black Belt essays and video testimonials you're already gathering.
- **Behind-the-scenes content:** classes in action, instructors working with students, events, belt graduations.
- **Introductions to your instructors.** Families enroll with people, not logos. This is also recognition for the team you've developed from within.

- **Event promotion:** buddy days, seminars, camps and open houses.

Respond to comments and messages promptly. Consider a private group for current families, where you share announcements and achievements and families encourage each other.

Who runs it: assign a content owner. In many schools this is a staff member, or a capable student in your Leadership program working under supervision as part of their development, who captures photos and short videos during classes each week. Set a simple standard, such as a few posts a week drawn from real classes. The program director or owner approves anything involving offers or pricing. Families' permission comes first for any photos of their children.

Put It Together

Here's the shape of a referral, search and social system in an established school:

- One or two referral events every month, on the calendar a quarter in advance, owned by the program director.
- Every guest's contact information collected and followed up repeatedly for months.
- A parent invited to train at every child's enrollment.
- A testimonial filmed at every major event and a Black Belt essay from every candidate.
- Review requests at every promotion, with every review answered.
- A Google profile updated weekly.
- Paid search and social tracked to cost per enrollment and reviewed with your agency every week or two.
- Real classes captured and posted every week by a named person.

None of this requires you to be on the mat every hour or behind a camera every night. It requires you to decide who owns each piece, train them, and look at the numbers every week.

Your students and their families are already selling your school in conversations you'll never hear. Give them more reasons, more occasions and more proof.

YOUR NEXT STEP

Decide: Decide who on your team owns referral events, who owns reviews and testimonials, and who owns weekly social content, and tell each of them this week.

Measure: Count how many of last month's enrollments came from referrals, family add-ons and events inside your school, and how many new Google reviews you received.

Do: In the next 7 days, schedule your next buddy week or referral event, and film two parent testimonials using the four questions in this chapter.

CHAPTER 18

The Enrollment Starts With the First Response



The Leak Nobody Sees

Most established owners believe their enrollment problem is a lead problem. Sometimes it is. More often, the leads are already coming in, and they're leaking out between the first inquiry and the first class.

I've seen even $100,000-a-month schools waste 25 percent, 50 percent or more of their leads by enrolling half or less of the ones they should. Agencies and schools that do a good job generating leads, people who raise their hands by filling in a form or attending an event, often fail to turn those leads into students. Then the owner concludes the leads were "flaky" and goes looking for a new source.

Every new student moves through the same four stages:

1. **Suspect:** someone in your community who might be a fit.
2. **Lead:** someone who has raised their hand, by calling, filling out a form, stopping at your booth or attending a birthday party.
3. **Introductory lesson:** someone who actually walks in and trains.
4. **Enrollment:** someone who commits to the journey.

Chapters 16 and 17 were about the first two stages. This chapter is about the last two, and the handoffs between them. That's where established schools quietly lose the most money, because it's where the owner's attention usually isn't.

Here's what good looks like in practice. During a visit to our school in Fresno, California, the team had generated 248 leads in two weeks, contacts with name, address, phone and email who had expressed interest, mostly from carnivals, fairs and community events. They'd scheduled 148 appointments from those leads. That's a school taking its follow-up seriously. But I spent most of that visit not on marketing but on ratios, because with that much volume, things start getting sloppy.

Speed to Lead

Respond as close to immediately as possible. In the age of the internet, a prospect's attention moves from your website to the next shiny object in minutes. You need to reach them while they're still paying attention to you.

That isn't always possible. You may be teaching, or the inquiry may come in at midnight. But minimizing response time is your first and cheapest tactic for raising your appointment rate. An established school has no excuse for leads that sit until tomorrow afternoon because the owner was on the mat.

Use every channel:

- **Phone:** the most personal and usually the most effective. Introduce yourself, reference their inquiry, show genuine interest in what they want, and offer two specific appointment times.
- **Text:** short, friendly and immediate, especially for leads who filled out a form on their phone.
- **Email:** information they can read later, with your schedule, a little about your instructors, testimonials and a clear invitation to book.
- **Mail:** a tangible piece that stands out from the screen, especially for leads who haven't booked yet.

Record every contact in your school management or CRM system, so anyone on the team can pick up where the last person left off.

Remember how a mother usually finds you: after several exposures, a neighbor's comment, a flyer on the refrigerator, she finally calls. If you've trained a staff member to answer the phone professionally, he or she schedules an appointment for her and her child. If not, all that marketing ends with a voicemail.

Who answers matters. In a school of your size, the phone should never depend on whoever happens to be standing near it. Name a primary person for each shift, usually the front desk or program director, and a backup. Train them on the call: the greeting, the questions about the child or adult, the two-choice appointment offer, and how to handle "How much does it cost?" by focusing on what the family wants and inviting them in to experience it.

From booked to showed. An appointment is not a student. It's a promise to show up, and promises made at a fair booth or on a busy Tuesday are easy to forget.

The standard for every appointment is simple: call, text and email, relentlessly, until the family walks through the door. Confirm when the appointment is made and again as it gets close. At live events, when a team has booked 80 appointments at a single event, that follow-up is the difference between a full introductory schedule and an empty one.

A good confirmation does more than remind. It builds anticipation. For example: "We're excited to meet Emma tomorrow at 5:30. Have her wear comfortable clothes. Her instructor will have a white belt ready for her." The family hears that someone is expecting them.

No-shows get a same-day call to reschedule. Lost appointments and lost introductory lessons don't go in the trash. They go into your long-term follow-up, which I'll come back to below.

The Most Important Thirty Minutes

The introductory lesson may be the most important class your school teaches. Whether you offer a couple of free lessons or a paid trial, the introductory process is designed to do one thing: get the student excited

about the long-term goal of Black Belt and begin the routine of showing up.

That means the intro is not a sample of a regular class. It's a designed experience:

- **A warm, personal greeting.** Use the child's name. Meet the parent. Show them around.
- **Early success.** The student should do something in the first lesson they didn't think they could do, often breaking a board on the first try. Success is what makes them picture themselves training for years.
- **Rapport with the parent.** The parent is the decision maker for a child, and often a future student. Talk with them, not past them.
- **A preview of the journey.** Show them the Black Belts on your wall, the next belt, the leadership students helping in class.
- **A standing appointment from day one.** Don't hand them a schedule and say "good luck." Book their next visit like a doctor's appointment. When something can be done at any time, it's often done at no time.

There are three questions that should run through every instructor's head during prime time. Who's in class who won't be back if I don't take action? Who's in class who can be renewed? Who's in class who could help us with enrollments? For a prospect taking an intro, the first question applies with full force.

Who teaches it: your intro instructor is one of the most important assignments in your school. It doesn't have to be the owner. It does have to be someone trained, consistent and genuinely warm, someone whose students like them and know they're sincere. Hire and promote for empathy and concern for students, not for athletic talent. Great athletes rarely make great coaches.

Review your White and Gold Belt classes as carefully as the intro itself. With volume, new students can get lost in the shuffle. Make sure

every one of them feels real rapport with you, your school and your staff.

Enroll, Don't Close

Many instructors think sales is a dirty word. There has also been a group in our industry that teaches only high-pressure techniques and treats them as the beginning and end of running a profitable school. Both are wrong.

You can't be a successful school owner without mastering enrollment methods appropriate to your business. But long-term success is about student service, retention and quality referrals. High-pressure methods without that focus may pull money out of your community in the short run. They guarantee mediocrity or self-destruction in the long run.

The enrollment conference happens right after a successful introductory lesson. It isn't a pitch. It's a formal meeting where you plant the seed of the long-term vision.

It sounds something like this. You sit down with the student and parents. You start with what just happened: "You did an amazing job out there. You broke that board on your very first try. Did you have fun?" Then you tell the parents what your school is really about: "We're a Black Belt school. Our goal is to help every student develop the character of a Black Belt: confidence, focus, discipline and the perseverance to see a tough goal through to the end." You ask the child whether that sounds like something they'd like to become. They almost always say yes. Then you explain that the journey to Black Belt is a partnership between the school, the family and the student, and you show them what that path looks like.

From the first conversation, the expectation is set. You aren't selling a few months of classes. You're inviting a family on a journey.

Make the goal personal. One tool we use is the Vision Sheet. The new student pastes a photo of their face onto a cartoon martial artist, colors the belt black, writes "I will earn my Black Belt by" and a date, and fills

speech bubbles with what they'll be like as a Black Belt. Parents write what changes they hope to see. The sheets go on a Wall of Future Black Belts. This isn't a sales trick. It's starting with the end in mind.

A few principles keep the enrollment conference honest and effective:

- **Build rapport first.** Focus on benefits to this family, not features of your program.
- **Present your program as valuable, because it is.** Value is the most important factor in what families will pay.
- **Enroll the family.** Invite the parent to train too, right at first contact.
- **Talk about goals and commitment.** Present the path to the next belt and beyond, and the commitment it takes.

Price confidence matters more than most owners think. I once worked with a multi-location client who resisted raising his down payment for three months. When he finally did, his enrollment ratio from introductory lessons went up, not down. His staff told him the higher price made the enrollment conference easier. More often than not, I find that's the case. The limit is usually in the mind of the owner or program director, not the prospective student.

The Program Director: Who Runs It and How They're Trained

In a school of 100 to 300 students, someone has to own the path from first response to enrollment. In most schools I work with, that's the program director.

A word of caution first. One of the mistakes I see over and over is an owner who hires someone to "take care of sales" before they've mastered sales themselves. You should master each function of your business before you hire someone else to do it. You have to know the key skills in order to teach them or delegate them. I've seen schools up to $100,000 a month where the owner still handles most of the enrollments and renewals personally, and that can work.

The other failure is abdication. I can't tell you how many owners I've talked with who don't know what their program director does hour by hour, and don't know the scripts the school uses for intros, enrollments or renewal conferences. Delegating isn't disappearing.

So the sequence for an established school is:

1. The owner masters the call, the intro, the enrollment conference and the renewal conference, and writes down how each is done.
2. The owner selects a program director, ideally from within: a committed adult student, an instructor with a gift for connecting with parents, or a Leadership graduate who has grown up in your culture.
3. The owner trains them through demonstration, supervision and gradual transfer, starting with phone calls and intros, then sitting in on enrollment conferences, then running conferences with the owner observing.
4. The owner keeps reviewing the numbers and observing regularly.

Your staff has to be a product of the product. Picture the mom on the bench. Would she pay for her child to develop a character like your program director's? One of my chief trainers put it bluntly: you can't have mules selling to thoroughbreds.

And train constantly. In my own organization my primary role was hiring and training staff, with staff meetings pretty much every Monday, Wednesday and Friday. In the year I set out to take my schools past $1,000,000, we drilled and role-played endlessly on info calls, introductory classes, enrollment conferences and renewal conferences. Role-play is not optional. A program director who hasn't practiced a conversation 20 times in the staff room shouldn't be having it for the first time with a family.

Pay matters too. When you find a quality person, don't underpay them. Tie a meaningful part of the program director's income to results, enrollments and renewals, so their interests line up with the school's.

Drinking From a Firehose

If Chapters 16 and 17 work, you'll have a different problem: more traffic than your enrollment process was built for. My clients call it drinking from a firehose. It's a good problem, and it will still break a school that isn't organized for it.

Part of the prescription I've used for years to grow schools is exactly this: create an enrollment process where no one falls through the cracks and your ratios meet or beat their benchmarks, and then organize and simplify that process so you can double or triple your volume without the ratios falling apart.

In practice, that means:

- **Fixed intro times.** Set specific introductory lesson slots each day, so the schedule can absorb a surge without chaos on the floor.
- **More than one trained person.** If only the owner can run an enrollment conference, the owner is the bottleneck. Train at least two people, and give each a clear time block.
- **A simple, written path.** Every family hears the same welcome, gets the same quality intro and sits down for the same kind of conference, whoever is working.
- **Same-day follow-up.** Every lead from the day's events is contacted before the team goes home.

Stay in it yourself, too. Even after decades in this business, I've personally done more than 500 enrollment conferences in a three-year stretch. Staying immersed in daily operations, nose to nose with real families, keeps me solving the same problems you face. An owner who never sits in on an enrollment conference loses touch with what families are hearing.

One more connection. The enrollment conference is also the first step of retention. My target is for 75 percent of new enrollments to move into the next level, the Black Belt Club, within their first four months. That only happens if the Black Belt goal was planted at the

very first conversation. Chapter 14 covers that renewal moment; it starts here.

Track Every Step

What gets measured gets done. Every week, your program director should be able to tell you these numbers without looking anything up:

- Leads, by source
- Appointments booked
- Introductory lessons that showed
- Enrollments
- The ratio at each step: lead to appointment, appointment to show, show to enrollment

What's good? My standard target is a 70 to 80 percent introductory-to-enrollment ratio. If you're not enrolling at least half of the prospects who contacted you, from first contact through enrollment, that's a real problem. Seventy-five to 80 percent is good. When you track, try to learn not only why a prospect called today but how they first heard of you.

Watch the ratios when volume rises. That's the step most schools skip. Once you've flooded the pipeline with prospects, go back and fix your ratios again, because with volume things get sloppy. Keep them tight even with 100 or more introductory lessons a month.

Then build the long-term follow-up. Someone who attended a birthday party, an after-school program or a demo should get a letter or postcard with a phone call, several more mailers over the next six weeks, and a monthly mailer after that, forever, with a stronger push a few times a year. Lost intros go into the same system. They may not enroll this month. They may in three, five or seven months. The best list your school will ever own is the people who have already expressed interest: website inquiries, callers, event guests, and families who took an intro without enrolling.

The first response is where the enrollment starts. Train the people who give it, and look at their numbers every week.

YOUR NEXT STEP

Decide: Decide who owns your school's path from inquiry to enrollment, and whether that person is ready or needs to be trained by you first.

Measure: Pull last month's numbers for leads, appointments, shows and enrollments, and calculate each ratio, especially introductory lesson to enrollment.

Do: In the next 7 days, write out your phone call and enrollment conference in your own words, and role-play each with your program director or front desk at least five times.

PART FIVE

Run It With or Without You

One page of numbers, a profitable model, a deliberate path out of the daily grind, and a 90-day plan.

CHAPTER 19

Run the School on One Page: The Weekly Scorecard



The Pulse of a School

Many years ago, around 1985 or 1986, I flew from Denver to Syracuse, New York, with a couple of my key staff members to visit a school run by a good friend, Steve LaVallee. His school in Liverpool, a Syracuse suburb, was 1,800 square feet on a second floor, with about $600 a month in rent, running 500 or more active students. It was possibly the school with the lowest overhead and highest profit percentage I had ever seen.

We found it in a dingy area with nowhere convenient to park. We opened a heavy steel door at about 5 p.m., looked up a narrow staircase, and I turned to one of my staff and said, more or less, “I don’t need to see anything else. I already know why this school is so successful.”

The windows were fogged up. The noise was deafening. Parents were sandwiched between students stretching for the next class. The class was divided into pods, one working a section of a form while the rest held horse stance around the perimeter running a blocking drill. All night, the program director left the office only to find the next parent and student to enroll or renew, and was in enrollment and renewal conferences for four hours straight. The receptionist had one finger in her ear and the other on her headset, confirming intro

appointments and renewal appointments and following up on anyone who had missed a class or a week of classes.

Over the years I've found I can judge the success level of a school within about five minutes during prime time. That's the pulse of a school.

But here's the point for an established owner. You can't fly to your own school and feel its pulse fresh every week. You're inside it. You see the busy Tuesday and forget the empty Thursday. You remember the family that enrolled and not the three intros that didn't. To know the real pulse of your school, week after week, you need numbers, and you need them on one page.

Three Things That Matter

At the most basic level, every business is simple. Peter Drucker said the purpose of a business is to create and keep a customer. For a martial arts school, I've always boiled that down to three points of daily focus: enrollments, retention and renewals or upgrades. In my experience, 90 to 95 percent of a school owner's time should be aimed at those three outcomes.

There is a second way to say the same thing, the formula I've taught for years:

New Enrollments x Tuition Rate x Retention Rate x Renewal Up-sells x Cash Ratio

Properly applied, that formula covers just about every important factor in your school's financial results. An improvement in any piece of it has a dramatic effect on both your top line and your bottom line. And because the factors multiply, a modest gain in two or three of them at once compounds.

Your weekly scorecard is simply that formula, measured.

Everything else is noise. That's not a slogan. The natural tendency in any business is to keep adding procedures, reports and recordkeeping until complexity creeps in without anyone deciding it should. Any time you, your staff, an advisor or your accountant suggests a new process,

ask one question: does this help us enroll more students, keep them longer, or move them into higher programs? If not, think hard before you add it.

The same goes for the scorecard. Keep records and statistics on everything you need, but boil your operation down to a handful of key numbers, then watch them like a hawk. Graph them. Post them where your team will see them.

What Goes on the Page

Here's a one-page weekly scorecard for an established school. Each line has a target, this week's actual, and the trend over the last four to eight weeks.

Filling the mat

- Leads, by source
- Appointments booked
- Introductory lessons shown
- Enrollments
- Ratios: lead to appointment, and introductory lesson to enrollment

Keeping students

- Active students, counted honestly: people actually training, not names on the books
- Students absent one week, two weeks and three weeks or more
- Dropouts this week, and the monthly dropout rate (dropouts divided by active students)
- Missed-class calls made

Growing value

- Renewals and upgrades into the Black Belt Club and Leadership programs
- Family add-ons
- Student value: gross revenue divided by active students

Money

- Cash collected this week and month to date, against target
- Paid-in-full or prepaid tuition at renewal, as a percentage of renewals (your cash ratio)
- Payroll as a percentage of revenue

That's it. You can fit it on a single sheet or a single screen.

A few notes on the numbers that matter most.

Retention. The true health of your school is your retention rate. We grade instructors on their monthly dropout rate: 1 to 2 percent is an A, 3 to 4 percent is a B, 5 to 6 percent is a C, and anything above that is a crisis. If yours is 5 percent or higher, the problem almost always comes down to the quality of your teaching and teachers or the structure of your curriculum. No marketing can outrun it.

Inactives. Track who has been gone one week, two weeks, three weeks. Always know who has been gone for a week and make a real effort to get them back. That line on the scorecard is your early-warning system, and it's covered in depth in Chapter 12.

Student value. Take your total gross for the month and divide by your honestly counted active students. Most schools that come to us for help are somewhere around $125 to $150. Schools running at a million dollars a year are typically at $300 to $400, some higher.

Payroll. Watch it as a percentage of revenue every month. The year-end ratios I've long recommended put payroll at roughly 25 to 33 percent of gross. Above 40 percent, payroll crushes profit.

Sustainability. Profit isn't the only test of a healthy school. I'd rather see a recurring monthly billing total that, at minimum, covers 100 percent of your fixed monthly expenses, with total gross regularly running about double that. One great month is impressive. A billing base that pays the rent and payroll before anyone walks through the door is what lets you sleep.

Cash ratio. The last factor in the formula is the share of families who prepay. Give renewing families a cash option with real incentives to prepay. At Mile High Karate we've targeted 35 percent or more cash

at the Black Belt Club renewal. It raises your student value and gives those students another reason to keep training to Black Belt.

Why does this matter so much for your own pay? Gymdesk modeled owner income at about $49,000 for a school of 150 students and about $97,000 at 250. The difference between those two schools is not effort. It's what happens on these lines, week after week.

Who keeps it: the office manager or student services manager compiles the scorecard every week from your school management software. The program director owns the enrollment lines. The head instructor owns the retention lines. The owner owns the money lines and the targets. Each person should be able to explain their numbers without reaching for a computer. If I asked you, "What are your totals for the month to date?" and you had to check a ledger or ask someone, you'd have a problem.

Open the Book to Your Team

Some owners keep the important numbers to themselves. I don't believe in secrets. A friend of mine owned a rather large school with many instructors on the payroll, and an explicit goal of his staff was to improve retention. Yet he never shared his active count, monthly enrollments or monthly dropouts with them. How can anyone work toward a target they can't see?

Owners hide numbers for a few reasons. They worry staff will want more money if they see the school doing well, or will start looking for other jobs if they see it doing badly. In my experience, telling the truth works better. If your team is held responsible and accountable, more often than you'd expect, they rise to the occasion. Lie to them and they'll figure it out, and lose respect for you.

You don't have to publish your personal income. But the operating numbers, the ones on this scorecard, belong to the team that produces them. The instructor who owns retention should see the dropout line every week. The program director who owns enrollment should see the

ratios. A team you're developing from within can't grow into leadership if it's kept in the dark.

The Thirty-Minute Weekly Meeting

A scorecard nobody discusses is just paperwork. The scorecard comes alive in one short, disciplined meeting every week.

When I restructured my own business, I went from supervising a large staff through three staff meetings a week and countless hours of training to supervising 13 owner-operators through one meeting per week. They were highly motivated to implement new ideas because their income depended on results. One meeting was enough because the meeting was about numbers and actions, not general conversation.

Earlier, in the year I set out to take Mile High Karate past $1,000,000, I created graphs and charts and tracked our targets and actual results every Monday, with a clear focus on enrollments, renewals, retention and cash growth.

Here's a 30-minute agenda for a school your size:

1. **Numbers first, five minutes.** The office manager reads the scorecard: targets, actuals, trends. No discussion yet.
2. **Wins, three minutes.** Who hit their number? Recognize it in front of the team.
3. **The red lines, ten minutes.** Pick the two or three numbers most off target or trending the wrong way. Ask what happened, without blame, and what will fix it.
4. **Actions, ten minutes.** For each red line, agree on one or two specific actions. Every action gets an owner and a deadline.
5. **Last week's actions, two minutes.** Were they done? Yes or no.

Hold it the same day and time every week. Start on time. End on time. Keep the scorecard posted in the office or staff area so the numbers are visible between meetings.

FROM GRAND MASTER JEFF SMITH

At the Jhoon Rhee Institute, with 13 locations, one of my jobs was to jump into whichever school was down, turn it around, and then lead the pack. Every Friday, week after week, all of the locations looked at the pace and the results. When one school was pulled up from the bottom, every location could see it on the numbers, and that raised the expectations of all of them. Stephen watched that, and later used the same approach to turn around his own last-place schools.

Targets, Trends and Owners

Three things make a scorecard work: targets, trends and owners.

Targets. Break your annual goal into bite-size chunks. In that $1,000,000 year, I spent weeks building the action plan. I reviewed our statistics from the previous year in detail, and it was depressing. Then I figured out month by month what we needed in enrollments, new monthly payments, renewals and cash to hit the goal by year end. I broke it down for each school and set monthly and quarterly targets in consultation with each school manager, targets they could really believe in. I reviewed incentive plans so each manager had a reason to perform. Then we trained hard.

It didn't go smoothly. We missed our target in three of the first four months. A few staff quit because they didn't want to do whatever it takes. But by keeping the goal in mind and staying on the numbers, we passed $1,000,000 by November 12th.

Your weekly target should come from the same kind of math. How many enrollments do you need this week to hit the month? How many renewals? What's your daily break-even, and your daily profit goal?

Trends. One week tells you little. Four to eight weeks tell you a story. A lead count that is slowly sliding, a three-week-inactive list that is slowly growing, a show rate that drops a few points every week as volume rises: these are the problems that sink established schools, because no single week looks like an emergency.

Owners. Manage results, not activity. Create accountability from every team member for the end result. Within limits, let people choose their own means to reach the agreed-upon end. Then hold their feet to the fire on weekly and monthly objectives.

That's how a scorecard becomes a management tool for the team you're developing. A new program director learns to own a ratio. A head instructor learns to own a dropout rate. An assistant learns that the missed-class calls they make show up on a sheet the whole team sees. They stop being helpers and start being leaders with numbers of their own.

Keep it simple, every day. The weekly scorecard sets the agenda. The daily habit makes it move.

Start each day with a blank legal pad and a short brainstorm, often just with yourself. What can we do today to enroll more students? What internal and external promotions can we run? Who do we need to know? What can we do today to keep students longer? Who can we renew?

Then, during prime time, be careful where you put your attention. For each class, ask yourself, and teach your staff to ask:

- Who's in class who won't be back if I don't take action?
- Who's in class who can be renewed?
- Who's in class who could help us with enrollments?

Everyone has reached the end of an evening without adding or renewing a single student. Guard against that every day.

Simplicity applies to the scorecard itself. If a line on the page never leads to an action, cut it. If your team spends more time assembling the report than discussing it, simplify the report.

Prepare to Review Your Year

Fifty-two weekly scorecards make the year-end review easy. As each year closes, review your numbers objectively.

Retention. Total average monthly dropouts divided by average monthly actives, by month, by quarter and for the year. Did it improve?

Most schools probably average 7 to 9 percent a month. If you're at 7, you're average. Four percent or less is quite good. Two percent or less is very good.

Enrollment ratios. Inquiries to introductory lessons, and introductory lessons to enrollment, by quarter and for the year. If you aren't enrolling at least half of the prospects who contacted you, it's a real problem. Seventy-five to 80 percent is good.

Enrollment volume. If you aren't enrolling enough, is it the ratios or simply too little traffic? Mile High Karate schools target an average of 20 new students a month. The right number depends on your size and goals.

Student value. Average monthly gross divided by average monthly actives, apples to apples. Mile High Karate's target is $300 a month. Most of my coaching clients reach $200 or more within 12 to 18 months.

Profit and loss. Review every major expense against revenue. The ratios I've long recommended: rent at 12 to 15 percent of gross, payroll at 25 to 33 percent, advertising at 12 to 15 percent. Common mistakes include overpaying for space, hiring too many people while underpaying the good ones, and not advertising effectively.

Pricing. Finally, review what you charge for new enrollments, upgrades and Black Belt programs. Most owners underprice. The start of the year is an excellent time to raise prices.

Once you've reviewed these numbers, you'll know what to do next. And you'll know it from evidence, not from how last Tuesday felt.

That's the real purpose of the one-page scorecard. It lets your team see the pulse of the school as clearly as I saw LaVallee's at the bottom of that staircase, without the owner having to stand there every night to feel it.

YOUR NEXT STEP

Decide: Decide which numbers go on your one-page scorecard, who compiles it, and which team member owns each line.

Measure: This week, fill in the scorecard with real numbers, including your honest active count, your three-week inactives and your student value.

Do: In the next 7 days, hold your first 30-minute weekly scorecard meeting, and end it with no more than five actions, each with an owner and a deadline.

CHAPTER 20

More Revenue Should Leave More Profit



The Gross Is Up, the Expenses Are Way Up

We get this call often, from an owner who is excited and worried at once. “We’re grossing more than we ever have. So why is there less money in the account than when we were smaller?”

The answer is almost always the same. The gross went up, and the expenses went up faster. A bigger space, more people on payroll, a new program, a marketing deal nobody reviewed. Each decision made sense on its own. Added together, they ate the growth.

I’ve watched this happen to friends for forty years. One of them was famous for having 1,000 students. He was grossing about $35,000 a month, carrying huge rent and payroll, and working from 8 a.m. to 10 p.m. every day and on weekends. Many of those 1,000 students came when they pleased and were counted for show. Another friend and I once compared financials. With five schools I grossed what he did with three, but my average rent was $2,700 and his was $6,500. My average school ran on two full-time and two part-time employees; his ran on five full-timers. He had to put $45,000 of his own money into the operation to keep it running.

School owners love to brag about student count, square footage and gross. None of those tells you whether the owner is doing well.

What matters is what's left after everyone else gets paid. Do $30,000 a month with $15,000 left over and I'll think you're incredible. Do $180,000 a month with $3,000 left over and, nothing personal, but who cares?

The industry numbers say most owners are closer to the second story than the first. Wodify's 2026 report found the typical BJJ owner paid themselves about $60,000 in 2025, roughly $29 an hour, while owners past 200 students took home up to about $150,000. Gymdesk modeled owner income at about $49,000 for a 150-student school and about $97,000 at 250. The difference is rarely the teaching. It's pricing, expense control and whether the owner pays himself on purpose.

Your business has to serve you rather than you serving it. Its mission should be a huge impact on your community. Its job, as a business, is to be a money machine that supports your life. Don't build yourself a job.

Price for the School You Intend to Deliver

After talking with several hundred school owners, I wrote a special report on tuition pricing for NAPMA members. The pattern was clear then and it's clear now. Highly profitable schools create high value per student, whatever the market: adult men, adult women, little ones, children or families. Broke schools are timid about tuition.

The broke owners I talked to were typically under $125 a month for new enrollments, and every one of them had an excuse.

- "Everyone else in my area charges less, and I'm already near the top."
- "The economy."
- "You can't charge that in my area." I've heard this from owners in poor areas and, believe it or not, from owners in Beverly Hills and Manhattan who said their prospects were too smart to pay that much.

Here's what usually goes undiscussed about my own start in Denver. When I opened Mile High Karate in 1983, I charged at least 50%

more than the next highest school in town, including schools that had been established for 10, 15 or 20 years. Pretty quickly it was double. We still ended up with many times more students than the next largest school in the state.

Price follows value, and value is something you build and prove. If more than about 5% of your prospects are "shopping around," you don't have a pricing problem. You have a marketing problem. The family who calls you because a friend's child changed at your school isn't comparing your tuition to the strip-mall program down the street.

Industry benchmark figures show where most schools sit: a median of about $19,000 a month in revenue and $122 per student, with the top quartile at about $164 per student. My rule of thumb for my coaching clients has long been higher: you should be collecting $200 to $300 per active student when you count everything, meaning enrollment payments, monthly tuition, upgrades, paid-in-full programs and retail. Most of my clients have reached $200 or more within 12 to 18 months of working on it.

Consider one example from that report. Inner Circle Member Robert Blum of Fishkill, New York went from about $6,000 a month to the mid $40,000s in roughly 24 months. His average revenue per active student came to about $200, and closer to $225 among members who had joined in the previous 18 months. He got there by building a program worth that much and then asking for it.

The structure that works is simple:

1. **A basic or orientation program** of 6 to 12 months for every new student.
2. **A Black Belt Club** upgrade, offered early in the student's journey, at roughly a 50% tuition increase over the basic program.
3. **A Leadership program** at roughly double the basic tuition, for the students who want to learn to teach and lead.

That third level matters for this book in two ways. It raises revenue per student, and it's the same pipeline that produces your future

assistants, instructors and program directors. You're not discounting leadership training. Students pay for the privilege of an education in leadership, the same way a future professor pays for graduate school.

Two more pricing rules.

First, run one professional tuition on automatic payment. Every payment should be automatic, by bank draft or card, run through a billing company or software that manages the whole process. No punch cards. No cheap month-to-month "fitness center" memberships. When traditional schools copied fitness-center pricing during the cardio kickboxing boom, many of them did real damage to their businesses, and some owners are repeating that mistake with MMA and kickboxing programs today. And don't nickel-and-dime families with a string of small add-on charges that make them feel sold to at every turn. Charge a professional tuition for a professional program, and then deliver it.

Second, you have to ask. Members used to ask me how I got families to commit to a full Black Belt program. My answer was always the same: "Ask." Ask expectantly. Ask congruently. Ask sincerely. Ask confidently. Practice it in the mirror first, and be willing to hear a few no's before you're good at it.

Asking only works if what surrounds the ask is congruent. If you want to sell a high-level Leadership program, you and your staff and your senior students had better show impeccable leadership. Parents justify tuition easily when they are surrounded by people who are what they want their child to become.

The Formula and the Daily Break-Even

Every dollar your school earns comes through one formula:

New Enrollments x Tuition Rate x Retention Rate x Renewal Upgrades x Cash Ratio

Properly applied, that formula covers just about everything that matters to your bottom line. Improve any one piece and both the top

line and the net move. Improve them all together and the change is dramatic.

Retention is the piece most owners underestimate. The industry has commonly seen 7% to 10% of students drop out every month. Cutting monthly attrition from 7% to 3.5% will double your active count over time and boost revenue per student along with it. Our Mile High Karate schools have run anywhere from a low of 2% to a high of 7% monthly attrition, and our target is 3.5% or less.

The renewal upgrade is the second piece. If your program is high quality and your instructors are good, a student who has trained with you for two months should see more value than one who has taken a single trial class. Price follows that. Think about schooling: a private high school, an undergraduate degree, a master's and a Ph.D. don't cost the same per hour. The price per class hour rises at each level, and the number of students at each level falls. Your Black Belt Club and Leadership students are your graduate programs.

The cash ratio is the share of families who choose to prepay their program. Paid-in-full tuition helps you because students do drop out. When a student pays ahead, the school keeps the revenue for training it has committed to deliver, and the student has one less reason to quit when the household budget gets tight. We target a healthy share of paid-in-full programs at the Black Belt Club upgrade, offered with a modest incentive and never with pressure.

Now bring the formula down to a single day. Every owner should be able to answer two questions without looking anything up: What is my daily break-even, and what is my daily profit goal?

Suppose, as an illustration, your rent, payroll, marketing, billing, insurance and other fixed costs total $24,000 a month, and you're open 26 days. Your break-even is roughly $923 a day. Everything above that is profit. Everything below it is a loan from next month.

If I asked you your enrollments, renewals and collections for the month to date, would you have to look it up or ask someone? If so, you have a problem. Your program director should know those numbers cold, and so should you.

Benchmarks: Rent, Payroll and Marketing

At the end of every year, I review every major expense as a percentage of gross revenue. These are the ratios I teach:

- **Rent:** 12% to 15% of gross revenue.
- **Payroll:** 25% to 33% of gross revenue.
- **Advertising and marketing:** 12% to 15% of gross revenue.

Industry benchmarks say the same thing from the other direction: payroll above about 40% of revenue crushes profit.

Here's what a top single school can look like, using round numbers from a model I use with coaching clients. Three hundred students at an average of $200 each is $60,000 a month. Rent of $5,000, payroll of $12,000, marketing of $9,000 and $4,000 for everything else leaves about $30,000 a month in net income. It's a model, not a promise.

Three mistakes push schools off those numbers:

1. **Overpaying for facilities.** Don't pay for square feet you don't use. A smaller, more visible location almost always beats a big space nobody can find.
2. **Hiring too many people and underpaying the good ones.** Look for high performers and pay them well as a share of gross. A strong key person earning 10% to 12% of revenue is a bargain if they drive results.
3. **Under-marketing.** If you're going to err, err toward being more promotional, provided your retention, quality and pricing are where they belong.

This is where payroll planning connects back to Part Two. Before you add a position, write down three things: what it will cost as a percentage of gross, what results that person must produce, and who will train them. When you grow your staff from within, you can add people in stages. A Leadership student assists in classes as part of their training. A trusted Black Belt teaches part-time. A proven part-timer becomes your first full-time hire when the numbers support it. You're never betting a full salary on a stranger.

Hold each person accountable for measurable results in their area. Make sure they know those numbers every week. Then take off the training wheels and let them rise to the responsibility.

Stepping Over Dollars to Pick Up Pennies

There's a big difference between how successful owners think about money and how struggling owners think about it.

Struggling owners save pennies. Owners grossing $5,000, $7,500 or $13,000 a month have patiently explained to me how they save a dollar or two per payment by doing their own billing, and how they handle their own payroll and bookkeeping instead of paying a service a modest monthly fee. Meanwhile, the hours they spend on billing, payroll, accounting and taxes are hours they aren't spending on growing the school.

Every owner must master three things and attend to them every day:

1. Marketing to generate new students.
2. Sales: the enrollment process and the renewal and upgrade process.
3. Motivational teaching.

Your main job as the owner is marketing your school and then monitoring the quality of student service. Everything else is secondary. Hire an accounting firm. Use a payroll service. Automate or outsource your billing. Don't be penny-wise and pound-foolish.

Struggling owners also refuse to invest at the two points where investment pays. Spare no expense on your education as a martial arts businessperson, and on marketing your school. I've watched owners spend huge sums on their own athletic training while telling me a business seminar wasn't in the budget. I've watched proven marketing with a 3-to-1, 5-to-1 or 10-to-1 return dismissed as "too expensive."

One coaching client once told me he was stuck at $12,000 a month but excited because he was lining up personal training clients at $80 an hour. Pull out a calculator. Divide $12,000 by four weeks, then by 40

hours. That's $75 an hour. If you're trading your time for $75 or $80 an hour, it's obvious why you're stuck. And if you're running a school with rent, payroll and marketing, any hourly rate you accept for your time has to cover all of that, too.

Landlords, Vendors and Everything Negotiable

You are the only person who can protect your bottom line. Plenty of people will sell you anything you're willing to buy.

Your landlord will let you commit to $5,000, $8,000 or $10,000 a month in rent without blinking, and will happily take your personal guarantee for three, five or seven years. The advertising rep will sell you as much as you'll buy. You can't blame them; that's their job. Never expect anyone else to look out for your interests.

Assume that anything you buy, pay monthly on or owe is negotiable. Some things are harder than others, but just about everything can be negotiated.

Start by looking at the situation from the other side of the table.

- **Your lease.** If your landlord has a full center and a waiting list of tenants who would pay more than you, he may be glad to let you sublet, move to a smaller space or end your lease early. If you're one of the few solid tenants in a struggling center, he knows that replacing you means months of lost rent, a broker's commission, tenant improvements and probably free rent for the next tenant. That gives you room to renegotiate. Know what market rent really is before you sit down.
- **Advertising.** Before you buy, ask what guarantee they offer. Ask to pay per inquiry rather than buying space. Ask for "make-goods," free reruns if the first run doesn't produce the response you were promised. At the very least, you've established your position before the bill arrives.

Then protect yourself first. Expect the best and prepare for the worst.

- Operate your school as a corporation, not as a sole proprietor or partnership.
- Keep business and personal funds completely separate, and keep the required corporate paperwork current.
- Push hard to avoid personally guaranteeing a lease, and be willing to walk away from a deal over it.
- Carry adequate liability insurance and workers' compensation at all times.
- Work with your own attorney and accountant on how these protections apply where you live.

Pay Yourself on Purpose and Build the Reserve

Now the part most owners skip. Pay yourself a monthly salary, and always cut the check.

An owner who takes whatever is left at the end of the month has no idea whether the business is working. An owner who pays himself a set salary, on schedule, finds out quickly. If the school can't cover your salary, that's information you need. Use it.

Keep four definitions straight:

- **Revenue** is the total cash that comes through the business.
- **Net income** is what's available to you after all regular business expenses are paid.
- **Wealth** is the real assets you accumulate: equity, investments, cash on hand.
- **Lifestyle** is the quality of your life now: time, family, travel, health and the things you enjoy.

Money is good for two things. It lets you live the life you want now, and it builds security for the future. That doesn't only mean retirement. What if your school has a downturn? What if a family member has a medical emergency? Are you strong enough to weather it?

Paid-in-full tuition creates a particular trap. When a family prepays three years, it's tempting to treat the whole amount as this month's

income. Don't. Nick Cokinos, founder of Educational Funding Company, preached the right approach for years: place prepaid tuition for lessons you haven't yet taught into a separate interest-bearing account, and move it into operating income month by month as you earn it. If that feels too complicated, the alternative works just as well. Build your monthly billing to cover all of your monthly expenses. Invest the prepaid money to build wealth. And let your lifestyle grow as the school and your wealth grow, not from short bursts.

Things are never as good as they seem in a great month. Your best month of the year may turn out to be your best month ever. Plan for growth, but don't commit to a bigger house, a bigger lease or a bigger payroll because of one great quarter.

When the money side is run this way, the business starts to look very different. My last remaining company-owned school once produced a net profit of more than $90,000 in a year after paying two full-time Black Belts. I visited it about seven times that year and did none of the teaching and none of the sales. That's what a school looks like when pricing, expenses and people are all doing their jobs. It's also the subject of the next chapter.

YOUR NEXT STEP

Decide: Decide what monthly salary you will pay yourself, starting this month, and put it on the calendar like rent.

Measure: Calculate your revenue per active student, your daily break-even, and rent, payroll and marketing as percentages of last month's gross.

Do: In the next 7 days, list every recurring vendor, lease and service you pay, and schedule one conversation to renegotiate, outsource or cancel the one that costs you most for the least return.

CHAPTER 21

Stop Being Everyone's Backup Plan

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The Owner Who Covers Everything

Think about the last time someone on your team couldn't make it.

An instructor called in sick, and you taught the class. The front desk person had a family emergency, so you answered the phones between classes. The program director was on vacation, so the enrollment conferences waited until she got back, or you did them yourself. A parent wanted to talk about a problem, and nobody else felt they had the authority to handle it.

You are everyone's backup plan. That feels like leadership. It's actually a bottleneck.

Jeff calls this owner the "lone wolf." The lone wolf is the heart of the school and also its limit. Every decision, every class and every problem lands on one set of shoulders. There may be a loyal senior student holding pads or taking attendance, but there's no system and there's no team. The lone wolf can't get sick and can't take a vacation, and over time the sheer weight of it wears down the passion that started the school.

Here's a test I've asked owners for years. What happens when you take a week off? Do you ever? When you're gone, does everything keep clicking along, or does the operation grind to a halt until you get back and make things happen?

If you don't like the honest answer, this chapter is for you. Owner dependence doesn't fade by accident. It declines only when you hand off work deliberately, one piece at a time, to people you've trained.

List What Only You Can Do

Start with a list. Write down everything you did in the last two weeks, from the big jobs to the small ones. Then sort it.

A lot of what fills an owner's week shouldn't be done by the owner at all. Here are the items I tell owners to stop doing personally:

- Handling billing that should go to a billing company.
- Doing bookkeeping that should go to a bookkeeper.
- Doing payroll reporting that should go to a payroll service.
- Running errands, picking up supplies and doing manual labor around the school.
- Doing administrative work during prime-time hours.
- Answering every phone call personally.
- Sitting at the computer while students are in the building.
- Returning calls to anyone who isn't a student or prospect during prime time.
- Teaching private lessons during class hours.

Look at each remaining task and ask the question that runs through this whole book: does this contribute to enrollments, renewals or retention? If the answer is no, it's either something to hand off or something to stop.

What's left after that sort is short. In a school that's run properly, the owner's main role is marketing the school and monitoring the quality of student service. Everything else is secondary. You set the vision. You set the standards. You develop and lead the people who carry them out. You watch the numbers. Some owners also keep a few classes they love, and that's fine, as long as it's a choice and not a necessity.

Now write the names next to the tasks you're handing off. Teaching beginner classes might go to a Certified Instructor you developed through the Leadership program. Missed-class calls might go to your front desk person, working from the attendance cards every night. Intro appointments and enrollment conferences might go to your program director. Billing goes to a billing company. Most of those people should come from your own mat, which is what Part Two was about.

Delegation Is Not Abdication

There's a myth that catches a lot of owners: "Once I've delegated a task, I don't have to worry about it anymore."

There are two ways to hand off a task. One is delegation. The other is abdication, which means handing something off and then forgetting about it. Many owners abdicate the jobs they don't understand or don't enjoy. Abdicating any important task is a sure and swift route to failure.

Real delegation has seven parts. Your role is to:

1. Clearly define the task, including the outcomes that mean it's been done successfully.
2. Train the person on the key processes.
3. Involve them in building the action plan.
4. Set benchmarks and timetables.
5. Supervise at intervals you've agreed on in advance.
6. Support and coach them through the process.
7. Recognize, retrain or correct based on the results.

In practice, we teach this as three stages: demonstrate, supervise, transfer.

- **Demonstrate.** They watch you do it, and you explain why you do it that way. If it's an enrollment conference, they sit in on yours.
- **Supervise.** They do it while you watch, and you give feedback right away, the same way a quarterback instructor huddles with

an assistant between drills. Then they do it on their own and report back.

- **Transfer.** It becomes theirs. You check the results at set times, not the process every day.

Delegating doesn't reduce your responsibility. Successful owners are defined by their ability to train and support their staff and to hand off tasks without losing track of timelines or training needs.

The piece most owners skip is decision boundaries. If you don't tell people what they're allowed to decide, everything comes back to you. Give each role three clear lists:

- **Decide and act:** what they can handle on their own. Rescheduling a student, offering a make-up class, solving a uniform problem.
- **Decide and tell me:** what they can handle, but you want to know about by the end of the day or at the weekly meeting. A family pausing their training, a staff schedule swap, a complaint they resolved.
- **Bring it to me first:** what stays with you for now. Pricing exceptions, refunds, any safety or conduct issue, anything involving a staff member's pay or employment.

Write those lists down for each role. Review them every few months. As people prove themselves, move items from the third list to the second, and from the second to the first. That's how authority grows along with competence.

Separate Your Ego From Your Business

Some owners can't let go because the school is built around them, and they like it that way.

One of the biggest failings among martial artists is an ego that swallows everything else. When you decided to become a school owner, you decided to become a businessperson. You're no longer just a

martial artist, competitor and teacher. Here's how to keep your ego out of the way:

- Around other owners, ask questions and listen. Find out what they do well and how they think.
- Build your school to make a great first impression on new families and a great learning environment for students, not to impress other martial artists.
- Remember that you are an educator, not an athlete or competitor. Never compete with your students. Your goal is to teach them to surpass you.
- Don't pretend to know all the answers. Let your Black Belts, staff and students contribute ideas and expertise.
- Take the blame for failures yourself, and share the credit for success with everyone.

Ego shows up in a quieter way, too. Some owners make sure they're always the students' main contact, the top athlete and the face of every class, because it feels like protection. It works up to about 100 or 150 students. Past that, you must delegate authority and let others carry real responsibility. For larger schools, the industry has plenty of stories about the loyal Black Belt who becomes head instructor, starts hearing that he should have his own school and one day leaves, sometimes taking students with him.

Being the center of everything doesn't prevent that. Structure does. Build your school on a clear hierarchy with you visible at the top, so it's always obvious who the senior person is and that everyone reports to you. Before anyone joins your staff, put a written understanding in place: your commitment to helping them build a real career in the martial arts, your willingness to keep compensating them in line with their contribution, their commitment to support you and the school, and a clear understanding that they will never teach your students outside the school or solicit them. You can even talk openly about the future, including the possibility that they'll one day open a school under your banner or independently, as long as it's not close enough to

compete with yours. People who see a real path with you rarely go looking for one elsewhere.

Manage Your Time, Live Your Life

Handing off tasks frees up time. What you do with that time decides whether anything changes.

Owners struggle with time in two ways. The first is deciding the workday runs from 5 p.m. to 9 p.m. and filling the rest of the day with time-wasters. The second is failing to manage time hour by hour.

During class hours, if you're not teaching or interacting with students and parents, you're misusing your time. Those are the only hours you can really connect with your families. Do everything else outside of prime time: meetings with local schools and merchants, marketing plans, letters to old prospects, reviewing the exam list and attendance records, working the inactive student list.

Prime time is full of urgent things: ringing phones, constant questions, classes that have to start and end on time. Some are important; many aren't. The important-but-not-urgent work is what mediocre operators neglect: marketing, retention and renewal preparation. That's exactly the work your freed-up hours should go to.

Watch for the two types of students who can eat your evening. Your most devoted Black Belt Club students, who simply can't get enough of you and the school, and your few chronically unhappy students, who want to complain to anyone who will listen. Both deserve care. Neither should own your prime time. Don't sit down, don't go into your office, address the issue directly, and schedule a specific time if it needs more.

Finally, structure your day around how you work best. Some of my closest friends are in their offices at dawn. For me that's always been counterproductive. I do my creative work late at night, start mid-morning, take a break mid-day and hit school operations hard in prime time. Find your own rhythm and protect it.

"Live your life" is the other half of this. Time off is a test of the business, not a reward you wait to earn when it's convenient.

Staged Absence Tests

You don't find out whether your school can run without you by hoping. You find out by leaving, in stages, on purpose.

Here's how we recommend doing it.

1. **One week.** Pick a week at least a month out. Tell your team the dates. Before you go, review every role's decision lists, confirm who opens and closes, who teaches each class, who runs intros and who makes the attendance calls. While you're gone, take one short check-in call a day at most. When you get back, review what happened: the numbers, the problems and who solved them.
2. **Two weeks.** Fix what broke during the first test. Then do it again for two weeks, with no daily check-in. Ask for one written report at the end of each week instead.
3. **A month.** When two weeks go smoothly, plan a month. The goal is simple: enrollments, renewals, retention and collections hold steady while you're gone.

Every test will expose something. A role that wasn't clear. A decision nobody felt allowed to make. A task only you knew how to do. That's the point. Each gap you find and fix makes the school less dependent on you.

This is also exactly what we tell owners who want a second location. Make sure your first school can keep running profitably with you gone for a week, or even a month. If it can't, a second school will be a disaster.

When this works, it changes your life. Here's how one longtime member described it:

> *My wife and I have grown our business to a level that allows us to take off for a month at a time and the business is still running itself. We are putting money in our retirement account where even if we don't sell our school, we are set for life. We are living a lifestyle that we dreamed of all those years ago and now, this is our reality. Being in*

this group has been one of the best decisions we have ever made.

That's Grandmaster Jason Purcell, 7th degree black belt, Co-Owner & Founder, Family Black Belt Academy, Seattle, WA. A month away, and the business still running.

I mentioned my last company-owned school in the previous chapter. In one year I visited it about seven times. I did none of the teaching, none of the sales and none of the grassroots marketing. It still produced more than $90,000 in net profit after paying two full-time Black Belts. That didn't happen because I stopped caring. It happened because the people, systems and standards were in place.

FROM GRAND MASTER JEFF SMITH

The most common complaint I hear from owners is, "It's just me. I don't have anyone to help." That statement reveals the biggest philosophical mistake a school owner can make: believing that instructors are hired, not developed. Stop looking for instructors and begin developing them. When you look at the schools with 300, 400 or 500 active students, you don't see a lone wolf. You see a pack, a deep bench of Black Belts who share the load. They didn't appear out of nowhere. They were forged, systematically and deliberately, inside that very school.

From Owner to Architect

Once your school runs without you for a month, you have choices you didn't have before. You can teach the classes you love. You can spend more time with your family. You can build a second location, if you really want one.

Be careful with that last choice. In a session I led with some of the most successful multi-school operators in the country, one of the first points everyone agreed on was this: most school owners who want multiple schools shouldn't.

The usual story goes like this. Picture a first school grossing $20,000 a month and netting $10,000. A second location opens. The first school drops to $15,000 while its expenses rise. The second location loses money for a while, then grows to $15,000 in revenue against $15,000 in expenses. Now the owner has more staff, works twice as hard and takes home nothing.

The only good reason for another location is that you're bursting at the seams with quality staff and want to give them a career path. If you just want more students or more money, you can usually get them faster by growing the school you already have.

Whether you run one school or six, the job changes in the same way. You move from being the "doer" of the important activities to being the trainer and supervisor of the people who do them. You become a systems designer, a people developer and a staff supervisor. That means:

- Learning why things work in your school, so you can teach them.
- Coaching your team to be effective marketers, enrollment professionals and teachers.
- Setting daily, weekly and monthly objectives with every key person.
- Paying key full-time people with real financial incentives tied to results, and a real career opportunity.
- Keeping a no-excuses environment, because any accountability problem multiplies when you're off-site.

That's what we mean by moving from instructor to architect. The goal is a school that can run without you, powered by the students you guided from their first nervous day as a white belt. Your job is no longer to be the backup plan. It's to build the people who make the backup plan unnecessary.

YOUR NEXT STEP

Decide: Decide the dates of your first one-week absence test, at least 30 days out, and tell your team.

Measure: Count how many hours last week you spent on tasks that did not contribute to enrollments, renewals or retention.

Do: In the next 7 days, write the three decision lists (decide and act, decide and tell me, bring it to me first) for your two most important staff roles and review them with those people.

CHAPTER 22

Your 90-Day Plan



Why 90 Days, and Why Now

You've now read twenty-one chapters of ideas. Some of them you already use. Some you've tried before and dropped. Some are new. Here's the brutal truth: reading doesn't pay your bills. Implementation does.

The risk at this point isn't that you'll disagree with the book. It's that you'll agree with all of it and try to do everything at once. That's how good intentions die. Twelve new initiatives start on Monday, the school gets busy on Tuesday, and by the end of the month you're back to teaching every class and covering every gap.

Robert H. Schaffer made a point in "Demand Better Results—And Get Them," in the *Harvard Business Review*, that applies directly to a martial arts school. Managers rarely fail for lack of programs. They fail because they avoid making clear, specific demands for results. His remedy was to start with an urgent problem, set one or two specific, measurable short-term goals, get a real success, and then use that success as the foundation for the next, more ambitious step. A series of limited demands, each backed by a plan and persistence, works better than one big plunge.

Ninety days is the right length for that. It's long enough to see real change in your numbers and short enough that nobody loses focus. It's also long enough to run at least one full testing cycle, which in most of

our schools is about two months, so you'll see the effect of your changes on attendance, testing and renewals, not just on enrollments.

I learned this the hard way. Many years ago I had the worst year of my business career. The Denver economy collapsed, my marriage fell apart, most of my staff quit in a mass exodus, and I ended up broke and more than $250,000 in debt. When I was ready to come back, I set a target of $1,000,000 for Mile High Karate by the end of that year, which was a real stretch from where we were.

Then I built the plan. I spent several weeks reviewing the previous year's numbers in detail, which was depressing. I worked out month by month what we needed in enrollments, new monthly payments, renewals and cash. I reviewed my staff across six locations, sized up their strengths and weaknesses, and designed a training and motivation plan for each. With each school manager, I broke the target into monthly and quarterly numbers they could believe in, and I reviewed the bonus plans so each manager had real incentive to hit them.

After that came two things. First: train, train, train. We drilled and role-played info calls, introductory classes, enrollment conferences and renewal conferences endlessly. We started new Black Belt and teacher classes and pulled every staff member to a higher level of competency. Second: every Monday, we tracked targets against actual results, with a clear focus on enrollments, renewals, retention and cash.

It didn't go smoothly. Several staff members quit because they didn't want to do whatever it took. We missed our target in three of the first four months. But we kept the goal in front of us and passed $1,000,000 by November 12. The next year we did $1.3 million, and the year after that $1.8 million.

Your 90 days will be smaller and calmer than that year, we hope. The structure is the same: review the numbers, pick the target, assign the people, train relentlessly and track every week.

Who Owns the Plan

Before you write a single target, settle one thing. This is not your plan alone. If you are the only person in the building worried about the numbers, the plan will last exactly as long as your energy does.

Many owners are nervous about sharing any numbers with their staff. But if your team doesn't know the active count, the dropout rate, enrollments, renewals and gross, how can they contribute? I would never keep an instructor who wasn't focused on the active count and didn't know how many students dropped out last month, who they were, how many we enrolled and how many renewed or upgraded. And I would never keep a program director who wasn't intimately aware of our intro flow, our conversion to enrollment, our gross and our renewal rate.

So give every target in your 90-day plan a name. Not "the school will improve retention," but "our head instructor owns the nightly attendance check and the missed-class calls, and reports the dropout number every Monday." Not "we'll get more intros," but "our program director owns intro appointments from first response to enrollment conference." Your job is to set the targets with them, train them, give them the tools and hold the weekly meeting where results are reviewed.

This is where everything in Part Two pays off. The students you've been developing into leaders, instructors and program directors are the people who carry this plan. If your bench is thin, that's fine. Part of your 90 days is building it. The plan should name the people who own each system today and the leadership candidates you're preparing to own them next.

Make sure each key full-time person has a real incentive tied to the results they own. People work harder on targets they helped set and share in when they hit them.

Days 1–30: Build the Foundation

The first month is about seeing your school clearly and putting the right people in the right roles. Resist the urge to launch anything big yet.

Week 1: Verify your numbers. Not the numbers you remember. The real ones.

- **Active count.** Count only students who are actually attending, not everyone on a program or on auto-debit. If a student hasn't trained in three weeks, they aren't fully active, whatever the billing system says.
- **Monthly dropout rate.** Average monthly dropouts divided by average monthly active count.
- **Revenue per student.** Average monthly gross divided by average monthly active, counting everything: enrollment payments, tuition, upgrades, paid-in-full programs and retail.
- **Sales ratios.** First contact to intro appointment, appointment to show, intro to enrollment. If you aren't enrolling at least half of the prospects who contact you, that's a real problem.
- **Expense ratios.** Rent, payroll and marketing as percentages of gross, compared to the benchmarks in Chapter 20.

Put those numbers on the one-page scorecard from Chapter 19. That page becomes the baseline you'll compare against on day 90.

Week 2: Select your constraint. Go back to the School Growth Scorecard you completed at the start of the book and to the constraint work in Chapter 3. Ask which single area is holding back everything else right now. Is it inquiries, enrollment conversion, retention, revenue per student, team capacity or your own capacity? Choose one primary constraint. Then set one or two specific, measurable 90-day targets for it. "Improve retention" is not a target. "Cut monthly dropouts from 6% to 4% by day 90" is.

Week 3: Name your leadership candidates. Walk your classes with the Leadership Candidate Checklist from Part Two in your hand.

Look for attitude, effort, focus, helpfulness, consistency and appearance. Write down every student who shows those traits, from intermediate color belts to senior Black Belts. These are your future assistants, instructors and program directors. Invite the right ones into the next step of your Leadership program, and make clear from the first conversation that this is part of their education, not a job offer.

Week 4: Clarify roles. Using the Ultimate Team structure from Chapter 8, write down who owns each major system:

- Who answers inquiries and books intro appointments?
- Who runs intros and enrollment conferences?
- Who reviews attendance cards every night and makes the missed-class calls?
- Who runs onboarding for new students in their first four months?
- Who schedules and conducts renewal conferences?
- Who manages billing and collections?
- Who teaches each class, and who assists?

Any line with your name on it is a candidate for a future handoff. Any line with no name on it is a hole in your business. Fill the holes first.

Finish the month by holding your first weekly 30-minute staff meeting around the scorecard. Every week from here on, the team sees the numbers, talks about trends and leaves with specific actions, each with an owner and a deadline.

Days 31–60: Execute

The second month is where the plan turns into routines. Routines that are repeated every day and every week are what make a school independent of its owner.

Set the instructor training cadence. Put a weekly instructor training session on the calendar and protect it as you would a class. Use it to teach the master class structure, to practice the "instructor's

voice," and to role-play the hard moments: the distracted child, the frustrated parent, the student who is falling behind. On the mat, run every class with the quarterback approach. Break the class into 10- to 12-minute segments, huddle with your trainees between segments to reinforce, correct and give the next play, and finish with a two-minute debrief after the final bow. That's how your leadership team improves every single day instead of once in a while.

Install the retention routines. Two of them matter most.

1. **The nightly attendance check.** At the end of each night, someone checks which attendance cards weren't pulled. Those are the students you call. Not tomorrow, but tonight. The tone is concern, not accusation, and every call offers a specific way to catch up.
2. **The first-four-months onboarding.** Every new student gets a named staff member responsible for their first four months: early check-ins, progress milestones, a connection with the family and a clear picture of the path to Black Belt. Most students who are going to leave decide early. This is where you change that.

Assign the marketing pillars. Go back to the Marketing Parthenon in Chapter 16. Pick the pillars that fit your constraint, whether that's live events, community outreach, guerrilla marketing, referrals, search or social media, and give each one an owner on staff and a schedule. A pillar with no name and no date isn't a pillar. It's a wish. Track cost per enrollment for each one.

Make your first owner handoffs. From the task list you built in Chapter 21, choose two or three tasks to hand off this month. Use the full process: define the outcome, train, build the plan together, set benchmarks, supervise at agreed intervals and coach. Demonstrate, supervise, then transfer. Write the decision lists for each role so your team knows what they can decide without you.

Expect resistance during this month, from your staff and from yourself. Some people won't like new standards. Some won't want to do

whatever it takes. That's normal. Keep the targets visible, keep the Monday tracking going, and keep training.

Days 61–90: Evaluate and Expand

The third month is about proving what worked, fixing what didn't and raising the bar.

Compare against the baseline. At about day 75, put your current scorecard next to the one from week one. Look at the primary target first. Then look at everything else, because changes in one area usually show up in others. Better onboarding shows up in retention. Better retention shows up in revenue per student. Better intros show up in enrollments.

Ask three questions.

- What did we do that clearly worked? Make it permanent, put it in writing and train it.
- What didn't work? Is it the wrong idea, or the right idea done inconsistently?
- Who stepped up? Recognize them in front of the team. The people who rise during a 90-day push are often your next leaders.

Run your first absence test. If the routines are holding, schedule your first one-week absence, as described in Chapter 21. If they aren't, you've learned exactly what to fix before you try.

Review pricing and programs. With better retention and stronger teaching in place, look at your tuition, your Black Belt Club upgrade and your Leadership program against the structure in Chapter 20. The beginning of a new quarter is a natural time to raise prices for new enrollments.

Look hard at your renewals. If your Black Belt Club or Leadership upgrade has been weak, don't just bolt a new program onto the old one. First review exactly what you've already presented to your current students and what they believe the path to Black Belt looks like. Then design the upgrade conversation around their goals, and have your

program director and instructors role-play it until it feels natural. Renewals are goal-setting conversations, not pressure.

Set the next 90 days. Pick the next constraint. Set new targets. Hand off the next few tasks.

One warning. I've watched owners implement a few ideas, see their gross jump by $10,000 to $12,000 a month, and then quit. They decide the new level is everything they ever wanted. But a first jump is easier than holding it month after month. The habits that got you out of trouble won't carry you to the next level. And the next step, getting those results consistently through other people, is much harder than it looks. Keep going.

What Gets in the Way

Over the years I've given my coaching clients the same few recommendations, and they apply to almost everyone reading this.

First, let go of the mythology of the martial arts. Your business won't pay your bills if you believe the market cares about your rank or résumé, that years of running a struggling school have positioned you well for the future, or that going it alone is a great idea.

Second, watch your expectations. Many of my coaching clients came in hoping for $25,000 to $30,000 a month. Most school owners who join my coaching program have been generating an average of $15,000 to $17,000 a month, and after eight to 12 months of working together, that average has grown to $45,000 to $50,000. That increase isn't magic. It requires being willing to "empty your cup" and apply proven systems to an already good program.

Third, stop explaining. Some of my favorite lines:

> *Winners remember results—losers remember reasons.*
>
> *Most people would rather have a good excuse than good results.*

Fourth, commit. W. H. Murray, writing about a Himalayan expedition, said that until one is committed, there is hesitancy and the chance to draw back. He closed with a couplet he attributed to Goethe:

> *Whatever you can do or dream you can, begin it. Boldness has genius, power and magic in it.*

The moment you put dates on this plan and tell your team, you've committed.

Your Most Valuable Hour

You can do everything in this chapter on your own, and many owners will. But there's a reason the best athletes in the world have coaches. It's hard to see your own school clearly. You're too close to it, and you're too used to it.

That's why we offer the Most Valuable Hour. It's a free, one-hour growth diagnostic with our team.

Here's what happens in it. You bring your numbers: your active count, your monthly gross, your enrollments and your dropouts, plus your School Growth Scorecard if you've completed it. We go through them with you. We help you find the one constraint that's holding your school back right now. And you leave with a short list of the first moves for your own 90-day plan, including where your team, and the leaders you could develop from your own mat, fit into it.

If it makes sense to keep working together after that, we'll talk about it. Either way, the hour is designed so you leave with a clearer picture of your school than you had when you walked in.

Here's how one school described what changed after joining our group:

> *Not only has our income increased significantly, but so has the quality of our students, their parents, and even our staff.*

That's Ryan and Yana Burtney of College of Martial Arts in Sterling Heights, Michigan. Notice the last two words. Even our staff.

To schedule your Most Valuable Hour, call or text Bob Dunne, our National Director, at 1-720-256-0208, or visit MartialArtsWealth.com. Bob has spent many years working with martial arts school owners alongside me, and he'll get you scheduled.

Whether you call us or not, start your 90 days this week. Put the first meeting on the calendar. Write down your baseline. Name your constraint. Write down your leaders' names. Then go to work.

YOUR NEXT STEP

Decide: Decide your primary constraint and one specific, measurable target you will hit by day 90.

Measure: Record your baseline this week: active students actually attending, monthly dropout rate, revenue per student and intro-to-enrollment ratio.

Do: In the next 7 days, hold your first 30-minute scorecard meeting with your team, assign an owner to every system on your role list, and book your Most Valuable Hour at 1-720-256-0208.

CONCLUSION

The School You Intended to Own

—✦—

Back to That Tuesday Night

We started this book on a Tuesday night at a school a lot like yours.

The classes were terrific. A mother stopped you at the edge of the mat to tell you her son looks people in the eye now. And then the rest of the evening happened. Three inquiries nobody had called back. An assistant who texted that he couldn't make it, so you taught every class yourself. Two students missing for three weeks, still on auto-debit. Mopping the mats at 9:40. A bank balance that didn't match the hours, and certainly didn't match the quality of what happens on your mat.

Picture the same Tuesday a year from now, if you do the work in these pages.

The 4:30 class starts on time, and you're not teaching it. A Certified Instructor you promoted from your own Leadership program is running it, with two trainees in their distinctive uniforms modeling every technique at the front of the room. Between segments she huddles with them for thirty seconds: what they did well, one correction, the next play.

At the front desk, the three inquiries that came in over the weekend were answered within minutes. Two of them are here tonight for intro lessons, booked and confirmed by your program director, who started with you as a white belt nine years ago. She'll run both enrollment conferences herself.

After the last class, someone checks the attendance cards that weren't pulled. Those families get a call tonight, not next week. The tone is concern, not accusation, and every call ends with a plan to catch up.

And you? Maybe you taught the adult class because you love it. Maybe you spent the afternoon with a local elementary school principal setting up a character program. Maybe you're at your daughter's game and nobody needed to call you.

On Monday morning the team will sit down for thirty minutes with one page of numbers. They'll know the active count, the dropouts, the enrollments and the renewals before you ask. They'll leave with actions, owners and deadlines.

None of that requires you to be a better martial artist than you already are. It requires the business that supports your art to be built as deliberately as your art.

What the Finished School Looks Like

Every chapter of this book has been describing the same school from a different angle. Put the pieces together and it looks like this.

- **Students get excellent instruction.** Not only from you, but from every instructor on your floor, because you've made your standard reproducible: the class structure, the energy, the individual attention, the discipline and the mat chats.
- **Families stay.** The attendance card warns you before a student drifts. The first four months are handled by a named person with a plan. The testing cycle is the retention cycle. Renewals are conversations about goals. And the Black Belt is a starting line, with a Black Belt Club and Leadership path that keeps your best students for a lifetime.
- **Marketing produces opportunities.** Several pillars, each with an owner on staff and a schedule, so you're never dependent on one source of new students. Every inquiry gets a fast response, an appointment and a professional introductory lesson.

- **The team you grew from within runs it.** Your instructors, program director and managers came up through your own program. They know your curriculum, your families and your culture, because they lived it as students first.
- **The owner earns and has time.** Tuition priced for the program you deliver. Expenses inside the benchmarks. A salary you pay yourself on purpose. A reserve that lets you sleep. Enough distance from daily operations that you could leave for a month and come back to a school that held its numbers.

That last point is the one owners tell us they want most and believe least. It's real. We've quoted owners in these pages who take a month away while the business keeps running. It's not luck and it's not personality. It's a set of systems, run by people you trained, held together by a few numbers you watch every week.

The core principles are simple to say, even if they take years to master. Retention is the only metric that matters. Track everything. Forge the habit early. Create a Black Belt culture. Be the gasoline. Sell character, not karate. The testing cycle is the retention cycle. Leadership is learned, not hired. The Black Belt is a starting line, not a finish line. Proof is your most powerful asset.

From Instructor to Architect

You opened your school as an instructor. That's who you are, and nothing in this book asks you to stop being one.

But the only path to sustainable, scalable success is to stop thinking of yourself as just a teacher and start seeing yourself as the builder of a leadership powerhouse. Your school isn't only a place where you teach punches and kicks. It's an institution that shapes character, cultivates leaders and changes lives. That isn't hyperbole. It's what happens when a purposeful, integrated system is run well for years.

Jeff and I have watched this transformation in school after school. The owner stops being the lone wolf and becomes the leader of a thriving pack. The back door closes. Student numbers grow. Most

importantly, the school produces an army of Black Belts who are not only skilled but passionate, articulate ambassadors for the school and its values.

There's a stage of the martial arts journey that mirrors this exactly. After the fifth degree, the path changes. It depends less on physical ability and more on your contribution to the art and to your community. A Master Instructor trains the instructor team, leads the leadership classes, evaluates the certified instructors, develops new curriculum and represents the school in the community. You move from being a Master of the art to being a Master who creates Masters.

That's the business version of your own journey. Owning the school was your Black Belt. Building the people who run it is your mastery.

A Black Belt who isn't giving back is a Black Belt who is stagnating. The same is true of an owner who never develops anyone to carry the school forward.

The Unbroken Chain

When we teach this, we often talk about an unbroken chain.

Grand Master Jhoon Rhee provided the vision. He reframed martial arts as character development and brought innovations, from safety equipment to musical forms to academic integration, that made the martial arts accessible to American families. He also never apologized for running successful schools. He once told me that it's impossible to accomplish much of anything without financial resources, and that if you provide a great service, you deserve to be well compensated.

Grand Master Jeff Smith provided the proof. As PKA World Light Heavyweight Champion, he showed that the system produced not just good students but the best fighters in the world. And he showed that a martial arts professional could be both a warrior and a successful executive. When I was a young man watching him, I noticed that he was careful never to let his fighting interfere with his real career, which was running profitable schools.

My part was scale: taking that proven model and turning it into systematic, replicable processes that could be taught to other owners.

Together, those links helped create a professional industry, one that has let thousands of instructors make a living doing what they love and brought character development to millions of students. Vision, validation and systematization can turn an ancient art into a modern institution.

Here's the part that matters for you. The chain doesn't end with us. It runs through you, and then through the instructors you develop, and then through the students they teach. Every assistant you train, every Black Belt you turn into a teacher, every program director you grow from your own mat is another link. Your legacy isn't just the students you graduate. It's the leaders you create who go on to inspire the next generation.

Why the Business Deserves Your Attention

Over the years I've been criticized for being "too commercial." I've heard every version of it. My answer has always been the same. I am in business to make money. I am in the martial arts business because it lets me earn a good income while having a positive impact on a huge part of my community. My wealth from the martial arts is only in proportion to the number of students I serve and the depth of their enthusiasm for that service.

As Zig Ziglar liked to say, you can get everything you want in life if you help enough other people get what they want.

When I was young I pursued the martial arts as an athlete, hoping to follow my mentors as a professional fighter. I grew out of that. The satisfaction of watching a beginner become a Black Belt, and a shy, withdrawn child grow into a community leader, outweighs any trophy.

When I founded Mile High Karate in 1983, it was an alternative to using my degree in International Economics in banking or at a corporate giant. My instructors and friends thought I was crazy. One told me I could "play karate" for a few years and then get a real job. By

2008, Mile High Karate had taught over 25,000 students directly in our Denver schools and had introduced our program to kids in the area's public and private schools, touching well over 200,000 children and their families in some small way. That reach was only possible because the business was strong enough to pay great instructors and keep the doors open year after year. A school that struggles financially can't do that, no matter how good its teaching is.

So ask yourself the question I've asked many owners. When you're in your 60s or 70s, what will matter more to you? The physical specifics of what you taught? Or the fact that you helped thousands of students achieve real results in their lives, while you earned a great living, provided for your family and built the security to retire on your own terms?

You don't have to choose between your art and a good living. The schools that serve students best are the ones with the resources to do it: great instructors who can make a career, facilities that support a large student body, and an owner who has the time and clear head to lead.

Here's our closing challenge, and it's the same one we started with.

> *You have spent years developing your martial arts. Give the business that supports them the same deliberate attention.*

You'd never expect to earn a Black Belt by reading about it. You trained. You showed up when you didn't feel like it. You had instructors who corrected you, pushed you and held you to a standard. Your business deserves the same.

Retake the Scorecard

Before you put this book on the shelf, go back to the School Growth Scorecard in the Appendix. Retake it now, with today's date, without looking at your first answers.

1. Teaching and student results
2. Enrollment
3. Retention

4. Revenue per student
5. Team and systems
6. Profit and owner freedom

Then put the two scorecards side by side. Some scores will have moved because you've already acted. Some will have moved because you now see your school more honestly than you did when you started. Both are progress.

Look at the lowest score. That's the starting point for your first 90 days. Look at the "Team and systems" score in particular. If it hasn't moved, go back to Part Two. Nothing else in this book holds up for long without the people to run it.

Retake the scorecard at the end of every 90-day cycle. Keep the old ones. A year from now, you'll have four snapshots of a school that's changing, and a record of the decisions that changed it.

If you want help reading your scorecard and your numbers, our offer stands. The Most Valuable Hour is a free, one-hour growth diagnostic with our team. Call or text Bob Dunne, our National Director, at 1-720-256-0208, or visit MartialArtsWealth.com.

Whether you call or not, don't let this be another book that inspired you and then went on a shelf. You built your school on your teaching. You can't grow it on your teaching alone. Build the team, connect the systems and give your business the deliberate attention you've always given your art.

The school you intended to own is still there to be built.

YOUR NEXT STEP

Decide: Decide which one area of the School Growth Scorecard will be the focus of your first 90 days.

Measure: Retake the six-area School Growth Scorecard and compare each score to your baseline from the Introduction.

Do: In the next 7 days, put your first 90-day planning session on the calendar, invite your key staff and your strongest leadership candidates, and bring both scorecards.

APPENDIX A

The School Growth Scorecard

Rate each area from 1 (broken) to 10 (a strength you could teach to other owners). Use real numbers where you have them, and write "unknown" where you don't. Take it before you read the book, and again at the end of every 90-day cycle.

Area	What a 10 looks like	Score today	Score in 90 days
Teaching and student results	Students progress, test on schedule and reach Black Belt; any class could be observed by a prospective parent.		
Enrollment	Leads, appointments, shows and enrollments each month, and the conversion rate at each step.		
Retention	Monthly dropout rate; share of students who enrolled six months ago and are still training.		
Revenue per student	Student value, revenue per new enrollment, a clear path into Black Belt Club and Leadership.		
Team and systems	People besides you who teach to your standard, run intros, conduct enrollment and renewal conferences, and follow up absences.		
Profit and owner freedom	True net profit, owner pay per hour, and whether the school runs well for a week without you.		
Total (out of 60)			

Your lowest score is your probable constraint. If two areas tie, choose the one earlier in the chain: there is little point fixing renewals for students who never enroll.

My lowest area: _____ Date: _____

APPENDIX B

The Weekly Owner Scorecard

One page, every week, in a 30-minute team meeting (Chapter 19). Each number has an owner on your team. End the meeting with actions, owners and deadlines.

Number	Owner	Target	This week	Last week
Leads (inquiries)				
Appointments booked				
Appointments shown				
Enrollments				
Students who missed 2+ weeks				
Absence calls made				
Dropouts				
Renewals and upgrades				
Active students (end of week)				
Collected revenue				
Payroll as % of revenue (monthly)				
Instructor observations completed				

Actions agreed this week (action · owner · deadline):
1. _____

2. _____
3. _____

APPENDIX C

The Responsibility Chart

Every recurring job in your school needs one name next to it, and a backup. If your name appears in most rows, Chapters 8 and 21 are your starting point.

Job	Owner	Backup	Trained? (Y/N)
Answering every inquiry within 5 minutes			
Booking and confirming introductory lessons			
Teaching introductory lessons			
Enrollment conferences			
First-30-day onboarding check-ins			
Weekly attendance review			
Missed-class calls			
Testing schedule and promotions			
Renewal and upgrade conferences			
Instructor training and observation			
Leadership team and candidate reviews			
Marketing pillars (events, outreach, referrals, search, social)			
Reviews and testimonials			

Job	**Owner**	**Backup**	**Trained? (Y/N)**
Billing, collections and exceptions			
Weekly scorecard meeting			
Payroll, bookkeeping and taxes			

APPENDIX D

The Leadership Candidate Review

Use this quarterly to review students who could become leaders, assistants or staff (Chapters 4–6). Look for interest, character, reliability and teaching potential before technical skill.

Student	Rank	Interest	Character	Reliability	Teaching potential	Next step

Rate interest, character, reliability and teaching potential 1–5. Next step: invite to Leadership, assistant role, instructor training, staff conversation, or wait.

APPENDIX E

Your 90-Day Plan Worksheet

Fill this in with your team after Chapter 22. One constraint, a few moves, named owners, and a date to compare against your baseline.

Primary constraint: _____

Baseline number: _____ **Target on day 90:** _____

Phase	Moves	Owner	Done by
Days 1–30: Foundation	Verify the numbers. Choose the constraint. Name leadership candidates. Fill in the Responsibility Chart. Hold the first weekly scorecard meeting.		
Days 31–60: Execution	Run instructor training weekly. Install onboarding and attendance routines. Assign each marketing pillar. Hand off your first owner task.		
Days 61–90: Evaluate and expand	Compare against the baseline. Keep what works, fix weak execution, add activity where you have capacity. Set the next 90-day constraint.		

Three owner tasks I will hand off this quarter:

1. _____ to _____
2. _____ to _____

3. _____ to _____

About the Authors

— ✦ —

Grand Master Stephen Oliver

Grand Master Stephen Oliver, MBA, is a 10th Degree Black Belt and the Founder and CEO of Mile High Karate and Martial Arts Wealth Mastery, one of the martial arts industry's leading coaching and consulting organizations for professional martial arts school owners, BJJ academies, and MMA gyms. A martial arts school owner since 1975 and business coach since 1985, Oliver has spent more than five decades building, operating, and advising successful martial arts schools. He also serves as CEO and Chairman of NAPMA (the National Association of Professional Martial Artists) and Publisher of Martial Arts Professional magazine. A Georgetown University cum laude graduate, he earned his Executive MBA through the Executive Program at the Daniels College of Business at the University of Denver. He was promoted to 10th Degree Black Belt in April 2026 and inducted into the Official Taekwondo Hall of Fame in August 2026. Learn more at MartialArtsWealth.com and StephenCOliver.com.

Grand Master Jeff Smith

Grand Master Jeff Smith is a 10th Degree Black Belt and the Chief of Instruction at Mile High Karate and Martial Arts Wealth Mastery. In the martial arts since 1965, he won the PKA World Light Heavyweight Championship on September 14, 1974, held the title until 1980 and defended it seven times, compiling a professional record of 32–1 with 16 knockouts. He was the first recipient of the Bruce Lee Award, founded Jeff Smith Karate in 1981, and became known as a "Multi-School

Millionaire." He serves as President of Sports Operations for PKA Worldwide and is co-author, with Stephen Oliver, of Extraordinary Teaching.

Your Most Valuable Hour

— ✦ —

You have the book. You have your scorecard. If you would like a second set of eyes on your numbers, we offer the Most Valuable Hour: a free, one-hour growth diagnostic for established school owners.

You bring your active student count, your monthly gross, your enrollments and your dropouts. We go through them with you, find the one constraint holding your school back right now, and map your first moves for the next 90 days.

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47	**190+**	**4.9★**	**40 YRS**
filmed case studies	attributed reviews	Google, across 52 reviews	coaching this industry

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Figures as stated by each named owner about their own school. Individual results vary and depend on what the owner implements. Video case studies at martialartswealth.com/go/client-results/

TO BOOK YOUR HOUR, CALL OR TEXT
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