

UNLOCKING SUCCESS: YOUR ULTIMATE GUIDE TO FINANCIAL MASTERY IN MARTIAL ARTS

THE HOME OF
MARTIAL ARTS BUSINESS



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NEST

So, you're on the path to financial mastery, and guess what? We're here to make that journey as exciting as a flying roundhouse kick!

Ever wondered why financial planning is like a secret gateway to strategy? It's not just about numbers; it's about envisioning where you want to be in life and defining success on your terms. Your passion for martial arts and your students is the key to your success. You've felt the positive life changes through your training, and now, it's time to share that magic!

With a plan, you are in the position of managing where your money is coming from, but without one you may get to the end of the year and wonder where the money went to. After all, if you don't know where you are going "any road will take you".

When running a business you need to be in control – you'll need to predict your results for the coming period and make sure you take action as soon as you notice you're heading off track. Follow Dr Stephen Covey and his "7 Habits of Highly Effective People": "be proactive" and "start with the end in mind".



YOUR GOALS:



PASSION PAYS OFF: THE HEARTBEAT OF YOUR BUSINESS

You're not just an instructor; you're a business owner crafting a future for your students and your family. The big question: What does success look like for you? Let's turn that vision into tangible numbers, we're here to guide you through the year.

BEYOND THE NUMBERS: YOUR TRAJECTORY TO SUCCESS

It's not just about the past; it's about your journey forward. Financial planning is your compass, guiding you to success and personal stability. Dive deep: examine your current performance, and uncover the keys to a thriving business and a stable financial future.

FROM PASSION TO PROFIT: THE FINANCIAL DYNAMICS DANCE

Whether you're running a full-time school or just doing it for the love, financial principles stay the same. There's no avoiding it – understanding the dance of key performance indicators, customer acquisition, pricing, and expenses is crucial. It's about securing the future for your students and yourself.



STRETCHING FOR SUCCESS:

Success isn't a magic trick, it's a well thought out plan. You've got an awesome teaching product and enthusiasm to spare – but to truly make it, you need goals, plans, implementation, and constant measurement. Stay on track, and your business will soar!



Success is different for everyone. Whether you're a not-for-profit hero or aiming for personal wealth, knowing where you want to go is crucial. It's all about student numbers, financial stats, and the ultimate measure of success.

Stretch yourself! Grow your business, increase student numbers, and achieve financial success. It's not just about reaching; it's about reaching beyond!

Your success lies in generating enough sales to meet costs and personal goals. The question: Which levers do you pull? Student numbers are your magic wand – get them, keep them, and watch the funds flow. In this guide, we'll focus on the KPIs, the levers, and the strategy to measure your process performance.

We're unveiling the secret sauce – turning students into sales. Your financial goals are within reach, and we'll show you how to grab them! Are you ready to kick financial goals like never before? Let's dive in and unleash your success!



STUDENT TAKE ON: THE PATH TO YOUR MONTHLY TRIUMPH

Deciphering the KPIs

Let's get technical for a moment. Your Key Performance Indicators (KPIs) are like the roadmap to success. You can focus your KPIs around anything from leads to conversions and price to growing AGV, club costs and student growth. Have a number or target in mind and set clear actionable monthly goals. Remember your KPIs are your starting point, your North Star, leading you to success.



SETTING YOUR MONTHLY STUDENT GOAL

Imagine this as your battle plan. Decide on the number of students you need to sign up to meet your annual goal. Whether it's 10, 20, or a superhero-sized increase per month, that's your starting point. We get it – capacity is crucial too, but let's save that for another discussion. This initial goal is your first KPI.

MARKET MAGIC AND SEASONAL VARIATION

The market has its moods, right? Seasonal changes, the ebb and flow that can influence your monthly sign-ups. We'll unravel this later in more detail, but for now, keep in mind that your initial goal might need a little seasonal tweaking.



FROM GUT FEEL TO PRECISION PLANNING

Now, here's the magic trick. Your initial goal is like a gut feeling, an instinct. But we're here to refine that instinct into a precision plan. Does your gut feeling align with the potential profit you're aiming for? If yes, awesome – you're on the right track. If not, time for a little preplanning, maybe making some tweaks to a higher growth number.



LEADS AND CONVERSION: UNVEILING THE FORMULA FOR SUCCESS

CRACKING THE CODE

No need to break a sweat over complex calculations; we've got the perfect tool to reverse engineer the number of intros and required leads to hit your goals.

Start with that initial student take-on number, then factor in the seasonal dance of the market, this will give you your monthly goals for leads, intros, and signups. Hold up, though. This isn't just for show; it's the backbone for measuring intros and sales conversion.



Pro tip: if you have a prospect system that tracks conversion rates then use it religiously, it's the key to knowing your true conversion rates.

THE ART OF CONVERSION MASTERY

Our years of working with martial arts businesses have revealed a powerful truth. With a top-notch process, from automated reminders to a personal call and a tailored video for each prospect (yes, we're looking at you), you can hit a lead to intro conversion of 75% and an intro to sign-up rate of a whopping 80%. These aren't just numbers; they're the results from the most successful martial arts schools so make sure you're aiming high!

THE REALITY CHECK

We get it – not all dojos dance to this rhythm. If your rates are lagging, it means more leads, more effort, and a bit more effort is needed on the marketing front. The silver lining? You'll pinpoint what's working like a charm and what needs refinement. This knowledge will set you up for success and create a blueprint for you to follow in future.



PRICE: THE GOLDEN KEY TO BALANCE

Now, let's dive into Pricing – a critical piece in the jigsaw of your martial arts school's success.

Picture this: some schools, frozen in time, their prices untouched year after year. We get it – change can be daunting. But here's the kicker, pricing isn't a static relic, it's a living, breathing entity that needs a yearly check-up.

An annual review keeps your pricing in line with the market. Fear not, you don't need a crystal ball; an IT system will do the trick. Our experience with multiple schools has taught us a valuable lesson – small, regular increases, rarely lead to attrition. Plan your increase wisely, time it right, and let it weave into your calculations to see the full impact.

Now, let's talk numbers. Tuition prices range from £25 to £100 per month. Our research unveils an average around £38. But hold on – this isn't a one-size-fits-all scenario. The facilities, the programme intricacies, and the weekly lesson offerings all determine the perfect pricing structure.

Your pricing needs to align with the value you provide, it's not just about pounds and pence; it's about finding the sweet spot where your school thrives and your students are happy.

ATTRITION: THE BATTLE OF RETENTION

Attrition, a natural ebb and flow in any school's journey, can have many causes: changes in the student's life or the financial circumstances of the payer being the most common.

In the student's mind, it's a question of price versus value. While personal matters are beyond your school's influence, the pendulum swings towards your control when it comes to value. Remember, you're not just selling classes, the teaching, excitement and fun will always make a difference to the student experience. Deliver the value you promised when they signed up and you're onto a long-term winner.

THE IMPORTANCE OF NUMBERS

The average attrition rate stands consistent at 5 to 6% per month. But here's a revelation – the majority of student losses come within the initial 12 weeks of joining. Can you alter this script? Absolutely. Cue your induction programme – a grand introduction to the world of martial arts.

Remember the promises made during the sale? Now's the time to deliver. Do your new students have mentors to guide them? When do they get a reward, that coveted first belt? And above all, is your programme exciting, fun and rewarding?



THE SECRETS OF RETENTION MAGIC

In the battle of attrition and retention, your induction process, support, timely rewards, and the sheer joy infused into every class create that retention magic. The battle against attrition isn't a mere clash; it's a dance where the steps you choose can keep warriors marching alongside you, belt after belt.



UNLOCKING INCOME STREAMS: MORE THAN JUST TRAINING FEES!

Enter a world beyond training fees, discover a multitude of revenue streams to bolster your economic success. All can be calculated and have a direct relationship to your student numbers and seasonal variation.

INITIAL FEES

Initiate students into your school with a joining or membership fee. This fee, like the opening stance in a kata, sets the tone for the journey ahead. An initial investment lets students show you that they're serious about joining your school and provides you with a valuable revenue stream.

GRADINGS

Ah, the sweet taste of advancement! Grading ceremonies can be a regular and predictable income stream. Calculate the number of gradings you will hold in the year and the predicted number of students who will grade and you have some consistency to work with throughout the year.

EVENTS

Picture this – martial arts tournaments, school parties and events that provide fun and additional revenue. Predicting the gains from these can be difficult but follow the patterns of the past 6 to 12 months. Unearth the sales patterns linked to your student numbers and the type of events that prove popular, this should give you a good indication of the money to be made from events going forwards.

KIT AND MERCHANDISE

Your students are going to need uniforms and kit and are likely to want to show off their membership of your school with some branded merchandise. Both can provide a simple and consistent income stream. Observe and analyse your sales dynamics – a school with 100 students and monthly takings of £500 gives a student value of £5 per month. Crunch the numbers, work out how to increase sales and profit, and let the income flow like a well-executed kata.

UNDERSTANDING SEASONAL VARIATION

The martial arts market is based primarily on the teaching of children (75% in fact!) which means seasonal variation is something you'll always need to consider in your financial planning. School holidays have had an increasing negative impact in recent times as holidays get longer and less consistent across local areas. Seizing the opportunities of the busy periods and preparing adequately for the quieter periods are the key to success.

FIRST QUARTER: JANUARY, FEBRUARY, MARCH

January, a wealth of opportunity! Plan your promotions before the festive cheer, release during the holiday buzz, and start bookings in the first week of January. Remember, returning students need an exciting "return to training" programme – inject energy with guest instructors, grading results, and thrilling events.

SECOND QUARTER: APRIL, MAY, JUNE

A period of challenges and opportunities. Some who joined in Q1 may decide it's not for them. Ensure a stellar induction programme, mentors for new students, and parent reassurance to limit impact. Easter holidays pose a hurdle – communicate, promote additional lessons upon return, and keep the growth momentum alive. Hosting a holiday club can help to ease some of the struggle and provide some welcome revenue and leads.

THIRD QUARTER: JULY, AUGUST, SEPTEMBER

A game of two halves – summer holidays and the return to school. Seize the "back-to-school" opportunity. Between 40% and 60% of Martial Arts schools may close for two weeks or more during school holidays. Combat attrition, leverage social media, and engage with schools to ensure a boost to your student numbers. Quick decisions by parents mean your advertising should be swift and impactful – success awaits!

FOURTH QUARTER: OCTOBER, NOVEMBER, DECEMBER

A volatile time with a half-term break thrown in for good measure. Urgency is key – continue advertising, address the dip in demand from mid-November, and compete for attention during the festive season. Leverage KPIs to measure marketing and sales performance. Adapt processes if needed – it's a delicate dance to maintain success.





NEST'S REFLECTION ON 2023

Despite the financial issues you hear about every day we have noted growth with an impressive 10% increase in the annualised value of Direct Debit agreements. The martial arts community stood resilient in the face of adversity, showcasing its commitment to growth and stability.

Attrition displayed volatility but managed to stay within the historical average of 5-6% per month. Martial arts schools continually weathered the attrition storms, showcasing a remarkable ability to retain their valued students.

Prices experienced a gentle upward trend, increasing by an average of £2-£3 per student per month. The average agreement value surpassed £47, illustrating a willingness to invest in the value provided.

VARIATIONS THROUGHOUT THE YEAR

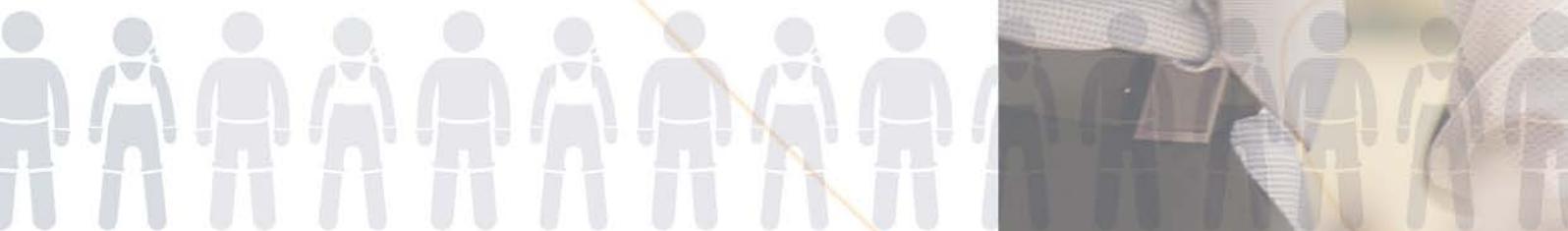
Quarter one provided a promising start with growth, laying the foundation for the year's journey. There was then a fast fall off in student acquisition around Easter, continuing into a plateau of little growth across the summer months.

As can be expected the market returned to growth in September though this was later than expected. The timing of growth patterns played a crucial role, seasonal variation has been more volatile with school holidays changes contributing to lower than anticipated signups at those times.

LESSONS TO LEARN

Many schools committed to lower advertising spends, the historical benchmark of around 5% of turnover for faster growing business didn't seem to be followed and the art of balancing expenditure for sustained growth became paramount.

The speed of initiating intros in response to heightened demand, especially in January and September, surfaced as a critical factor. Swift adaptability to market dynamics emerged as a key learning.



IN A NUTSHELL

Increased student numbers are your gateway to success and drive all revenue, that means they're THE key goal for your business. Attrition, and conversion rates from lead to sign-up are sometimes not managed as closely as possible, this is where optimisation can make a significant impact on your performance and costs.

Make sure you know what's happening in the gap between your goal and the KPIs which get you there. It's an often underestimated area with "I just need more leads" seen as the only answer. Slight changes in a few measures can make a huge financial difference. Tweaking your price, improving conversion rates and reducing attrition will all get you closer to your financial goal.

Having a detailed plan showing your KPIs by month allows you to see everything in one place. This makes it super simple to manage your processes and modify them if you start to stray from a successful track. It's all aiming towards hitting your pre-planned goal for success - in this case increasing student numbers.

The measurement of performance against a predetermined plan isn't consistent in the martial arts world but here at NEST we'll be doing everything we can to help you in this area.





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CLAIM YOUR 1 HOUR CALL TODAY!

Unlock Your Consultancy: A Personal Invitation

You now hold the keys to measure marketing and sales, but the journey doesn't end here. Dive deep into the insights of 2023, explore the nuances of goal setting, and harness the power of the NEST planning tool.

Let's work together to ensure success throughout the year!

Get in contact with us to book your slot.



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