

# **Small Dojo BIG Profits!**

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**A complete guide  
to creating martial arts  
business success**

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Michael D. Massie

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## **About the “Small Dojo, BIG Profits!”** **Philosophy and Method**

Within these pages, you are going to find the distillation of the business knowledge I have gained through twenty years of martial arts training, fifteen-plus years of teaching the martial arts, and ten years of teaching in my own or my partner’s classes and studios as a professional martial arts instructor. Along with that experience, I have spent countless hours attending college business courses and industry seminars, as well as studying manuals and texts pertaining both to the business aspects of martial arts instruction and business topics in general. While I did all this, I was also attending the school of hard knocks, where I had a seat in the front row.

As you might imagine, the information I share in this manual did not come cheap; it was hard-won, well-earned, and it is simply impossible to put a real price on what it cost me to get it. Fortunately for you, you won’t have to go through what I went through to learn how to run a successful studio because you can learn from my mistakes and triumphs and bypass much of the trials and tribulations I went through, simply by following the advice and instructions in this manual.

Undoubtedly, some of you who read this book will already be familiar with many of the techniques and business methods described herein; others of you who are newer to the industry will likely learn something new on every page. Yet, in my humble opinion, whether you are a veteran studio owner or a brand new instructor, you will find something of value within these pages. Even the smallest idea or twist on an approach can breathe new life into your existing operations, and even slight adjustments and improvements in each area of a business can add up over time to serious increases in the bottom line.

Still, I believe that the biggest value to be found in this book is not so much in the techniques I describe for you to use in your own studio, but in the fact that most every approach I mention has been used to a degree of success in my own operations. Unlike some of the advice you will get from “experts” in our industry, you will not be the subject of someone’s martial arts business experiment when you follow the instructions in this

book. Instead, you will be using methods that I have found to be tried and true, and that have proven to work well in other industries besides our own.

In addition, I know that some will read this book and be put off by my scathing remarks as to the state of martial arts business in America. As far as that goes, I will tell you right now that I attack everyone with equal impunity; at the very least I am fair in that regard. Please do not assume that I am merely spouting negative and facetious diatribe for its own sake. I sincerely believe that there exists a real and serious problem with the powers that be in the martial arts industry today, and I am more than willing to bring attention to what I believe are problems of major proportions that if left unchecked will ruin our industry.

Since, in my own studio, I have experienced the negative repercussions of the very issues I confront in this text, I feel that I am categorically qualified to make these assertions. In order that you should avoid making the same mistakes I have made, my advice to you would be to question everything you hear and read regarding martial arts business practices. Because, as the ancient scholars said, “*ubi dubium ibi libertas*” or “Where there is doubt, there is freedom.”

### **This Method Works...**

One thing I would like to say about the methods I promote in this book is that they work. I wouldn't lie to you or mislead you; I have no reason to. Once again, this book is a collection of the best ideas and methods that I have come across and used in my ten years of professionally teaching the martial arts. Use them, and you will meet with success, I can assure you of it.

So, when I tell you that owning a small studio is better than running a large mega-studio<sup>1</sup>, you can take it to heart that I know this from personal experience. But, I don't want you to think that my way is the only way to be successful; it isn't. With regards to other methods and approaches to school management that encourage you to open a large studio, to enroll as many students as you can cram into it, and hire a large staff to run things, I am not going to lie to you and tell you that there aren't people in this industry

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<sup>1</sup> Just to clarify what I mean when I say “large studio”, I define a large studio as being over 3,000 square feet and having more than 300 students.

that are making money that way. In fact, I will tell you that there are people in this industry who are making a great deal of money using those methods. But, those people are few and far between.

My experience, education, and observations have taught me that having a large studio makes it much more difficult for an inexperienced studio owner to succeed. I know that may sound backwards to you, because many of you who are reading this have been conditioned to equate size with success, but let me explain. You have to do a lot more work in a large studio, and you have a lot more headaches. Running a large studio requires much more operating capital and manpower to run, which will cut into your profit margin. Large studios require that you hire and train employees, and that brings a whole list of issues into the mix that you don't need at this juncture.

I admit, if you are an exceptional leader, with above average management, marketing, and organizational skills, then you will most likely do extremely well and be highly successful running a large studio. But, if you are like most of the martial artists I know and currently only possess average skill and experience in these areas, you are much better off starting small and learning how to get the most out of a modest studio operation, instead of trying to become a martial arts tycoon before you have gained the experience or know-how to successfully run a large business.

### **Pareto's Principle**

There is a principle in business called the Pareto principle, which was first discovered by an Italian economist named Vilfredo Pareto. Pareto's principle states that 80% of your results will be derived from 20% of your efforts. My advice to those who are just starting out is that you stick to the methods I present in this book until you can do them in your sleep, because 80% of your business success will come from knowing and applying these basic principles of business management.

I would also like to add that if you apply Pareto's principle with regards to the issue of school size and enrollment you will find that you can easily achieve 80% of the financial success of a large martial arts studio with only 20% of the resources they expend. Think on that concept as you read through this manual; it will save you a good

deal of stress, frustration, and disappointment if you learn to apply that simple concept in your martial arts business.



## **Introduction:** **Why I Wrote This Book**

This book was specifically written to be a step-by-step guide for opening a martial arts studio. And, although it was written with the newcomer in mind, there is much of value for the seasoned studio owner within these pages as well. I labored long and hard in writing this book, and make a sincere effort throughout to provide a complete system for opening and operating a successful and profitable martial arts school. Whether you are just starting out or you have been in business for some time, you will find something of interest and value within these pages.

Unfortunately, many of us that got started in this business over the last few decades never had a manual such as this one to guide us on our journey. And, although there is now a plethora of information on the subject of running a martial arts studio, much of it leaves something to be desired with regards to the application of ethics and sound business principles. For your benefit, I will explain the reasons for this, as I see them, in great detail over the next few pages. Hold on to your hats, folks, because this is going to be a bumpy ride...

### **Like Sheep to the Slaughter**

Contrary to what you might think, there really aren't that many martial arts studio owners turning a decent profit these days. As a person who has been directly involved in running a studio for the last decade I can tell you for a fact there are a lot of martial arts studio owners who are struggling to make ends meet, despite what you may have read in the magazines or heard at the conventions. Quite frankly, it is my strongly held opinion that this can be directly attributed to the abundance of bad business information (or *misinformation*, depending on how you look at it) floating around today in our industry.

If you disagree with me, I invite you to go to any martial arts industry seminar or workshop and listen, I mean really listen, to the presenters. By reading between the lines and comparing what they say, you will find that much of the time they contradict each other, give their audience information that is untested and untried (*"Sure I'll come speak at your event, I need some fresh guinea pigs that will be willing to try my new untested*

*marketing idea out for me!*”), and generally give advice that works to their benefit, not yours (“*Of course you need to teach Combat Para-Military Hand-to-Hand Killing Techniques of the Latvian Special Forces in your studio! Did you sign up for my certification class later? It’s only \$249 per person, this weekend only!*”).

Sadly, few of the big names in our industry are looking out for the little guy, the one who doesn’t want to own a 500, 750, or 1,200 student martial arts super center with a staff of twenty and yearly overhead expenses that could put the entire nation of Lichtenstein through Harvard. The reason for this is simple: the big businesses that service martial arts schools realized a long time ago that the bigger operations generate more profit for their firms.

Let me qualify that statement. Specifically, the billing companies make more money if a studio has more students to bill; the equipment suppliers make more money if there are more students to buy their wares; and the consulting companies make more money if schools have more staff members to attend their business training seminars. So, the big players in the industry are more than happy to propagate the belief that “bigger schools are better.” As you will observe, it is my strongly held opinion that embracing this idea is perhaps the worst mistake a studio owner can make.

You see, this concept was continually crammed down my throat during my ten year career as a professional martial arts instructor and school owner. Yet, I always had nagging suspicions that something about the idea just didn’t add up. In every instance that someone tried to convince me that running a larger studio was the only way to go, I always came back to the same two questions:

1. “What are the benefits of having a school of over 300 students?”
2. “Is it possible to teach a quality martial arts program on that large of a scale?”

In answer to the first question, I have found that the answer generally relates to holding bragging rights among the billing company suck-ups, and has little if anything to do with having a better quality of life. Hang out around school owners that use the big billing companies for a while and you will begin to notice that they are very “cliquish,”

and the atmosphere is a lot like being back in high school because everyone wants to be with the “in” crowd.

Overall, it boils down to this: the more money you make for the martial arts billing companies, the more attention you get at their events and in their publications. Basically, if you have a school with a certain number of students that grosses a certain amount of tuition collections per month you will soon be in the “inner circle” with these martial arts billing and consultation companies. Wisely, the billing companies have figured out what corporate America has known for a long time; people will work much harder and go to greater lengths for peer recognition than they will for solely monetary rewards.

But is that really the measure of our success, bragging rights to who has the most students? Ask around among people who are running operations of 500-plus students, and you’ll soon find that they aren’t making that much more money than the guy or gal who runs an efficient 250 student school – *yet they are working twice as hard!* This stands as a clear and shining testament to the validity of the economic principle known as the Law of Diminishing Returns<sup>2</sup>.

When the economy goes sour (and it will again, eventually, as we know from observing economic trends) and students start dropping out by the droves, who do you think will survive? Will it be the guy with the 8,500 square foot studio that has monthly overhead costs to match the gross national product of a small Third-World country, or the little guy in the postage-stamp school who makes a tidy profit every month by keeping his overhead and expenses to a bare minimum? Yet, you’ll never hear a billing company staff member tell you that it is in *your* best interest to keep your school both small and lean!

As far as the second question regarding school size is concerned, my experience and observations have led me to the conclusion that the answer is generally “no”, with some rare exceptions. You simply cannot maintain world-class quality on a large scale. Just look at the fast-food industry and you will see a prime example of this axiom. Sure,

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<sup>2</sup> Which basically states that as a business seeks to increase its level of output by investing more of its resources (land, labor, money, and good-old-fashioned business know-how) into production, at some point its return on investment will begin to diminish and it will receive ever-decreasing economic benefits thereafter.

they have efficient methods of making and serving their food but the best thing you can say for their quality is that they are, without exception, consistently bad. Now, think about how this relates to the quality of martial arts that you desire to pass on to your students. Do you really want to be forever known as the instructor who founded “McDojo International?”<sup>3</sup>

On a related topic, I strongly hold to the belief that not everyone is cut out to be a Black Belt. But, achieving Black Belt is the “carrot” that the industry suggests we dangle in front of our students to keep them coming to class. As you might have guessed, many school owners have found this to be a double-edged sword. To keep retention high, you have to entice your students with the reward of achieving ever-increasing rank (think back a few paragraphs to what I wrote about peer recognition), yet, in order to retain a clientele made up of larger and larger segments of the population you must in some way compromise the necessary performance standards required to earn that rank.

I can hear the protests already, so let me explain exactly what I mean. For example, you can’t expect the average eight-year-old to be able to learn long and complicated forms or to understand and verbalize the deeper philosophies that underlie the arts. You shouldn’t expect a 90-pound co-ed to be able to fight full-contact for three hard rounds with 200-pound men in the sparring ring. And you certainly can’t expect a 55-year-old sedentary office jockey to be able to perform jump-spinning hook kicks and a center split.

I realize that these examples may not be indicative of your style or system. But, I am fairly certain that there *are* aspects of the martial arts style you practice and teach that are considered to be standard fare for Black Belts in your system, and which some segments of the general population could not be reasonably be expected to learn or perform.

Am I making sense now? You say that you can see my point? Good, because I was starting to wonder about you...

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<sup>3</sup> When I ran my studio and my students would come to me and ask how it could be possible that their friend so-and-so got his or her Black Belt in only eighteen months, I would often say, “Oh, they received instruction in fast-food martial arts: it’s quick, it’s fast, and it’s convenient, yet it doesn’t really sit well in your stomach!”

## Let the Truth Be Told

Getting back to my concerns regarding the advice being given these days in our industry, we must first consider the source. As you may already be aware the number one source of business advice in our industry comes from the (*drum roll please*) martial arts billing companies. These are the folks who are going to give you the “rah-rah-rah!” song and dance at their conventions and pat you on the back when you send in a bunch of new contracts to them, but be advised – their hands are in *your* pockets every time they shake your hand and give you a “high-five.” As I stated earlier, it doesn’t take a rocket scientist to figure out that the more students you have, the more money they make. A good number of them have no compunctions about giving you a lot of poor advice and questionable guidance just so their CEO can make the payment on his waterfront home in Palm Beach. (I’ll return to this topic later in Chapter 3: “Listen to the Right People.”)

The second largest source of business information in our industry comes from the equipment vendors. Big surprise here, they also make more money if you have more students. As you can imagine, I think that equipment vendors should keep their nose out of the profession of advising martial arts school owners how to run their businesses. However, their good points do outweigh their bad; I’ll speak more on that in a minute.

The third major source of business information for the would-be martial arts school owner comes from the magazine publishing industry. Although I am ever grateful to these publications for their continuing coverage of news and trends in the martial arts world, over the years they have been guilty at times of printing articles on martial arts business practices that have been, shall we say, less than noteworthy. Usually, it’s the smaller martial arts periodicals that are to blame, but I have seen a few poorly researched articles on the subject in the larger publications as well.

In all fairness, I will offer the caveat that these magazines don’t intend to disseminate bad information – it just kind of “happens.” Let me paint you a picture. Mr. Editor over at XYZ Martial Arts Magazine has to sell ads in order for his magazine to turn a profit. In order to sell ads, his magazine has to have a sizable readership and impressive circulation numbers in order to attract potential advertisers. But, in order to attract a variety of readers and subscribers, he has to have lots of content in his magazine,

every single month. In short, this poor editor needs content to fill the pages of his magazines, or he'll be out of a job before you can say "side kick!"

This means that if a writer submits an article to a magazine, so long as it covers subject matter with a widespread appeal, is written with a fair regard for accuracy in grammar and style, and is somewhat informative, it has a fair chance of getting published. Never mind if it is a business article authored by someone who has never had more than twenty students enrolled in their programs at one time, who has never owned a school nor even been employed in a professional martial arts studio; if it's a well-written article, it will probably get printed.

### **But, Things Are Not as Bad as They Seem...**

Now, before you go out and tell everyone that I'm a negative martial arts industry-hating grouch who is down on everyone and everything, let me make an important statement to soothe your tender-touchy-feely p.c. sensibilities:

***Fact: We wouldn't have a martial arts industry without the billing companies, equipment vendors, and magazine publishers.***

Well, at least, not on the scale that you see today. Sure, movies like *The Kung-fu Kid* and *Crouching Panther Hidden Gecko* are sure to drive students into martial arts studios – for a short while. But these fads soon die out, and we, the studio owners, are left trying to figure out why people aren't coming by the droves into our schools asking to learn how to fight in "bullet-time" like they were last summer.

You see, the equipment vendors and magazine publishers help keep the momentum going for us studio owners by working to keep our industry in the public eye. Love 'em or hate 'em for doing it, but who would have thought that you would someday be able to go down to your local sporting goods retailer and find sparring gear and martial arts uniforms on the shelves? Also, can we ignore the influence that the martial arts magazines have on our studio enrollment? And, lest I forget, the big martial arts billing companies whose praises I will **NOT** sing in this book **were** actually responsible for bringing at least some semblance of standard business practices to the martial arts

industry. So, even though I think that for the most part they are the Pied Pipers of our industry, the billing companies have helped to bring us out of the stone ages and into the 21<sup>st</sup>, err, the 20<sup>th</sup>, okay, we'll just say the 19<sup>th</sup> century. But don't think that I am letting them off the hook...

### **Acquiring the “Small Dojo, BIG Profits!” Mindset**

If you wish to survive in today's economy, you cannot afford to follow the herd and rely on some industry “expert” to tell you what is best for you and your business. You must instead be smart, whip smart, and willing to go in the direction that your heart and good sense tell you to go for your own well-being. In addition, you have to apply common sense and use good business practices when dealing with the decisions that will make or break you in business.

Or, stated simply, you have to get into what I call the “Small Dojo, BIG Profits!” mindset. The “Small Dojo, BIG Profits!” mindset is not about having the largest, fanciest, most extravagant studio; it's not about having the most students; it's not even about making the most money. Instead, it is about deriving maximum financial benefits from minimal financial expenditures and labor outputs. It is all about keeping your costs and workload down to a bare minimum while maximizing your gross incomes in order to ensure that you are reaping the very highest levels of net profit and other benefits from your business.

#### **Important Point:**

- ✓ **The simplest way to become successful in this industry is to start a small, highly profitable studio that you can run on your own. Remember, keep it small, and keep it all.**

In order to teach you this mindset, I have gone to great lengths to make this manual as complete as possible. I have done my absolute best to share what I learned in my ten years of running a studio and teaching professionally; the same approach that allowed me to earn a comfortable living while averaging an active student count of only

150 students<sup>4</sup> and working just 25 hours a week on average in my studio. In this book, I will teach you this approach so you can make a very comfortable living just like I have, without all the long hours, hassles, and headaches that go with having a huge 300+ student studio. In addition, you will learn the truth about being successful in the martial arts industry, and you may even redefine your own idea of what success means along the way.

However, accomplishing this task will require that you commit to having both a positive attitude and an open mind while you read through this manual. You are going to have to “empty your cup” and forget much of what you have been told about what defines a successful martial arts studio. In doing so, you can rest assured that I do care about your success, and will only advise you to do something if it has worked for me. Rather than give you a bunch of ideas I read in a book somewhere, I am going to tell you exactly what myself and others have done and are still doing to achieve great success in running our martial arts studios while avoiding unnecessary work and risk.

But just reading about these strategies is not enough; you have to be willing to get out and implement them to your benefit. As others have said before, it is not the acquisition of knowledge that gives you an advantage in your endeavors, but instead it is the dutiful application of the knowledge you have gained that will ensure your success. Therefore, I recommend that you study these ideas and concepts carefully; until they are imprinted in your memory, so that implementing them will become a reflexive habit for you.

### **My Advice to Those Who Are Just Starting Out**

In addition to reading this book, I want you to do some additional research before you start your studio – go out and interview school owners that you know, introduce yourself to the ones you don’t know, network with their associates, ask them how they do things, what works for them, what their budget and profit-margins are like, etc. Read books on the topic, then read, read, and read some more. Listen to tapes and CDs on

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<sup>4</sup> While some of you may laugh, anyone that knows me will tell you that I never really wanted more than 150 to 200 regular martial arts students; to me, it wasn’t worth the extra work and effort. I mean, why work twice as hard for just a fractional increase in pay? I will talk more on this subject later in the book.

general business and success topics<sup>5</sup>. Take some classes and seminars in business and management at your local college. Go ahead and attend the industry seminars, while filtering what you hear through your best B.S.-detector. All of these efforts will add up to ensure that when you do open your school, you won't risk your success by falling for some fad or trend, or by listening to bad advice from the wrong people. In short, I want you to *learn to think for yourself*.

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Quite honestly, if you work hard enough and apply what you learn, it almost doesn't matter whose advice you follow - you *will* be successful. However, if you listen to me, you'll be successful *and* have time to enjoy a life outside of your martial arts studio...

Best of Success,

Michael D. Massie

"I praise you, Lord! You are my mighty rock, and you teach me how to fight my battles." - Psalm 144:1, CEV



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<sup>5</sup> I highly recommend that you purchase some of Brian Tracy's personal development materials at his [website](#). Mr. Tracy is a martial artist and one heck of a great speaker, not to mention that he is an absolute expert on achieving success. Don't start your business before you study his materials!

## **PROLOGUE:**

### **WHO THIS BOOK IS WRITTEN FOR**

#### **First, Who This Book Is NOT Written For**

First, let me tell you who this book *IS NOT* written for. This book is not for the close-minded, the brainwashed, the gullible, nor is it for those without a sense of humor or who take themselves too seriously. This book is not written for the industry puppets that are compensated handsomely to endorse less-than-ethical companies and substandard products. Nor is it for those who promote their students to Black Belt in a pre-determined period of time regardless of their knowledge, skill level, or performance.

It is not written for the 25-year-old who promoted himself or herself to 10<sup>th</sup> dan, or who touts themselves as a self-appointed *soke, shihan, hanshi, dojunim*, grandmaster, or any of the myriad ridiculous titles being used these days (“supreme great grandmaster” comes to mind), nor is it written for the many who become founders of new martial arts “systems” after only five or ten years of training a few hours a week. It is not written for anyone who flat out *WORSHIPS* their instructor (or anyone else for that matter), nor for any of those spineless souls who obey the senior people in their style or system with unflinching and unquestioning compliance, regardless of the impact their decisions and actions have on others. Nor is it written for those power-hungry “masters” who use suggestions and inferences of their supposed mystical *chi* powers, their high rank, or their position of influence to manipulate the minds of their students for their own ego’s sake (or in order that they may lead them down the path of lightening their wallets instead of enlightening their minds).

In short, if any of the above applies to you, then you are a knucklehead, and this book is not for you. Put it down right now, or shut off your computer, and walk away before reading it gives you a stroke (on second thought, keep reading – maybe you will have a stroke and we’ll be left with one less knucklehead in our industry).

### **Who This Book Is Written For**

Now, let me tell you who this book *IS* written for. It is written for the instructor who has been struggling to make ends meet, working a full-time job while trying to keep their studio open. It is written for the person who teaches at the local recreation center because they love working with kids, or battered women, or the elderly, or just plain teaching people period, and who has serious dreams of owning a studio someday.

It is written for the person who has suffered ridicule from their family and friends because of their decision to teach the martial arts as a full-time profession. It is for anyone who has ever been told, “You can’t make any money doing that!” as well as for those who are simply tired of being told “you can’t...” by their friends, family, and co-workers.

This book is also written for those school owners who keep beating their heads against the wall, wondering why they can’t get their enrollment up to 500 students in a single location like the “superstars” who are on their billing company’s board of directors. Or, in an even worse scenario, it is written for those who are making less **net** profit, or much lower profit margins than they were before they hired their billing company because they actually did reach the 500 student mark, or because they took their billing company’s advice and opened multiple locations. And, let’s not forget those who suddenly find that they have no life outside of their studio because they are spending all their time managing a huge enrollment and/or multiple locations.

It is also written for school owners who are tired of the exorbitant fees that martial arts billing companies charge, which are generally five to ten times higher than the standard in other similar industries. It is written for those who have been flat-out lied to and misled by the martial arts billing companies and their in-house consultation firms, and it is for those of us who just can’t bring ourselves to implement the sales tactics and marketing tools that the martial arts billing and consultation companies have suggested we use, because we find them to be unethical and just plain distasteful.

And finally, it is written for those who have crossed over to the “dark-side” by doing everything their billing company told them to do, implementing bait-and-switch, high-pressure and hard-sell tactics in their studios, but yet who have at least retained a

small shred of decency (or common sense) and want to come back over to the good side of the “force.” I have “been there, done that” and I know what you are going through.

If any of this applies to you and your situation, I hope you enjoy this book.



# Chapter 1: “Are You Crazy? You Can’t Make Money Doing That!”

*"Keep away from people who try to belittle your ambitions. Small people always do that, but the really great make you feel like you, too, can become great."*

**- Mark Twain**

## **Save Us from Those Who Would Save Us: The Dream-Stealers**

“Are you nuts? You can’t make a living teaching the martial arts!” Boy, if I had a dollar for every time someone told me that, I’d have the down payment on a new Mercedes. I remember when I first decided I wanted to teach the martial arts as a profession. I was a typical teenage martial arts junkie, at the *dojo* four nights a week between my own training and assisting my *sensei* (really, I would have been there more often, but it was only open four nights week). I wanted to be a Black Belt so bad I could taste it, and my dream was to someday open my own studio and teach karate for a living.

Before I was able to test for *shodan*, however, my family circumstances changed and I moved to South Texas for a while to live with my relatives. Finding a place to train was no problem, but I would have to switch styles back to *tae kwon do* from *Shotokan* and train at my old instructor’s school, which really didn’t bother me; he was a talented instructor and I respected him a great deal, so I was more than happy to continue my studies with him. Unfortunately, that’s when the “dream-stealers” showed up.

## **The “Mushroom Mindset” among Martial Arts Instructors**

Amazingly, it started with my *tae kwon do* instructor of the time, a guy we’ll call Gary. I have to say, I have never seen someone who was so talented yet so insecure and with such a low self-image. Gary was constantly putting other instructors down in order to boost his own ego and to improve his standing with his students, which in hindsight was a really tragic thing to witness. Never mind that the guy was so darn *good* at what he did that his students would have thought that he walked on water no matter what he said. Some folks just don’t know what they got, you know?

Now, I don't have a problem with calling a duck a duck; if it walks like a phony and quacks like a phony then it's a phony. However, Gary just had to knock all of the other instructors around town and everything that they did. If they competed in certain tournaments, he criticized them; if they did flashy demos, he criticized them; if they wore colored uniforms instead of plain white ones, he criticized them - he basically criticized everything except for what he did in his own school. And, surprise-surprise, Gary was especially sensitive to the actions of the guy who had the most successful school in town; in fact, he probably spent more time criticizing this guy than he did anyone else.

Now, before you start thinking that Gary was a total jerk, let me give you a little background on him and his relationship with the people he trained under, because they were some real doozies and probably the source of Gary's bad attitude toward other instructors. For one thing, no matter how well you knew these guys, they had a strict policy of "no testing fee, no promotion." I mean, these guys were stingy with rank; a person might wait years and years to be promoted under them, unless they had enough money to test. Not that I think anyone should give rank away for free, but there are other ways of paying for a rank promotion, such as by displaying loyalty and commitment to your instructors, which Gary had shown abundantly.

Yet, instead of promoting Gary to a higher rank as a reward for his hard-earned skill and knowledge, they instead convinced him that he was incapable of testing and promoting his own students, presumably so they could be assured of keeping all the money there was to be made on ranking those students. My best guess is that because of the indoctrination Gary received from his instructors, in his mind, it was okay to make money teaching the martial arts, but you just couldn't make *too much* money unless you were a "real master instructor" (whatever *that* means). Since this other guy in town didn't fit Gary's idea of what a "real" martial arts master was, in Gary's eyes he was a fake and didn't deserve the money he was making at his studio.

As you might guess, Gary passed his co-dependent mindset on to his students. And that's how I started to become indoctrinated into one of the biggest philosophical lies that ever disgraced the martial arts world. Of course, I am speaking of the stupid and totally unfounded idea that, unless you are a super-high-ranking master instructor (or

Asian<sup>6</sup>, which of course *automatically* qualifies you as an expert, *wink-wink*), a martial arts instructor should never, ever, ever become wealthy from teaching the martial arts. I mean, heaven forbid that a second or third degree black belt would actually get paid well for sharing their hard-earned knowledge and experience with others. Instead, according to this philosophy, lower-ranking martial arts instructors are supposed to kow-tow to their “masters” and teach for free (and preferably at their instructors’ studios). What a load of horse hockey!

As ridiculous as this may sound to some of you, to this day I continue to meet experienced martial arts instructors who not only accept this type of treatment from the people they train under, they also inflict the same backwards thinking on their own black belts. Or, to use an old cliché, they “treat them like mushrooms, feeding them crap and keeping them in the dark.” Certainly, this begs the question: “Whatever happened to empowering people through the martial arts?” Yet, I digress; let’s get back to my early adventures in overcoming the “dream stealers.”

### **Important Point:**

✓ **Your rank has nothing to do with your income.**

### **So I Decided to Open My Own Studio...**

It would be years after that experience before I got that stupid idea out of my system<sup>7</sup>. Even more dream-stealers showed up a few years later when I was in college. Incidentally, I ended up attending college just to get my parents out of my hair, which was why I joined the military as well. At the time, neither the military nor the college environment offered what I really wanted – a career teaching the martial arts. However, I chose the path of least resistance, rather than hear my family complain about how I was

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<sup>6</sup> Nothing against Asians; I am the farthest thing from prejudiced, being of an ethnic background on my mother’s side. I am, however, constantly amazed at the way some Westerners will take severe mistreatment from their Asian instructors when they would never take that type of treatment from another Westerner. You know, it’s that old “Kwai Chang” syndrome – the Asian is always an expert, so whatever he or she does, it must be good for the student!

<sup>7</sup> Thankfully, I eventually figured out that all good martial arts instructors deserve to be paid well for sharing their knowledge with others. Anyway, I’ll talk more on this later in Chapter 8 when we discuss pricing your services.

“wasting my time” on all that kung-fu malarkey. After getting out of the military in '92, I let my friends and family convince me that I should go to nursing school, because nurses were in high demand, etc. To this day, I have tremendous respect for nurses, don't get me wrong, but I was miserable in nursing school. I dropped out in the first semester, despite earning straight “A's” in all my classes.

When I made the announcement that I was going to open a martial arts school, I got nothing but blank stares and a bunch of “are you stupid?” looks from my loved ones. Never one to be deterred, I promptly went out and found a vacant storefront location in nearby town where no one was teaching the martial arts, dumped several hundred dollars into paint and building supplies to fix it up, spent three weeks or so working on the place, and then allowed<sup>8</sup> my friends and family to discourage me out of actually opening the doors to the public. The score was now Dream-stealers, 2; me, 0.

To everyone's amazement but my own, the urge to become a full-time martial arts instructor never left me. In fact, I only managed to hold it back for about a year or so. Finally, in February of 1994, I quit my near-minimum wage job in the healthcare industry and left my girlfriend and everything I knew behind to pursue a career teaching the martial arts in Austin, Texas. My family and friends pretty much freaked out, and my girlfriend at that time was quoted to me as saying, “*What is he thinking? You can't make any money doing that!*” Despite the many protests at home, with only \$50 in my pocket, an old broken-down car, what few belongings I had that fit in the car, and the name and address of Gary's instructor, I took the leap for good.

The original plan was that I would help Gary's old instructor to launch a new school in North Austin. That plan didn't last very long. Let's just say that I had some real philosophical differences with that guy as to the ethical standards martial arts instructors should uphold (like I said, these guys were some real doozies). Not wanting to be involved in someone else's scandals, I got a job working nights at a gas station and soon moved on.

After a few weeks, I worked out a deal with the community education office in a nearby town and started teaching in the elementary school gym two nights a week.

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<sup>8</sup> Notice the language here – I take full responsibility for being a quitter. Nowadays, however, if someone tries to take the wind out of my sails, I simply turn right around while they are in mid-sentence and walk off, and you should do the same. Life's too short to put up with that type of BS.

Finally, I was getting paid to teach my own students, and I was on cloud nine. For the first time in my life, I had beaten the dream-stealers.

But, that was just the beginning; little did I know that there was a lot more to becoming a successful professional martial arts instructor than just securing a location and showing up to teach. It would be three more years until I had the financial resources, business acumen, and know-how to open a full-time location. In fact, what I learned in those three years makes up the bulk of what I will cover in this book.

The great thing for you is that it won't take you three years, or even three months to learn what you need to know to open your own studio. I am going to lay it all out for you, so that by the time you finish reading this book, you will know exactly what you need to do to become successful in the martial arts industry, *without* compromising your morals and ethics and while still having a life outside of your studio. You get to experience all the benefits of being able to implement the lessons I learned during that difficult time period, without having to slug through the mud and muck like I did to learn them.

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**Important Point:**

- ✓ **Learn from the mistakes of others to accelerate your own journey to personal success.**

Are you ready? Let's get started!

