

Living the Martial Arts Lifestyle

# DOJO-DIGEST

AUGUST 2010

Washington DC's **Tu Le** runs a  
Multi-Million Dollar Business;  
He's **Only** 28 years old...

## Is This The Future Of Martial Arts?

**Also in this issue...**

**Who Are You, And  
What Do You Stand For?**

by Randy Reid

**Breaking Into The  
Public School System**

by Shawn Fargen

**Simple But Effective Stats**

by Korbett Miller

**Academic All-Star Program**

by Randy Holeman



# Is This the Future of Martial Arts?

By Randy Reid

**Could this be true?** It seems like we always hear about the next big thing, or how some owner is signing up half the civilized world with a single newspaper advertisement. Rumors are part of our martial arts community. We've all heard them. So when I heard about some guys in Washington D.C. that were setting records and having huge success, I jumped the next plane and went to see for myself. I had heard rumors about how successful these guys in D.C. were, and how they had done it in only about five years (growing from a single school to five schools over the past 4 years, and, as we all know, when it comes to rumors, they're usually BS. I traveled to DC with Florida school owner Ric Martin to have a look. It was a very inter-

esting trip....

We arrived at the TopKick location in Kings Park, which is just outside of Washington D.C. We were immediately greeted by TopKick's smiling and friendly front desk staff. The school was bright, upscale, and immaculately clean. Soon, the owner of the school, Tu Le, (Pronounced: Two Lay) appeared and greeted us warmly. He proceeded to give us a tour of the 5000 square foot facility. It became evident very quickly that Tu Le wasn't your average 28 year old school owner; especially one who is this successful. This is a very mature, focused and humble young man. Not three words you usually hear

together when young people prosper in business. I would become even more impressed before the trip was over. As he gave us a tour of his school, he explained not only how the school was designed, but also why the school it was designed the way that it is. Everything in the school is designed to allow for maximum efficiency from the instructors and staff. And it works; man does it work! The school is on track to hit 1.3 million dollars in 2010. That works out to over \$260 a sq. ft in gross sales!



This is definitely not your average martial arts school. Then I found out they have four more schools that are on the same trajectory or higher, I had lots of questions for these guys...

After hearing their sales projections, it was time to get down to the business of figuring out how these guys are doing such great numbers. Over the years, I have had the pleasure of visiting hundreds of martial arts schools and meeting the owners. Whenever I visit a school, most owners are courteous but somewhat guarded. It seems like the more successful they are, the more guarded they become. It was a little different with Mr. Le. First, he pulled out his curriculum manual and showed us not only what they were teaching, but how they were teaching it. "Here's how we do our staff training rotations," he said as he opened their staff training model. Then we proceeded up to the front desk and he explained the front desk daily operations manual. "This is the heart of the school," he explained. At this point, I was trying to get my photographic memory to work, (but those brain cells sailed away with my ill spent youth...). Then he had us pull up a chair and turned to the computer. He then went through each of their software programs and demonstrated how they are able track every aspect of their business. He also showed us his numbers for the year and the projections. After that, he demonstrated their great tracking

system which employs a conveyor belt "member service" type process through a series of with systematic actions in each of the tracking folders. At this point I'm wondering if he knows I write for a magazine and I'm going to tell everybody about this...?! Next he pulled out a folder with tuition rates for the programs they offer, the available payment plans, brochures and introductory information for parents. I started trying to figure out how to signal my travel part-

***This simple policy of easy access to their information says much about the philosophy of the owners of TopKick.***

ner Ric to create a distraction so I could deftly slip this jewel of information secretly into my briefcase...but Ric had a better idea: "Could I have one those folders?" he asked. I waited to get shown the door when Mr. Le said "Sure, here ya go. We give these info packets to everyone who comes in." So then I had to add my weak "Could I have one too?" and I was promptly handed my copy. I decided I really like this guy...

This simple policy of easy access to their information says much about the philosophy of the owners of TopKick. They believe in being open and honest with everyone and most of all being straight forward with their potential

students and staff. They are upfront about their tuition rates. They have built their company to make things as comfortable, fair and easy for student's to join and complete the programs. They take great care to make the initial contact with prospects as painless as possible and to break down any barriers to entry into the school. They are happy to reveal their rates over the phone and they offer a simple 30 day EasyTrial™ program. "This EasyTrial™ or soft"test drive" approach to our schools allows us to establish the environment for a win/win relationship between us and the member," says founder and president of TopKick Martial Arts. John Cassidy. After the first phase of the EasyTrial™, they have many a bunch of flexible options for the students, including a no-contract program called the "Flex Plan". They don't push for cash, they don't hard sell anybody, and most of all they let their program speak for itself. But I thought only schools that did big cash outs on six different upgrade programs make big money? Don't good guys finish last? Could there really be a business model that believes in selling with integrity that still makes great money? (I mean really great money!) Let's find out...

They make an unlikely pair: the tall, late thirty something, lanky, American born John Cassidy and his student/multi TopKick school operator, the un-tall 28 year old Vietnam born, Tu Le. With John at the

lead of the TopKick Martial Arts organization, Tu Le as his top licensee, them along with the other owner/operators and team members, have built the hugely successful TopKick Martial Arts chain of schools in the Washington D.C. area. In fact, they may be the future of martial arts. It appears they have found a great combination of programming, marketing and most importantly, spot on business systems that can almost assure success. And add to that the fact that their business systems, business culture and over-all philosophy is a refreshing and welcome breath of fresh air for our community, and you have some very special people. They have done a wonderful job of blending the old martial arts traditions of integrity, humility and honesty with high level, very tight business systems. And the results have been spectacular. They are poised to reach gross sales this year of four million dollars from their five schools. With profit margins at the locations in the 30-40%

range as a target, in just six years they have built a great business where several of the TopKicks are doing just that and the others are well on their way.

We had our first informal meeting over dinner. We had a great time, talked a little about their business, shared stories and a couple of beers. You can tell a lot about a person over dinner and a beer or two. The impressive part of the evening was that whenever the conversation turned to business, the two major points were providing for their staff and students. There was never a mention of a bigger house, the latest sports car or a new Rolex; although these guys are more than capable of writing the check and being good consumers. Whenever business came up, they spoke of their desire to provide absolutely the best service possible. "I act like if we don't do a great job, all my students are going to quit tomorrow," said Le. John added: "We want to be able to build a system that will provide the opportunity for our staff to grow and have a great future." The more we talked, the more I realized these guys are just good old fashioned martial arts guys who happened to put together a world class operating system for martial arts schools, and they did it for the right reasons. They really want to do the right thing. The night came to an end and the check came. John reached first (which was easy because I was sitting on my hands) and paid

the check. Free food and beer, Now I'm really starting to like these guys...

The next day John and Tu were busy, so I asked if they would be able to meet again before we left. "Sure, we can meet at 6:30 (am) for breakfast," said John. That's 5:30 am where I'm from...I knew I would have to resort to the two tools all writers need when faced with early morning interviews; coffee and a voice recorder. What follows is a great insight into a couple of owners who just might change the way martial arts business is run:

DD- Good morning Gentlemen, first let me say, most martial arts guys don't have meetings at 6:30 am on a Saturday!

John: Actually we have most of our meetings at this time of day. It gives us plenty of time to get through whatever we are working on at the time.

DD-Speaking of working; just how were you able to build such a successful group of schools in such a short time?

John-Well, I had taken over one of my instructors schools and ran that for a while. I wanted to improve my business so I read the book the "E-Myth" by Michael Gerber along with many others. I was in constant pursuit of learning more whether it was at seminars or conferences in or out of the industry. I tried to make learning an integral part of what I was doing.

DD-Yes, that was a very popular book a few years back.



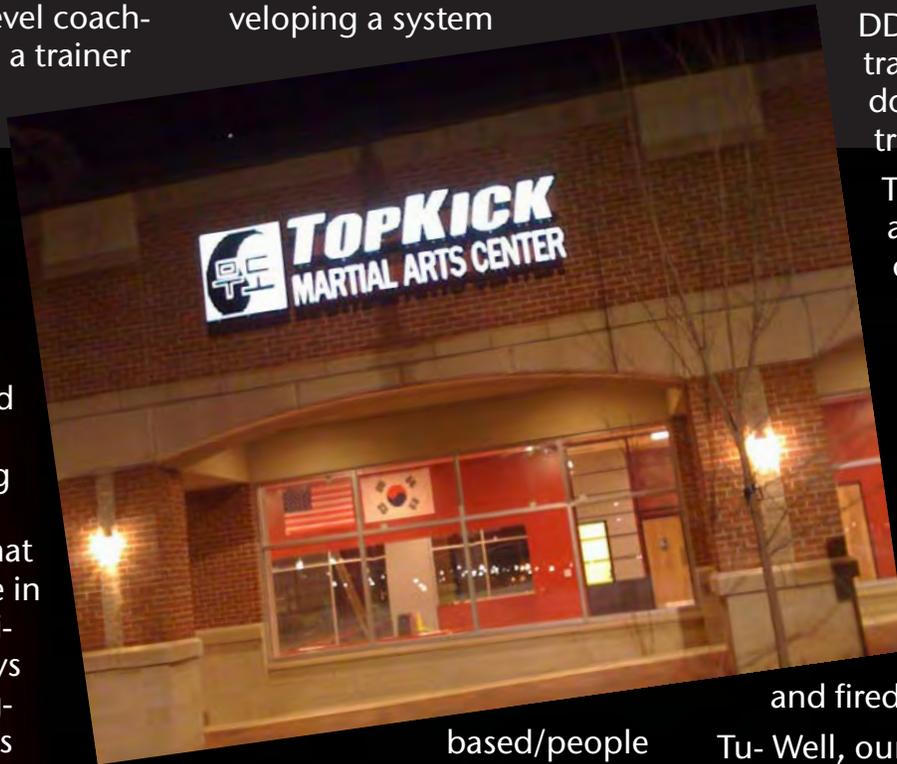
What did you learn from the book?

John- I learned I had a long way to go to run my school like a real business! It seemed so fundamental but so far from what I was doing. So I explored E-Myth further and joined their top level coaching program, had a trainer assigned to me and spent the next three years focused developing systems for several aspects of running my schools. That was in about 2005 and it is still a work in progress. In going through that program, I learned that as long as you are in business, the business should always be a work in progress. I think that is where a lot of school owners have issues. They just settle or use excuses for limited growth. I believe that if your business is not growing, it is dying. A recent book that I got turned on to at a Leadership Summit was by Jim Collins. He was there talking about his latest book "How the Mighty Fall" and he spoke about how some businesses are slowly dying even though on the outside all looks OK. I certainly want to make sure we are assertive in trying to improve our business so we stay in the growth stage rather than internally dying.

DD-Wow, that's impressive. Like a lot of owners, I had read

the book, but most didn't take the next step and invest so much time and money.

John-I felt it had to be done. I wanted my school to run on business systems. That's how a lot of great companies operate. I felt the benefits of developing a system



based/people driven model martial arts school would allow opportunities for all of the right people within the organization. Thus, as we grow, our impact among members, which is the most important aspect of it all, would also grow. The bottom line is that I love what martial arts has done for me and many others. I witnessed this first hand so I wanted our reach to be broadened. I saw that this could only be done with good people and good systems.

Tu- The thing about good systems is that allows our staff to stay focused on providing great service. When they know what's expected of them and

are fully trained and prepared, then their personality can come out and shine. We want our staff as happy and empowered as possible so they do a great job, and that can only happen with solid systems and training.

DD-Speaking of training, how often do you provide staff training?

Tu - We average about three hours of training for our full time staff and one hour per week for part timers.

DD-I have to say, in our tour of the schools all the staff at all the locations seemed happy and fired-up.

Tu- Well, our environment is not perfect (laughter), but we truly care about our team and strive to improve and we hope they feel that from us. We try to treat them the exact same way we want them to treat our students; so we seek to provide great training for them, and then we want them to do the same for our students.

DD-Speaking of training, I saw a list of some sort on the front desk. It had the day of week at the top and a long list under it. What was that all about?

Tu-That's our daily operations list. We have every job that has to be done that day listed, and then next to the job description is the name of the person

responsible for completing that task. When they finish the task, they put their initial beside that task. These were developed by TopKick with a base template but it allows us as individual operators to make tweaks accordingly. It is like a martial arts business planner that our teams work out of.

DD-What if they don't complete a task?

Tu-Then the front desk person circles the task with a yellow highlighter. With that system, just a glance can tell me if everything in my school is being done.

DD-Do you see a lot of "yellow circles?"

Tu-Sometimes; usually they did the task but forgot to initial the list. We do have challenges sometimes, and that's a big part of my job, keeping everybody on the same page (literally!)

DD-That's interesting. So you have a system for everything you do in your schools?

John-We do have our systems down pretty well, but we feel we still can do better and it is always a work in progress. There's a lot we want to do, but we move kind of slow trying to make sure we are spending our time on projects that will be the most valuable to our operators and to our members.

DD – How do you do this?

John- Here's how we have been doing it: I have a Project/Idea file at my office. I add new things at least

weekly. I track it and manage where we are at and what we are focusing on at TopKick corporate. Usually, only 1-2 bigger projects are going on at once but we always have smaller items that we are working on as well to keep the school going. To ensure engagement from the operators, all ideas and projects are quantified from them. I send this list to all of them as they are on the front-line. (the same place I was for many years) This list is sorted by operational projects, marketing projects and client fulfillment projects. I ask them if I am missing anything in these three categories and if so, they can add items. I have them highlight the top ten things that they think would have the greatest impact if implemented, for TopKick corporate as well as their location. After that, I ask them to circle the top 3. Then, we take those project lists back from each Operations Manager and evaluate everyone's top 3. Generally, we are pretty cohesive in most of our thoughts but then I make the decision based on the feedback. When those are done we go back to the list and start again.

DD - That's sounds cool. How many things are on the list?

John-Right now, I think about 63.

DD-63 and you're pickin'

them off 3 or four at a time?

TU-We know what we're capable of and what we're not. If we tried to do everything at once, either the job wouldn't get done, or worse, it would get done poorly, and that's not how TopKick works.

DD - In five years, you have grown five schools and are doing four million bucks. That doesn't seem slow to me.

JC – We have grown from one to five schools in that past 4 years and most of the growth was out of the original location through senior team members moving into the owner/operator role at the newer locations. We feel optimistic about the possibilities with the exponential effect on all of the locations sprouting newer schools like our original one but we will be very careful in our approach. I have slowed down with age.

DD-So what does the future hold for TopKick Martial Arts?

JC – First, we want to always push ourselves to do a better job for our team and students. Anything we do we put them first. We still believe we can grow the revenues and operational effectiveness in our present locations as I really believe that they go hand in hand. After that who knows?

DD- Have you thought about



coaching other owners or even franchising?

John – It has been considered. We have discussed how to help provide opportunities for



our team members because we want them to grow and have a future at TopKick. As far as coaching, we haven't done anything yet; but that's something we are looking into because we have all of this infor-

mation that we know works. However, we will be careful who we partner with whether it is coaching or a fully licensed TopKick location.

DD-Gentlemen, it has truly been a pleasure meeting with you. I think you guys are absolutely the leaders in doing martial arts business the right way, and being that you're so successful, I'm excited for your success and can't wait to see what the future holds for Topkick and I'm sure others are going to follow. That was a great breakfast. Let me get the check...

Tu-NO! Please, you're our guest! (as he reached for the check...)

DD-And now a free breakfast, man, I like these guys....

**"TAKE THREE!"**

I asked Mr. Cassidy and Mr. Le: What are your top three suggestions for owners?

Their answers:

1) Aim to keep 70% of your current students this year. This is difficult, and the only way to do it is to work hard! Most owners and operators have the knowledge and know how to keep their students: Pay attention to them in class, provide free one on ones, take five minutes to schedule a "check up" appointment with parents without any intentions for upgrades or asking them to buy something. Have a conversation to just simply hear them out and judge the pulse of their student's current interest. And most important, just teach AWESOME classes! The big problem is, most people just want to make money without putting in the work. That's why they are still poor. You have to put in the work.

2) In order to perform the above, you must be able to quantify and track what you are doing. The easiest way is to print out your whole student list. (everyone who is PAYING and coming to class currently) Mark down when they are coming up for their anniversary. This way you can also know when to start zoning in on these students (not a week before they have to renew, but three months ahead of time - this is a good time to sit down for a "check up"). Tally up your total student body and figure out what's 70%. For example, if you have 100 students currently paying and coming to class, your goal is to have 70/100 of those students STILL paying you by

this time next year. Review and update this list every day! Then, by this time next year you will see how many students you kept.

3) You need to get new students in the door. Word of mouth is the best marketing and it's free; so if you are teaching an awesome program on the mats, providing members with even better customer service and a professional atmosphere at the front lobby, word about your program will spread and new students will come. The next thing you know, you are keeping more current students AND getting more new students. There are simply no easy tricks to being successful in the martial arts business. We have great success at TopKick because our business systems allow us to do the thing we love the most, and you can do the same thing. You just need to truly love your students and give them much more in value than what they pay you. This simple formula has made us very successful and will work for you.

*Randy Reid is the reluctant Editor of this fine magazine. You can reach him at [dojodigesteditor@gmail.com](mailto:dojodigesteditor@gmail.com)*

**DD**

**Don't miss  
Mr. Tu Le at  
the MASOU  
Mega-Training  
Convention!**