



IS YOUR BUSINESS GROWING OR DYING?
WHY EFFICIENCY IS KING



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INTRODUCTION



Have you ever asked yourself what your time is worth? As a martial arts school owner, it's common to monitor the overall earnings of your business, but the highly successful owners go even further and calculate what they earn every hour. Why? Because having an hourly figure provides perspective that ensures profitable business decisions.

Before you read another sentence, grab a piece of paper and complete this most essential exercise of calculating your hourly wage. It's quite simple. First take your annual gross earnings for last year then divide that number by 2080, the approximate number of work hours in a year. This will give you a rough estimate of how much an hour of your time is worth. For example, if your business earned \$120,000 last year, your hourly wage is approximately \$60 an hour.

Now that you know the value of your time, next let's think about whether you're investing your time wisely.

EFFICIENCY = PROFITS

Regardless of whether or not you're satisfied with your wage, understand that every daily activity has a direct connection to the health of your business. Is each activity helping you to increase your business profits and subsequent hourly earnings, or are these tasks actually decreasing it?

Let's take a look at a practical application in your business. Let's say you routinely clean your martial arts school and it takes you five hours per week. Those five hours are worth \$300 of your time. If improving efficiency is your priority, you can hire a cleaning service at a fraction of that cost and free up not only your own schedule, but your earning potential.

An efficient business is a profitable business. When you're spending less time on tasks that can be outsourced or otherwise streamlined, such as cleaning, you free yourself up to become more profitable. A report from The Wall Street Journal found U.S. businesses have grown their profits substantially in recent years, and the fact that they've become more productive during this period is no coincidence. The publication's report revealed companies generated more revenue per employee from 2007 to 2011 as they became more productive, indicating worker efficiency is helping companies succeed.



IS YOUR BUSINESS GROWING OR DYING?

It's a hard truth, but no business is stable. You are always in a state of change. Your business is either growing or dying, and your daily activity dictates which direction your business is headed.

Mopping floors, manually tracking student membership, sending countless emails and filling out spreadsheets may be essential to your school's operations, but are they worth your valuable time and attention? More importantly, are they helping you grow your school? Couldn't your personal value be improved by spending those hours in more revenue-producing ways?

Your company may have decent revenue numbers, but that doesn't mean it's stable. Your school has to be capable of withstanding issues such as enrollment decreases or rising operational expenses. The Bureau of Labor Statistics reveals that only half of small businesses make it to their five-year anniversary and only one-third survive 10 or more years. Sure, a business could have been profitable—even thriving—in its first year of operation, but that doesn't prevent it from having to close its doors not far down the road. Stability is not a guarantee.



DISTRACTIONS ARE A KILLER

Distractions keep us from performing at our best. They keep us from excellence. Your business is no different and is just as susceptible to revenue-impacting distractions.

Think about it. What areas of your operations create distractions for you? Let's look at a prime issue for most martial arts schools—attendance tracking. Is it important? Absolutely. Is it worth \$60 an hour per day to do? Heck no!



What if instead of marking hundreds of attendance cards each day, you were able to automate that process and free up five hours per week? In what innovative ways could you spend those additional five hours now? Maybe you could visit with the local school gym teachers and offer to host their physical education classes, talking to students about

bullying and the importance of fitness. Perhaps you could sponsor the local youth soccer league and talk to the athletes, coaches and parents about how the practice of martial arts is a great way to supplement sports performance through improved coordination and flexibility. The ideas are endless, but the point is that avoiding distractions opens your mind to other ways to grow your business.

MOST PEOPLE WON'T CHANGE

But it's not just you who's getting distracted—what about your office manager and instructors? Are they spending time manually tracking students or collecting tuition payments? They shouldn't be devoting hours to such mindless tasks—their time is valuable, too. If your employees aren't spending their time on tasks that will help your school grow, your business is at risk of losing steam.

Why are so many businesses unwilling to change up what they're doing? Sometimes it's easier to maintain the status quo, even if you know it's not necessarily the most profitable move.



Look no further than the martial arts industry to see a prime example of an industry that benefits from a long history, but one that is sometimes held back by dated processes or systems. Maintaining ancient traditions is critically important in so many aspects of a martial arts school's daily operations, but there are many age-old systems that are extremely time consuming and not always optimal for maximizing one's time.

Unfortunately, most people will choose to ignore the facts and remain inefficient and less profitable. This doesn't have to be you—you want to work smarter. Take the next step and determine how you can improve your daily processes, and thus, your hourly rate. Sure, \$60 per hour worked might seem sufficient. But can you imagine making \$75, \$100 or even more per hour? Stop spending time on things that aren't growing your business and take the necessary actions to improve your efficiency. You can't afford to waste another minute.