

# SPIDER CHART

# TRAINING MODULE



**MALTA**

Martial Arts Leadership Training Association





# MALTA

Martial Arts Leadership Training Association

School \_\_\_\_\_ Month \_\_\_\_\_

<p><b><u>New Enrollments -</u></b> _____</p> <p>Intro _____</p> <p>Appt. _____</p> <p>Cash out ____/____</p> <p>Billing ____/____</p> <p><b>Total</b> _____</p>	<p><b><u>Upgrades -</u></b> _____</p> <p>BBC _____</p> <p>Cash Out ____/____</p> <p>Billing ____/____</p> <p>MC _____</p> <p>Cash Out ____/____</p> <p>Billing ____/____</p> <p><b>Total</b> _____</p>	<p><b><u>Tuition</u></b></p> <p>Monthly _____</p> <p>Compressions _____</p> <p>Past Due _____</p> <p><b>Total</b> _____</p>
<p><b><u>Graduation Fees</u></b></p>   <p><b>Total</b> _____</p>	<p><b><u>Merchandise</u></b></p> <p>BBC Upgrades ____/____</p> <p>Other _____</p> <p><b>Total</b> _____</p>	<p><b><u>STORM</u></b></p> <p>Class Level</p> <p>Blue _____</p> <p>Red _____</p> <p><b>Total</b> _____</p>
<p><b><u>Birthday Parties - #</u></b> _____</p>   <p><b>Total</b> _____</p>	<p><b><u>Express Pass - #</u></b> _____</p>   <p><b>Total</b> _____</p>	<p><b><u>Seminars/Other</u></b></p>   <p><b>Total</b> _____</p>

**GRAND TOTAL** \_\_\_\_\_



**Overview:** The spider chart contains nine streams of revenue. This is how a martial arts academy makes their money. Each month on the 20<sup>th</sup> of the month, the next month should be planned, and each one of the blocks filled in, and total added up to yield the target gross revenue for the next month.

It is very important for us to realize that when we write down a goal, whether it is in a specific block or in the grand total for the entire month, that we write it “in blood.” In other words, we do not write down numbers in a hope. We write down numbers and by doing so mean that we will do whatever it takes as long as it is moral and legal to achieve this goal.

**Staff Responsible:** The Chief Instructor will fill out the spider chart with input from staff members.

**Frequency:** The spider chart is filled in the on the 20<sup>th</sup> of the previous month. For example, October’s spider chart should be filled out on September the 20<sup>th</sup>. On October the 20<sup>th</sup>, October’s spider chart should be re-evaluated and changed if necessary.

*SPECIAL NOTE: If the goals are not going to be realistically met, then they need to be re-evaluated and adjusted as needed.*

**New Enrollments:** The block that contains the new enrollments is the most important block on the spider chart. This feeds everything else. No matter what business model we use, we have to get new students in the door. The first line to be filled in is the goal of how many students we want. Twenty new enrollments a month are ideal. However, whatever the number, when it is written down, it needs to be taken very seriously.

*Intro:* The ratio from introduction class to enrollment should be at least 50%. So, to gain 20 new students, we will need to do at least 40 intro classes. To gain 10 new students we have to do 20 introduction classes.

*Appt.:* Appointments come from different sources. If the lead is generated by clipboard marketing or a booth, then a VIP or lead-to appointment ratio will be about 20%. If the lead is generated by a referral, the ratio to appointment will be 50%. If the lead is generated by the customer by phone call or walk-in, then the lead-to-appointment will be 80%. Ideally, appointment-to-intro ratios should be 50%. However, if your academy is heavily marketing with clipboarding and booths, then a 20% ratio is acceptable. In filling out the spider chart, the goal should be somewhat split. So, for 20 new students, the appointments should be at least 80. For 10 new students, the appointments should be at least 40.

<b><u>New Enrollments - 20</u></b>	
<b>Intro</b>	<u>40</u>
<b>Appt.</b>	<u>100</u>
<b>Cash out</b>	<u>  </u> / <u>  </u>
<b>Billing</b>	<u>  </u> / <u>  </u>
<b>Total</b>	<u>  </u>

<b><u>New Enrollments - 10</u></b>	
<b>Intro</b>	<u>20</u>
<b>Appt.</b>	<u>50</u>
<b>Cash out</b>	<u>  </u> / <u>  </u>
<b>Billing</b>	<u>  </u> / <u>  </u>
<b>Total</b>	<u>  </u>



**Cashouts:** The industry standard is a 20% cashout ratio. In other words, the customer will cash out their full payment in one full payment, or compression payments 20% of the time. If the cashout ratio is much more than 20%, consider raising your prices. It is not uncommon for a good program director to cash out 50% of new enrollments in the basic program.

In filling out the spider chart there are two lines. On the left side of the slash mark, determine what the goal is for the number of cashouts. If the goal is 20 new students, 20% of 20 is 4, so 4 cashouts is the objective. Then we have to determine what that amount would be. Let us assume the basic program is a real down payment of \$95. The down payment of \$95 plus the program amount that is received is put on the right side of the slash mark, times 4. For example: Real down payment of \$95, and the program amount is \$614 (after a \$100 discount) is a total of \$709 x4 (because of the goal of 4 cashouts), the amount is \$2,836. For ten new enrollments, with a 20% cashout ratio, there will only be 2 that cash out. If we use the same money amounts, there will be a total of \$1408.

**Billing:** In the billing column, on the left will be the number of people put in the billing program. On the right of the slash mark will be the total number of down payments collected. For example: if we enroll 20 new students and 4 cash out, we have 16 who will go on billing and thus make a down payment of \$95, which will be a total of \$1,520. If we enroll 10 students, and 2 cash out, we have 8 students that will go on billing and that will be a total of \$760.

**Total:** The total column is the total amount of moneys that will be received on the right side of the slash marks. This will include all the cashouts (paid in fulls) and the down payments.

<b><u>New Enrollments - 20</u></b>	
<b>Intro</b>	40
<b>Appt.</b>	100
<b>Cash out</b>	4 / \$2,836
<b>Billing</b>	16 / \$1,520
<b>Total</b>	\$4356

<b><u>New Enrollments - 10</u></b>	
<b>Intro</b>	20
<b>Appt.</b>	50
<b>Cash out</b>	2 / \$1408
<b>Billing</b>	8 / \$760
<b>Total</b>	\$2168

**Upgrades:** The upgrade box will be the largest total box on the spider chart. This is where the school will collect the majority of its income. Depending on which upgrade programs you have determines how this block is filled in. The total amount of upgrades includes the number of students upgraded in all programs. For example, 10 students upgraded to Black Belt Club and 5 to Master's Club makes a total of 15.

**BBC (Black Belt Club):** Black Belt Club will be the first-level upgrade. The minimum goal for first-level upgrades is half of the students you enrolled last month (just the number of students you enrolled last month, not necessarily the specific students, because specific students will spill over month-to-month). But from a numbers



# MALTA

Martial Arts Leadership Training Association

perspective, if we enrolled 20 new students last month, we should upgrade 10 students to first level this month. If we enrolled 10 new students last month, we should upgrade 5 to first level this month.

*Cash Out:* For the Black Belt Club or the first-level program, on the left side of the slash mark is the number of students that will be upgraded. On the right side of the slash mark is the money that will be actually received from the program amount plus the down payment. The ratios for this should be the same as cashouts for new enrollments, or slightly less, but we will use 20% as our standard. For example: If we enroll 20 students, we want at least 10 to upgrade and 20% will cashout, which will be 2 in this case. Using current numbers, that is \$4,486.20 per person, multiplied by 2, which equals a total amount of \$8,972.40.

*Billing:* We have 8 out of 10 people who would be on billing with our current down payment of \$195, which equals \$1,560.

*Master's Club:* If you have a second level upgrade program, this is where you put it. Determining the amount of people to enroll in this program depends on how many people you have to invite. Obviously we would want to invite as many as we can. We will use 50% of the numbers that we used for the first-level program, for demonstration purposes. If 10 people upgraded on the first-level program, then we will aim for 5 people to upgrade to the second-level program. So we have 5 people to enroll. We have the number 1 that will go on the left side of the slash mark, because 25% of 5 is 1. Using current numbers, the amount of money received for that program will be \$3,055.80. 4 people will go on billing with a down payment of \$195 each, for a total of \$780.

*Total:* The total column is the total amount of moneys that will be received on the right side of the slash marks. This will include all the cashouts (paid in fulls) and the down payments.

	<u>Upgrades -</u>	<u>15</u>
BBC	<u>10</u>	
Cash Out	<u>2</u> /	<u>\$8,972.40</u>
Billing	<u>8</u> /	<u>\$1,560</u>
MC	<u>5</u>	
Cash Out	<u>1</u> /	<u>\$3,055.80</u>
Billing	<u>4</u> /	<u>\$780</u>
Total		<u>\$14,368.20</u>

	<u>Upgrades -</u>	<u>7</u>
BBC	<u>5</u>	
Cash Out	<u>1</u> /	<u>\$4,486.20</u>
Billing	<u>4</u> /	<u>\$780</u>
MC	<u>2</u>	
Cash Out	<u>0</u> /	<u>\$0</u>
Billing	<u>2</u> /	<u>\$390</u>
Total		<u>\$5,656.20</u>

**Tuition:** The tuition block will be all the tuition received in the school other than down payments and cashouts. After a person has paid their down payment, they will either go on billing or make compression payments.



# MALTA

Martial Arts Leadership Training Association

*Monthly:* This line will be all tuition paid at the school (which is highly discouraged) and the total of the monthly projected tuition checks.

*Compressions:* The compression line is used for people who cannot make one single payment for their program. We divide it up into 2, 3 or 4 monthly installments (when doing this, make sure you receive post-dated checks or credit card vouchers upon enrollment in the program).

*Past Due:* This line will be used for people who are behind on their monthly or compression payments. You are strongly encouraged to pursue this with serious intent, otherwise the chances of receiving moneys dwindle quickly.

<u>Tuition</u>	
Monthly	<u>\$8,000</u>
Compressions	<u>\$6,000</u>
Past Due	<u>\$2,000</u>
<b>Total</b>	<u>\$16,000</u>

<u>Tuition</u>	
Monthly	<u>\$4,000</u>
Compressions	<u>\$3,000</u>
Past Due	<u>\$1,000</u>
<b>Total</b>	<u>\$8,000</u>

**Graduation Fees:** Registration fees for graduation should be paid a week before graduation. Whether this is a graduation month or not determines the amount that will go in this box. If graduation is in the middle of the month, some moneys will be collected in the previous month. If graduation is at the end of the month, more than likely all graduation moneys will be received that month. Make your goals accordingly.

Moneys can still be received in a non-graduation month. For example: people should be given the opportunity to save money on their belt-testing fees. We offer a 20% discount for all testing fees paid up-front for all belts up to but not including black belt. For example, if someone is a yellow belt and wants to pay all their testing fees up to black belt, that would be a total of \$400, which will save them \$100. During non-testing months, there should be a concerted effort to make money for this block.

**Merchandise:** It is very important to sell program packages. Therefore, we offer our upgrade packages at a discounted rate if people buy the whole package. If someone cashes out on their program (paid in full), as an incentive we offer the upgrade package free. On the left side of the slash mark is the number of people from the upgrade column that are in billing. For ten people in black belt club upgrades, there will be 8 that buy packages. Our upgrade package has a discounted value of \$321. The total amount will be \$2,568. If you have a second-level upgrade program, where a package is sold, this could be listed here also.

*Other:* On this line will be single items like T-shirts, keychains, sparring gear, weapons, etc.



# MALTA

Martial Arts Leadership Training Association

**STORM:** This will be your instructor training program, whether it be for juniors or adults. In this spider chart we have different levels. The price of our first and second level is \$290. This block will be filled in during the invitation month for this program. For most schools it is centered around graduation. Again, during non-testing months, a concerted effort can be made to register people for this program. The totals in this column are both programs added together.

**Birthday Parties:** Birthday parties can be scheduled throughout the year. We register the number of birthday parties that we want to perform. When we receive the moneys, we record it in this block, whether it is a registration fee to hold the date, or the balance paid for the party itself.

**Express Passes:** This is a ticket or a pass that people can buy to gain them admission to seminars and activities throughout the year, or during the lifetime of their membership. These can be sold at any time, and sales can be promoted at any time (the price of your activities and seminars determine the value of your express pass. For example, if you only charge \$20-25 for a seminar, the price you charge for an express pass cannot be too great. If you charge \$50 for a seminar, the price of an express pass increases. Generally speaking, the express pass should be a minimum of \$300 for a year, and \$500 for a lifetime pass.

**Seminars/Other:** This block will include all the moneys from the seminars that do not include express passes and activities, referral parties, etc.



# MALTA

Martial Arts Leadership Training Association



School \_\_\_\_\_ Month \_\_\_\_\_

<p><b><u>New Enrollments - 20</u></b>  <b>Intro</b> <u>40</u>  <b>Appt.</b> <u>100</u>   <b>Cash out</b> <u>4 / \$2,836</u>  <b>Billing</b> <u>16 / \$1,520</u>   <b>Total</b> <u>\$4356</u></p>	<p><b><u>Upgrades - 15</u></b>  <b>BBC</b> <u>10</u>  <b>Cash Out</b> <u>2 / \$8,972</u>  <b>Billing</b> <u>8 / \$1560</u>   <b>MC</b> <u>5</u>  <b>Cash Out</b> <u>1 / \$3,055.80</u>  <b>Billing</b> <u>4 / \$780</u>   <b>Total</b> <u>\$14,367.80</u></p>	<p><b><u>Tuition</u></b>  <b>Monthly</b> <u>\$8,000</u>  <b>Compressions</b> <u>\$3,000</u>  <b>Past Due</b> <u>\$2,000</u>   <b>Total</b> <u>\$13,000</u></p>
<p><b><u>Graduation Fees</u></b>            (assuming it is graduation month)             (200 graduating students X \$50)   <b>Total</b> <u>\$10,000</u></p>	<p><b><u>Merchandise</u></b>  <b>BBC Upgrades</b> <u>8 / \$2,568</u>   <b>Other</b> <u>\$500</u>   <b>Total</b> <u>\$3,068</u></p>	<p><b><u>STORM</u></b>            (assuming it is STORM month)  <b>Class Level</b>  <b>Blue</b> <u>\$2900</u>  <b>Red</b> <u>\$1450</u>   <b>Total</b> <u>\$4,350</u></p>
<p><b><u>Birthday Parties - # 4</u></b>           <b>Total</b> <u>\$500</u></p>	<p><b><u>Express Pass - # 4</u></b>           <b>Total</b> <u>\$1200</u></p>	<p><b><u>Seminars/Other</u></b>           <b>Total</b> <u>\$700</u></p>

**GRAND TOTAL** \$51,541.80



# MALTA

Martial Arts Leadership Training Association



School \_\_\_\_\_ Month \_\_\_\_\_

<p><b><u>New Enrollments -</u></b> <u>10</u></p> <p>Intro <u>20</u></p> <p>Appt. <u>50</u></p> <p>Cash out <u>2 / \$1408</u></p> <p>Billing <u>8 / \$760</u></p>  <p><b>Total</b> <u>\$2168</u></p>	<p><b><u>Upgrades -</u></b> <u>7</u></p> <p>BBC <u>5</u></p> <p>Cash Out <u>1 / \$4,486.20</u></p> <p>Billing <u>4 / \$780</u></p> <p>MC <u>2</u></p> <p>Cash Out <u>0 / \$0</u></p> <p>Billing <u>2 / \$390</u></p>  <p><b>Total</b> <u>\$5,656.20</u></p>	<p><b><u>Tuition</u></b></p> <p>Monthly <u>\$4,000</u></p> <p>Compressions <u>\$3,000</u></p> <p>Past Due <u>\$1,000</u></p>  <p><b>Total</b> <u>\$8,000</u></p>
<p><b><u>Graduation Fees</u></b> (assuming it is a graduation month)</p>  <p>(100 students X \$50)</p> <p><b>Total</b> <u>\$5,000</u></p>	<p><b><u>Merchandise</u></b></p> <p>BBC Upgrades <u>4 / \$1284</u></p> <p>Other <u>\$250</u></p>  <p><b>Total</b> <u>\$1,534</u></p>	<p><b><u>STORM</u></b></p> <p>Class Level</p> <p>Blue <u>\$1450</u></p> <p>Red <u>\$725</u></p>  <p><b>Total</b> <u>\$2175</u></p>
<p><b><u>Birthday Parties - #</u></b> <u>2</u></p>    <p><b>Total</b> <u>\$250</u></p>	<p><b><u>Express Pass - #</u></b> <u>2</u></p>    <p><b>Total</b> <u>\$600</u></p>	<p><b><u>Seminars/Other</u></b></p>    <p><b>Total</b> <u>\$350</u></p>

**GRAND TOTAL** \$25,733.20



These numbers and ratios are not exact. Each school has its own dynamics and idiosyncrasies. As you can see in our examples, if we consistently enroll 20 students a month, all of our financial problems will be solved. To do this, you have to stay on top of every block in this spider chart. If we consistently enroll 10 students each month, the numbers are obviously halved. However, it is important to continue pursuing each block with intensity.

**Special Note:** It is advisable, when making out the spider chart for the next month, to go through the card box and look at each individual and see how they might contribute to each block.



# MALTA

Martial Arts Leadership Training Association

