

How to slash your billing costs while reducing your administrative hassles

Discover how to double the profits and make it far easier to manage the administrative aspects for your martial arts school your school

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From: Chan Lee

Dear Martial Arts School Owner,

My name is Chan Lee and I'm one of the founders of the Martial Arts Marketing Network. I also run five martial arts schools in the Milwaukee area with combined revenues of over \$2 million in 2007.

My passion is marketing (which is why I formed MAMN) so you might wonder why I'm writing this report on administrative tasks, specifically billing.

Well, for me, **every minute of work that takes me away from marketing my schools is a huge lost opportunity** --- and administrative tasks are one of those things.

In fact, anything that takes me away from "face-to-face" marketing is a lost opportunity. That's why I have been working with Allen Oelschlaeger since 2002 to systemize and automate our non-face-face marketing so my chief instructors and **I can spend more time interacting directly with prospective and existing students.**

We were so successful with this effort that I have been able to grow my business from two to five schools in the last several years. As you probably know, it was this success that led us to form the Martial Arts Marketing Network in 2007.

To learn more about MAMN, I encourage you to visit our website at www.mamnetwork.com. There you can learn more about our services and access several other reports with valuable information on growing your martial arts school.

Anyway, over the last several years I have become a fanatic about maximizing the time my chief instructors and I spend on tasks that only we can do (face-to-face marketing) and minimizing the time we spend on administrative tasks has been one of my major strategies for doing so.

Finding ways to increase our face-to-face marketing time has had such a dramatic impact on my school that I felt compelled to share what we are doing in this report.

My administrative life prior to 2007

OK, I realize that I am one of the exceptions in the martial arts industry. In the ranks of school owners with over \$2 million in revenues, I'm probably one of the few that has never used a billing service.

I don't have anything against these folks. In fact, I have a lot of friends in the industry who use these services and are absolutely thrilled with their decision to do so. I also know that a few of these services have contributed substantially to the growth of the martial arts industry via their support and consulting advice over the years --- and, for that, we should all be thankful.

So, please don't take any of my comments below as billing-company bashing or a suggestion that you should abandon your relationship with your billing company, if one exists.

But, I do believe I have a unique perspective on billing and other administrative tasks given what I have been through over the last many years – and I think sharing that perspective may provide some value to other school owners.

Prior to 2007, this is how I handled monthly billing.

First of all, you should know that about half my students are cash-outs. That percentage has remained pretty stable over the years and has never caused us any problems. As a result, **I have never bought into all of the arguments as to why cash outs are a bad thing.** For me, getting money up front from a portion of our students has only had a positive impact on my school's operations.

But, that percentage has never been more than about 50% so I have had to deal with the challenges of monthly billing.

I know this might sound crazy but the way we dealt with billing prior to 2007 was to have a staff member sit at our credit card machine at the beginning of each month and punch in credit card numbers and billing amounts for all of our non-cash-out students.

Sure, this took some time and every once in a while we needed to chase down a student to get a new credit card number but, for me, this made far more sense than giving up half my profits.

My accounting education and the costs of dragging my feet

Over the years I have repeatedly sat down with my accountant and he has shown me how my billing costs came directly off my bottom line. If my overall profits prior to factoring in my billing expenses was 10% and my billing costs were 2%, then what I spent on

billing reduced my profits by a whopping 20%!

Every time he showed me these numbers I about fell out of my chair.

He forced me to think about my billing expenses in terms of the percentage of my profits rather than some dollar number --- and, as a result, I became very miserly about the money I spent on billing.

Sure, you can apply this same analysis to all expenses – but almost everything else I spend money on is focused on growing my school so I can always think in terms of getting a return on investment. But, with billing, the costs are a pure expense that has no impact on my school's growth.

So I became a nut about minimizing my billing costs --- and having one of my staff go through this monthly manual process was the best approach I could come up with.

That is, until I started working with Allen Oelschlaeger. From the time I started working with him he bugged me about there being a "better way." But, compared to the value of systemizing and automating my non-face-to-face marketing, this seemed like a minor issue so it took me a long time to pay attention to his nagging.

He kept telling me that advances in Internet technology made it possible to automate what I was doing manually but I'm not much of a technology guy so I basically ignored him.

Again, I thought that systemizing and automating my non-face-to-face marketing was far more important than automating my billing -- so I just kept putting off dealing with this.

In retrospect, this was a huge mistake.

I thought that moving to some automated system would be complicated. What Allen was telling me made sense but I didn't want to go through the hassles of making the switch.

Boy, was I wrong.

What happened is that Allen got so frustrated with me dragging my feet that he, on his own, researched all of the available technologies and came to me with a buttoned up solution that was 100% ready to implement.

Basically, what he presented required me to fill out a few pages of paperwork to get started and then spend about 15minutes learning how the system worked -- and I was off and running.

Once I experienced how simple it was to sign up and use the system, I kicked myself for not listening to Allen earlier.

How this automated billing system works

The system that Allen found through his extensive research is a thing of beauty.

It is dead simple to work with and it is saving me a ton of money.

Here is how the system works.

When a new student signs up, we:

- Get on the Internet and go to an online page set up for our school
- Log in to a secure website using our username and password
- Click on "Create New Account" and enter the contact information for the new student
- Enter the student's payment information (bank account numbers or credit card number)
- Enter the monthly billing amount and number of payments

That's it.

From there, the system automatically processes the payment each month and we can forget about it.

The only time we need to get pack involved with that student's account is if their credit card goes out of date or is cancelled. Then, just like we did when we used our manual process, we get a new credit card number from the student and update their account information.

It really can't get any simpler than this. Again, I kick myself for not getting started with this system sooner.

All my concerns about it being too complicated to switching to an automated system were completely unfounded.

Here is the best part

So, this system that Allen found is dead simple to switch to and dead simple to use – but that's not the best part.

The best part is that we are saving a ton of money in billing expense.

We pay a ridiculously low fee each month to use the system (I don't know how the company provides their service for this low of a fee) and then our only other cost is the transaction fees.

If the student decides to pay by credit card, then are transaction fees are about the same as what we were paying before (actually, I think it is a bit less, but credit card charges are so complicated that it is almost impossible to figure it out).

But, **the real savings occur if the student pays using an "eCheck"** (an ACH transaction where the money is automatically withdrawn from the student's checking or savings account) --- which we strongly encourage that are students do.

With this type of payment, rather than paying the credit card fee, we just pay a \$0.49 transaction fee. Yep, no matter how much the monthly charge, **the payment processing costs us less than fifty cents.**

Then, in either case, the money is deposited directly to our bank account within three days.

Right now about 80% of our students are using the eCheck **so I have seen my net profits go up by over 20%**. If I had been using a billing service, this switch would have caused by income to more than double.

It gets even better

Beyond monthly billing, another administrative hassle I dealt with was getting payments for testing, tournaments, events and products.

I'd either have to hassle with accepting and depositing checks or have my students stand in line to have their credit card processed by our little credit card machine.

Now, my students can go online, log into their personal payment account, and make their payments from home. And, again, if they choose to use an eCheck, then I save a bunch of money.

Allen often tells me "I told you so" – and he is absolutely right.

The company Allen selected to work with

The name of this company Allen selected is **Impact Payment Systems** and they've been providing the following services to non-martial arts markets for years:

- Auto-recurring charges
- Online payments
- Telephone payments

- Credit card processing
- Check conversion
- ACH/Electronic payments

In 2007, this company decided to expand into the martial arts industry and that's when Allen learned about them.

After significant due diligence and research of other possible solutions, Allen concluded that the online systems and automation Impact Payment Systems had put in place for other markets **were a perfect match to meet the needs of the martial arts industry.**

So, I started using the Impact system in mid 2007 and, over the course of several months, learned how simple the system was to use and how much money I could save in billing costs.

My experience was so positive that I decided that other martial arts schools should have the opportunity to benefit like I had. So, in early 2008, **we started offering the Impact system through the Martial Arts Marketing Network.**

We call this service **Next Generation Billing and Payment** and it comes in two versions: **Self Managed** and **Done For You.**

I use the Self Managed version because it so dead simple to use. But, we decided to also offer a Done For You solution for those schools who want their billing to be completely hands off. Both versions have a low **one-time set up fee of \$149** and an **ongoing monthly fee of \$34.95.**

Here is what is included with both versions:

- Online and TelPay payment system for students to make one-time payments (e.g., testing, events) using an Internet form or making a phone call
- Deposit of funds in bank account within 3 days of payment
- Email notifications to student with each payment
- Seamless integration with QuickBooks
- Integrates with the Martial Arts Marketing Network Online Shopping Cart System

The only differences between the two versions is in how the monthly billing is handled and the transaction fees.

With the **Self Managed** version, the monthly billing is handled the way I've described above via a simple online system that automates recurring payments. With this version, the transaction fees are as follows:

- ACH bank account debit: **\$0.49 per transaction**
- Credit / Debit card: Low industry rates

With the **Done For You** version, Impact Payment System provides a full service billing solution for recurring payments. With this version, the transaction fees are:

- ACH bank account debit: 3% of payment
- Credit / Debit card: 5% of payment

Again, I use the Self Managed version but, if you want a full service solution that provides the same level of service as the major martial arts billing companies, then Impact can still save you a lot of money.

In addition, with all versions of our Next Generation and Billing service, we offer the **Martial Arts Marketing Network TRIPLE GUARANTEE**.

- **Guarantee #1: 90-day pay nothing if you aren't thrilled**

You can use the Next Generation Billing and Payment service for 90 days and, if you are not thrilled, we'll give you a 100% refund. The truth is that, if are services aren't working for you, we really don't want your money.

- **Guarantee #2: Cancel anytime with no penalties**

The Next Generation Billing and Payment service has no long term contract. Therefore, you can cancel at any time and the monthly charges will stop that month. You are never "locked in" to any long-term commitment.

- **Guarantee #3: No risk / unconditional**

There is NO fine print. You are either happy with our Next Generation Billing and Payment service during the first 90 days or you get your money back - PERIOD. Then, from 90 days to forever, you can cancel at any time with no penalties.

Our **TRIPLE GUARANTEE** demonstrates how confident we are that our Next Generation Billing and Payment service will work for you. Bottom line, we're taking all of the risk. You have a massive amount to gain (greater profits, less administrative hassles) and nothing to lose!

How to Order our Next Generation Billing and Payment service

I hope this report opened your eyes to **the opportunity to slash your billing costs while reducing your administrative hassles** – and how you might be able to more than double your profits by changing how you do your monthly billing.

However, if you are happy with your current billing, you should stick with him. But, we have learned that many martial arts schools have chosen not to work with billing companies because they view their services as too expensive. And others, for a variety of

reasons, aren't terribly happy with what they get for their money.

For these schools, we thought we could provide real value by offering an alternative.

If you think you might be interested in switching from whatever you are doing now to our Next Generation Billing and Payment service, **there are two three ways to order.**

The simplest way is to just call our Customer Support Center (10 AM to 9 PM CST Monday through Friday; 10 AM to 3 PM Saturday) at **888-893-8952** so we can take your order over the phone.

The second option is to order online. Just go to <http://mamnetwork.com/ngbporder>, select which version you want and complete our secure online order form.

The third option is to contact Impact Payment Systems directly. You can call them at **866-812-1531**.

Once we receive your order, here is what will happen next:

1. You'll get an email from us acknowledging your order.
2. Someone from Impact Payment Systems will call you to introduce themselves and get the simple paperwork started.
3. Once the paperwork is completed, Impact will set up your online account and then get you on the phone to walk through how the system works.
4. The service will start and you can start saving some serious money

Certainly, if you have any questions after reading this report, I encourage you to give us a call.

Thanks for taking the time to read this rather lengthy report. Again, I hope you gained some real benefit from it.

Chan Lee
Co-Founder, Martial Arts Marketing Network

P.S. Once again, to order our Next Generation Billing and Payment service, you can either call our Customer Support Center (10 AM to 9 PM CST Monday through Friday; 10 AM to 3 PM Saturday) at **888-893-8952** so we can take your order over the phone, go to <http://mamnetwork.com/ngbporder> and order online, or call Impact Payment Systems at **866-812-1531**.