



**T**exan Scott Good had been in business for just over ten years when the infamous 9/11/01 terrorist attacks struck the U.S., and his school, Grapevine Martial Arts, which catered to airline employees, took a nosedive. Now he's climbed back to his former strength, with 200 students, low overhead, no debt, and association affiliates all over North Texas. Here's how savvy school owners Scott and Jean Good bounced back from disaster.

By Keith D. Yates

# VISION ACCOMPLISHED!

In 1990, Scott Good struck up a friendship with one of his instructors at Master Man Hee Han's school in the Dallas/Ft. Worth area.

"He said that he had always wanted to open up his own location, but he didn't have the seed money," explains Good. "So I said, 'Tell you what, I love the martial arts so much I'll be your backer and business manager,'" says this former IBM employee.

Good and his new partner found a small location in Grapevine, Texas, just next to the sprawling DFW International Airport.

"Since I was working as a Club President with IBM, I was able to introduce Master Han's youn wha ryu martial art system to



several of our metropolitan locations,” he says. “That’s how we got our first students.”

But after a year or so, IBM decided that liability issues dictated that they couldn’t offer an activity like martial arts at their corporate-owned facilities.

“So we moved all those students to our new school,” Good explains. “We started finishing out the building to a second room and then a third room upstairs with a ‘pay-as-you-grow’ philosophy.”

They had approximately 3,200 square feet, sharing a building with a paint store on a two-lane main drag of this little

community of about 20,000 people. In those first few years, other martial arts schools opened up, but they soon went under, while Good’s seemed to thrive.

“As we grew in number of students and in income, we were determined not to take money out of the business, but to plow it back into the school,” he says. “I think that’s the mistake a lot of schools make early on.”

“We built our student body to about 225 pretty quickly,” claims Good. “Actually, it was a problem in that we didn’t have enough instructors nor space to accommodate them, even with two classes going on at the same time upstairs and down. It

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got to be so overwhelming we instituted a waiting list, which was a good problem to have.”

But soon, the city started to widen that old two-lane highway and the construction really put a dent in their business.

“We banded together with the other merchants and began to advertise another way to get into the shopping center,” he says. “It was tough for a while, but we survived.”

When the highway was completed and expanded to five lanes, the school

started to take off again. Being so close to the airport, it attracted a lot of airline employees, including several pilots and flight attendants. Having classes during the morning and days for the pilots enabled the partners to attract some of the local firefighters as well.

But then, 9/11 hit and many airline employees were furloughed. “That took much of our business away,” explains Good, “so much so that I was forced to take another job because we just weren’t making enough money for the family. But I wouldn’t close the school,” he

says. “We knew it would come back; it was just a matter of time.”

### Adopting Sound Business Practices

Scott Good had done several things in the early years of his business that assured he could survive the lean times.

“We had joined the first professional martial arts business association right at the beginning,” he says. “We instituted several of the ideas, including the Lil’ Ninjas program for four- and five-year-olds, which helped us create a feeder

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program for our regular classes. We also did Cardio Karate, which added another benefit for our students – and kept me in shape,” muses Good.

“I remember going to those martial arts business conventions,” he says, “and I just absorbed everything I could. I would have never have learned about several programs, including the martial arts-management system called ChampionsWay, had I not gone to those early conventions,” he says.

Perhaps it was Good’s experience as an IBMer that led him to be an early adapter of the Internet.

“I realized its potential way before Master Han did,” says Scott. “He didn’t

even have a credit-card machine for the longest time.”

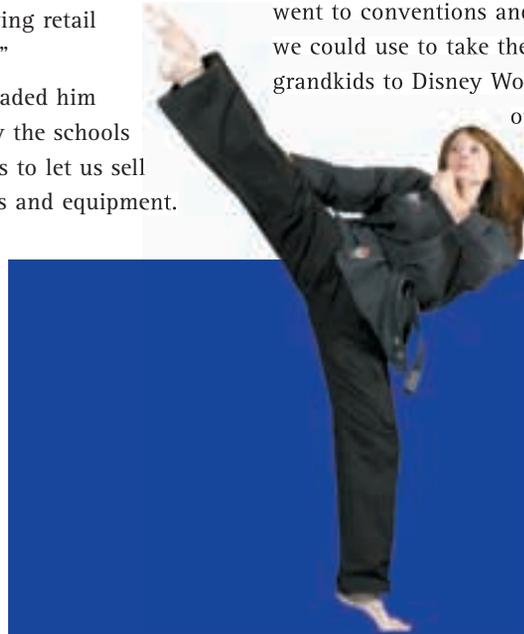
In fact, Good had to convince Master Han of several things to make his business successful.

“When we started, he required us to purchase all our uniforms and equipment from him at full retail prices,” says Scott. “I had instituted a ‘three months and a free uniform’ offer, but it was hard to make it work with us paying retail for our uniforms.”

“I finally persuaded him that the only way the schools could make it was to let us sell our own uniforms and equipment.

We took an initial \$500 investment in inventory and decided to not take any money out of it, but to continue to reinvest any profit back into more equipment. Eventually, after three or four years, we had over \$30,000 in inventory just from the return on that initial five-hundred dollars.

“The retail equipment profit enabled us to buy a time-share in Florida,” Good says, “that we used when we went to conventions and which we could use to take the kids and grandkids to Disney World. We also had our airline tickets covered from the mileage earned from



buying our wholesale inventory on the charge cards – which we paid off each and every month.”

## A New Turning Point

After almost five years of working an outside job, Good was able to quit and go back to being a full-time school owner. His original partner had moved on to other things, but Scott and his wife, Jean, also a high-ranking black belt by now, had turned the corner and grew the school into a successful business.

Even though Scott and his wife left Master Han’s association after his retirement, they have nothing but good things to say about him.

“We have a solid base of black belt instructors because of Master Han’s system,” says Scott. “At the conventions I attend, it seems everyone is concerned about retaining their black belts. You simply cannot keep them by teaching a couple more forms and wanting them to teach all the time.

“Master Han’s system allows for an advanced curriculum containing the best of the best of several martial arts and where there are always new things for the black belts to learn,” he points out. “And we don’t require black belts to always be teaching for us. They can teach a couple times a week and they don’t have to pay any membership fees.”

In fact, Grapevine Martial Arts now has 11 black belt instructors, including one senior airline pilot who does it just because he loves it so much. The school has over 50 black belts with nine at the master level of 5th dan. To enhance his business savvy, Scott’s a member of the Martial Arts Industry Association and he attends the annual MASuperShow in Las Vegas.



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### Expanding to an Organization & Upgrading HQ

Jean Good, Scott's wife, herself a 6th dan, is the head of their newly-formed martial arts organization, the World Beak Hop Wha Association, which encompasses several of Master Han's old schools. They are independently owned, but the Goods do the rank-testing for all of the various locations in Texas. This also gives them another source of income. They run the headquarters of the association out of the same location in Grapevine that they have had since the beginning.

They also upgraded their school to make it more befitting of an organizational headquarters.

“We have installed a two-inch wrestling mat under the carpet, which gives us a great floor for grappling,” says Scott. “We put up a ceiling support and expanded the two-room set-up into a large workout area. We also have a good-sized retail area and an additional storage building out back where we can keep a large inventory of uniforms and equipment. We even have showers with a towel service to give it more of a club-

like atmosphere, which helps us attract more of the adult clientele.”

In fact, with almost 200 students, the ratio between adults and children is right at 50/50, which Good says is uncommon for most martial arts schools.

He also says he has tried several equipment suppliers over the years and Century Martial Arts in Oklahoma City gives him the best product and outstanding service, plus an online portal.

“I love the fact that I can give a catalog to my students, who can give them to grandparents, uncles, aunts, etc., and they



get a 20 percent discount off the marked retail prices,” he says.

“That does two things for me. First, it gives me a sale I wouldn’t otherwise have and, two, it keeps up the students’ interest in the martial arts. That keeps my retention rates up.”

For the last two years, Good has used the Century Holiday Catalog as a great income generator.

“You don’t really have to give out the catalog because the students’ relatives can just go on to the online store website and type in the code I give them. Then they get the discount. It can even be shipped directly to the student. This is a huge benefit to the school.”

The school has several other programs that benefit the bottom line. Jean teaches tai chi to ages 16 and up.

Their association has an instructor-certification program where the candidates have to go through 24 hours of intensive training and 120 hours of hands-on instructing to be approved.

And they just instituted Spanish-language classes.

“The instruction is in Spanish followed by commands in English,” Scott explains. This helps the many students who need help with English and the parents love it.”

As mentioned earlier, the Goods have an Internet presence with a professionally-done website.

“Even in the earliest days,” he says, “I would put a small ad in the Yellow Pages with just our web address on it. It drove the Yellow Pages salesmen crazy.”

## Smart Business: A Debt-Free Academy!

Grapevine Martial Arts is debt-free, with only the monthly expenses of rent, utilities, advertising, and wholesale-inventory replacement. Neither Scott nor Jean Good work outside jobs and they manage a six figure a year income between them.

The academy generates over \$24,000 per month in tuition from all programs, testing fees, weapons and other special training classes, and testing fees. In addition, the pro shop averages about \$4,600 per month. This includes custom-designed t-shirts and other specialty products. The main martial arts inventory is 95% Century products. The other 5% includes unique items and some novelties.

Other than the instructional staff, the only employees are Scott and Jean. “So we are the cook and bottle washers, too” Scott says.

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“Of course, these days the Yellow Pages is dead,” he continues. “I do advertise in some local magazines, such as *Living Magazine*, *Fort Worth Child*, and *Suburban Parent*, because they are targeted to people in my area.”

The Goods are also big believers in social media and have a presence on Facebook. They also use the email program called Constant Contact for monthly newsletters and special events to their client base.

Something else Scott has done since he began his martial arts business was abide by the pay-as-you-go philosophy.

“At the time, I hadn’t heard of Dave Ramsey [the financial guru], but now I know I was using his foundational principle of paying off my credit cards each and every month. We’d use the

cards because it was convenient, but also because we got airline miles for it,” he says. Remember, that’s how they paid for those trips to Florida cited earlier.

### **Maintaining a Good Community Reputation**

One other business practice that might be unique to the Goods is that they don’t believe in contracts.

“We use what we call ‘agreements,’” says Scott. “What that means is, the student can pay month-to-month, \$115, but, if he wants to sign a one-year agreement, it drops to \$95 per month.”

“If they need to, for whatever reason, drop out of the agreement, they can,” he adds. “We only charge them for the difference between the regular price and the agreement price. So, let’s say

a student has to drop out after three months. He pays the \$20 difference over however many months he received training [in this case, \$60] and he is out of the agreement.”

“Even at that,” Scott says, “some people don’t pay, but I never try to chase them down. I simply don’t worry about it because I don’t want people talking to their neighbors, friends, or family in a negative way about us. I would rather have people saying I treated them fairly. That is the way to have a good reputation and be ultimately successful.”

With over 20 years in business at the same location and after turning out hundreds of black belts, Grapevine Martial Arts has indeed earned a positive reputation in its community.



*Keith D. Yates of Dallas, Texas is a 45-year veteran of the martial arts. He has written 12 books, the latest of which are available at [www.akato.org](http://www.akato.org).*

*To learn more about how hundreds of other successful school owners, both large and small, operate, visit the Martial Arts Industry Association’s website at [www.masuccess.com](http://www.masuccess.com). Through this constantly-enhanced website, members can access a massive amount of useful information on just about any topic from A to Z.*