
TEACHING AMBITION

Growing Your
Tuition-Based Business

Action Item Guide

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CHAPTER 1 OVERVIEW

ACTION ITEM

Grab your favorite journal and find a quiet place. Take some time to be focused and truly introspective when you answer these questions. Dive deep into this, the answers are so important to help you moving forward. It is really important to know where you've been and take stock of how your life has shaped you into who you are today. Here are some questions to get answers to:

- What did you want to be when you grew up?
- How did it evolve or change over the years?
- What major life events have you been through?
- How did they shape or change your views?
- Where are you now?
- What do you want to be remembered for?
- “The Dash” year born – year died: what do you want to accomplish during your dash? What will your impact be?
- What do you want people to say about you when you are gone?
- How can you start living today for the way you wish to be remembered?

CHAPTER 2 START UPS AND BUILD OUTS

ACTION ITEM - TYPE OF BUSINESS STRUCTURE

Do the research and think hard about what type of business in the best type for you and the industry you are in. There are three main types:

1. Sole Proprietorship - owned and operated by a single individual,
2. Partnership - owned and operated by two or more people,
3. Private Corporation - legal entity registered with government, assets and liabilities are separated from owners

ACTION ITEM - FINANCES

When you are looking to hire experts for your business and you're trying to decide how much a service or expert is worth to your budget, use this rule:

1. How much is your time worth per hour?
2. How much time will this task take you?
3. How much is an expert in the field worth per hour?
4. How fast can they do the same job?
5. Is their work going to be higher quality/more accurate than the work that you did?

Once you answer all of these questions, you'll be able to determine how much an expert is worth to you and your business. Here is an example of this:

- You earn \$100 an hour because that is how much your time and expertise is worth.
- You are still cleaning your own home for three hours a week.
- You can hire a cleaning expert for \$25 per hour.
- That expert frees up three hours a week of your time

It's easy math to see hiring a cleaning expert is a much better financial decision for your time and for your business. The bonus is you get someone who's efficient and perhaps can do the job in less than three hours - creating further savings.

CHAPTER 3 VISION

ACTION ITEM - MISSION STATEMENT

Using the words that you have compiled either in a word cloud or in a list, start to create up to five statements each 12 words or less using your words. It should succinctly state exactly what you are right now. If you are working with a group of staff, break them up into five groups to create their own statement per group. Give everyone a fixed amount of time to work together to come up with each group statement. Keep the timer on and the allotment short.

When you come back together, have each group read their statements. As a reunited group, talk about which ones have the qualities described that best match who your company is today. Using a process of elimination and the ability to mesh statements together, work towards landing on one clearly stated sentence.

Be sure to check that it does not say how you do these things, only what you are doing today.

ACTION ITEM - VISION STATEMENT

In a similar process to your mission statement, collect several words that describe where your company will be. Then create several statements using those words. Be sure that it says “this is what we are” as though you have already arrived.

If you are working with a group of people, break them up into no more than five groups. Ask each group to create a statement using the words collected by the whole team. When everyone comes back together, present all five statements, and work to whittle them down to one succinct meaningful statement that becomes the vision of where the company is headed.

ACTION ITEM - ELEVATOR PITCH

- Grab five index cards
- Label the top of each:
 - Who am I?
 - What do I do?
 - How do I do it?
 - Why do I do it?
 - Why should you care?
- Create your idea list for each card
- Create one to two sentences out of each cards brainstorm
- Organize the cards/sentences into a compelling speech
- Practice it! Make sure it is smooth and conversational - don't sound too rehearsed.

ACTIVITY - INTERNAL EXTERNAL PITCH

The same activity from above can be repeated to build this process. Use the same tools and process but look at it from these two lenses:

1. External - Client who purchase from you and
2. Internal - the talent you want to hire.

- Grab five index cards
- Label the top of each:
 - Who am I?
 - What do I do?
 - How do I do it?
 - Why do I do it?
 - Why should you care?
- Create your idea list for each card
- Create one to two sentences out of each cards brainstorm
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CHAPTER 4 FINANCES

ACTION ITEM - CRUSH AND CRINGE LIST (MIKE MICHALOWICZ)

This means creating a list of your customers that you just love to serve, and a list of the customers that are hard to serve. Take the customers you love and find out what makes them great, identify their features, needs, places they hang out and then go find more of them.

ACTION ITEM - FINANCES

Take a moment to look up these figures:

- What is your total revenue for your fiscal year?
- How much did you spend on wages?
- How much did you spend in rent or mortgage annually?
- How much is a client worth annually or lifetime?
- How much does it cost to serve that client in administrative wages annually?
- Total number of customers
- Total number of units
- The amount of inventory you have at any given time a dollar value and a quantity
- Utilization: how much of what you have available are you selling? Are you at 80% 60%?
- How much does each customer buy Monthly? Annually?
- How much is a customer worth?
- What is the lifetime value of a customer to your business if they continue to buy from you for an extended of time?
- How many customers do you lose every year? Why?
- How many customers do you retain every year? Why?
- What is the minimum number of customers you need to stay afloat?
- What is your profit margin?
- What are your accounts receivable at any given time?
- How much does it cost to acquire a new customer?
- How much payroll does it cost to serve a customer?
- What is the true carrying cost for an employee at your company including all benefits and taxes?
- Not all staff are equal, which of your staff is the most profitable? which is the least?
- What are the lifetime earnings of the employees you had with you?

- Do you have wage and raise history available to you for negotiation of new contract?
- What is your rent to revenue percentage?
- What is your labor to revenue percentage?
- What is your year-over-year growth?
- What is your burn rate, how much does it cost just to open your doors for an hour?
- What is your gross revenue?
- What is your gross margin?
- What is your profit margin?
- How much should you be putting away for taxes? This is a normal part of doing business be responsible and be prepared for it.
- What is your business cash position?
- How much money can you get your hands on at any given moment if you need it to?
- What is your personal net worth?
- What is your business net worth?
- What is your debt-to-income ratio?

CHAPTER 5 STAFFING

ACTION ITEM - HOW TO HIRE THE RIGHT STAFF

What is your hiring system?

- Write down all the steps currently in place
- How can you add steps that help candidates deselect themselves such as a form to fill in or a task to do prior to the interview? This helps reduce the number of interviews you will have to do.
- Can you add another person or two to the process to help you make the decision on hires?

ACTION ITEM - BAD HIRES

According to Gallup, in 2017, at any point, 73% of your team is not on the same mission as you and may be actively working against you.

- Who on your team is under performing?
- Can they be retrained?
- Should they be let go?

Review your system for performance reviews.

- Do you have a system?
- How frequently do employees get feedback?
- How frequently do they have opportunity to give you feedback?

ACTION ITEM - OUTSOURCING

What jobs are you doing that could be outsourced?

- Cleaning
- Graphic design
- Data entry
- Bookkeeping
- Accounting
- Social media

The list is endless in possibilities. Make a list of the top three things to outsource and commit to a date to make it happen.

ACTION ITEM - BENEFITS

Do you have benefits that your employees could partake in? make a list of what you could offer.

- Financial
- Health
- Retirement
- Daycare
- Tuition
- Sick leave
- Vacation days etc.

CHAPTER 6 SYSTEMS

ACTION ITEM - JOB DESCRIPTIONS

Redefine Job Descriptions:

- Write out all the tasks to be done in the whole organization, one task per card
- Lay them all out on a large table or large flooring space
- Everyone on the team picks up the ones they are doing
- Use the cards picked up to create each job description
- Evaluate remaining tasks for hire or assignment to existing staff

Redistribute Job Descriptions:

- Write out all the tasks to be done in the whole organization, one task per card
- Lay them all out on a large table or large flooring space
- Everyone on the team picks up the ones they are doing
- Take note of which cards are left over
- Ask people to categorize which tasks they are doing, which ones they are not good at, and which ones they do not want to do
- Ask people to pick up tasks they would prefer to be doing
- Use the cards picked up to create each job description
- Evaluate remaining tasks for hire or assignment to existing staff

ACTION ITEM - ATTRIBUTES ACTIVITY

Look at what roles are available in your organization with regard to sales, service, and support. What are 10 attributes required for your dream team players in each area?

One of the great things about being an entrepreneur in the arts is that we are constantly choreographing our businesses too, not just for stage. Here is a teaching from Misty Lown blended with Darren Hardy's High-Performance Forum about attributes required for each construct.

SALES	SERVICE	SUPPORT
Who is in this role: 1. 2. 3.	Who is in this role: 1. 2. 3.	Who is in this role: 1. 2. 3.
What attributes do they need: 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	What attributes do they need: 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.	What attributes do they need: 1. 2. 3. 4. 5. 6. 7. 8. 9. 10.

ACTION ITEM - DOCUMENTATION

- Commit to recording one process per week
- Include several employees in writing up one process per week
- Record all the steps involved
- Use a template ensuring all processes are recorded in the same format
- Ask another employee to do the task using the steps provided
- Edit the steps with the feedback from the employee
- Determine where all these processes will be recorded for access by all employees
- Record the date of the process and name of person who recorded it, in the future can be determined if it is still current

Many of the tasks done in your business are repetitive in nature, either hourly, daily, weekly, monthly or annually. By creating a process that helps you to repeat these tasks at the right intervals you can free up your mental load for more creativity and growth in your business rather than jumping from fire to fire. Take the time to record many of the items that repeat in your business. Open up your calendar and make a list of the things that have happened in your business over the last month that will repeat in the future. Another option is to list out all your tasks for 4 weeks to get a start on the list of systems that need to be recorded.

- Opening and closing
- Deposits to the bank
- Writing checks for payments
- Payroll
- Ordering products
- Answering emails
- Cleaning the facility
- Marketing tasks
- Scheduling staff
- Updating budgets
- Seasonal decoration
- **The list goes on

Once you have recorded a large list tasks that are repetitive in nature start to group them in categories. This can be done in categories by department or by frequency. You will also want to consider who the project or task is assigned to. This way if someone goes on extended leave or no longer works for your company projects and tasks that they were responsible for will not fall through the cracks. Determine where this information will be stored in a way that it can be updated and accessible.

CHAPTER 7 FINANCES 2.0

ACTION ITEM - BUDGETS

Go now and look at your software for accounting or speak to your bookkeeper/accountant to discuss how you can set this up easily and pull the reports whenever you need them.

ACTION ITEM - BURN RATE

Go and find all the numbers you need to make this calculation before moving on to the next step.

Expenses/number of hours open = Burn Rate

\$100,000 / 2000 hours (40 hours per week, 50 weeks per year) = \$50 per hour

ACTION ITEM - PROJECTIONS

Take the time to create the projection chart to understand the impact on one of the services/departments or products you provide. Be sure to calculate the minimum and maximums alongside the current revenues and expenses. Be sure to note how much money is left on the table when you do not maximize the operations in that department.

ACTION ITEM - PROFORMA

Create a proforma and begin using it to make your decisions on when to afford new staff or equipment or expansion activities.

ACTION ITEM - PRICING STRUCTURE

Create a chart around the 3 levers. Then start playing with each lever and what would happen with 5%, 10% and 15% increases. Then, create a plan for how you will use this tool over the next three to five years of business increases.

ACTION ITEM - DASHBOARDS

Start with a spreadsheet and start listing the metrics that indicate the health of the business. Determine what the targets would look like for the goals. Then set up simple formulas to help determine how close or if we are succeeding.

CHAPTER 8 SUPPORT SYSTEMS

ACTION ITEM

Get out a notepad and work through every place you have information.
Now work through your list to narrow it down to these 6 places:

1. Physical Inbox
2. Portable inbox – travels with you
3. Email inbox – just one
4. Voicemail – just one
5. Note pad – paper or digital
6. Wild card – if what you need is not mentioned

CHAPTER 9 EXPANSION

ACTION ITEM

Are you ready to expand?

Calculate your usage of space. Looking at all the spaces available in a classroom, all the potential class times. How many units are you bringing in? How many units are available to sell?

Are you using 85% of your capacity, consistently?

Do the work to see if your market can support an expansion and think about how big that expansion needs to be.

Is it 1 room? Or 2 rooms? More?

Think about the buildout costs to move, there will be a period of time where cash flow is tight because of the expansion.

How much do you need to save up?

How can you mitigate that?

How far will your clients travel to a new/different location?

If you are at 70-80% it is time to start considering what moves are available to you.

If you are at 80-85% it is time to start actively making plans.

If you are at 85% or more consistently then it might be time to make that healthy business grow.

CHAPTER 10 STAFFING 2.0

ACTION ITEM - HIRING PRACTICES

Review your onboarding practices and create templates to ensure an employees first day is always as productive as possible and that you are prepared for them to start work.

ACTION ITEM - CONTRACTS, HANDBOOKS, JOB DESCRIPTIONS

- Review contracts to ensure you have all the clauses required to execute for all types of scenarios in your industry.
- Review Handbooks to ensure all policies are in one place fr employees to find and read as needed
- Review every position in your company and ensure each role has a job descriptions and a method and structure to review expectations
- Does each description have KRA's and KPI's attached so employees know what success in their role looks like?

ACTION ITEM - RAISES AND COMPENSATION

- Pay structure
- Bonus structures
- COLA
- Review benefits
- Performance bonuses
- Service bonuses
- Gifts
- What other ways can you show your employees how much they matter?

ACTION ITEM - BETTER EMPLOYEES

- Review team building practices, what can you add to help your team be more cohesive?
- Put it in the company calendar so it becomes a priority

CHAPTER 11 CULTURE

ACTION ITEM - VALUES

Do a google search for “Value Word Lists”. Using the list, you found, read through it and circle the words that are important to you. It could be things like:

- Loyalty
- Competence
- Discretion
- Practicality
- Recognition
- Synergy
- Teamwork
- Winning

Try and narrow the values down to seven to twelve words.

These will become part of your guiding “laws of your organization.”

ACTION ITEM - IMMUTABLE LAWS

Now take those words and build your “Laws” for your company.

You can turn this into a team build and ask your employees to help.

ACTION ITEM - CULTURE LEVERS

Review all the levers we discussed and see which ones you can pull to amplify the culture you wish to see:

- Staff hiring
- Staff onboarding
- Management
- Offboarding
- Customer Onboarding
- Customer Offboarding
- Marketing

CHAPTER 12 SYSTEM EXPANSION

ACTION ITEM - AUDIT YOUR AUTOMATIONS

- What can you automate in your sales process?
- What can you automate in your leads process?
- What can you automate in your Landing pages process?
- What can you automate in your Customer Journey tracking process?
- What can you automate in your Ecommerce process?
- What can you automate in your trials or consults process?
- What can you automate in your social media process?
- What can you automate in your HR process?

ACTION ITEM - TASK MANAGEMENT

Is there opportunity for you to automate your tasks that run your business daily?

Start mapping the steps you need to take to get this project done

ACTION ITEM - OPERATIONS MANUAL

Is there opportunity for you to automate your operations manual?

Start mapping the steps you need to take to get this project done