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Dallas Self-**D**efense **Academy**

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Executive Summary





Dallas Self-Defense Academy offers self-defense training courses as a monthly service to its members. The company positions itself as “Learning to fight, together.” Dallas Self-Defense academy will focus on providing an interactive social experience for member and create a comfortable environment for learning with a focus on empathy. We aim to provide both the benefits of security and exercise to our customers, we pride ourselves on competitive and transparent pricing that is built to cater to the different needs of consumers. Customers will be able to choose between a full membership for \$65 a month and a half member for \$40 a month. Our selected target markets are women, families and seniors making \$70k in the north Dallas region. These groups were selected based on the degree of benefit they would receive from our service and the discretionary income to pay for specialty classes. Our marketing objectives are geared towards creating a growing and sustainable business. We aim to increase members, increase the capability and capacity of our service, and reduce the rate of churn with our customers. Our promotional efforts will be focused on partnerships, flyers, social media presence and advertising, and free trials. Our location was decided as 1750 Alma Road in Richardson. This location offers affordable rent and convenient access by car or transit in the north Dallas area. Our financial projections predict short term losses with long terms profits. A membership count of 106 has been determined to break even with costs, and a membership count of 136 meets a profit margin of 15% for our business. Over time, we will evaluate sales, customer satisfaction, churn, and employee satisfaction to determine the health and direction of Dallas Self-Defense Academy.


Situation and Environment Analysis

Competitors

The competitive landscape for the Dallas self-defense academy is quite vast, with a variety of gyms available in the metroplex that serve the same purpose. If martial arts is someone's focus, there are more than 30 gyms within a 20 mile radius of Downtown Dallas. These gyms are likely to compete for the same market audience. **Figure 1** below lists a few of these competitors, along with their location, pricing and target customer age group.

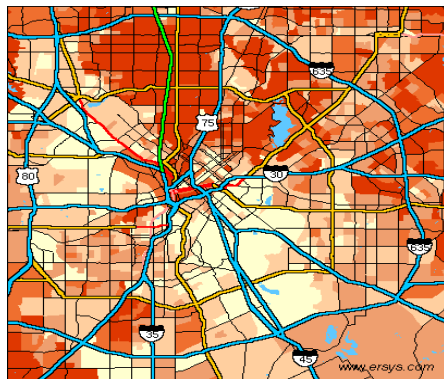
Figure 1: Competitors in North Dallas

| Competitor | | Location | Pricing | Age group(s) |
|--------------------------------------|---|--|--|---|
| RCJ Machado Jiu Jitsu Lake Highlands |  | 10675 Northwest Hwy, Dallas, TX 75238 | -offering 4 week class package for kids including uniform for \$59 (Promotion) - Offers 3 Adult Brazilian Jiu Jitsu classes for \$19.99 (promotion) | Youth 7-12 Adult |
| Yim's Taekwondo Institute |  | 7136 Greenville Ave, Dallas, TX 75231 | -Back to school special for youth offers 1 week/ 3 classes for \$19.99 w/free uniform | Youth, Adults |
| Pro Martial Arts - Lakewood Dallas |  | 420, 6465 E Mockingbird Ln, Dallas, TX 75214 | -\$45/30 minute private session -\$1780 plan A basic yearly membership | Youth , Adults |
| Okinawan Karate Club of Dallas |  | 3720 Walnut Hill Ln, Dallas, TX 75229 | -For all class schedules and age groups \$65 per month or \$180 per quarter (3 months) | Ages 5-15 for youth class Ages 16 and up for adult class |

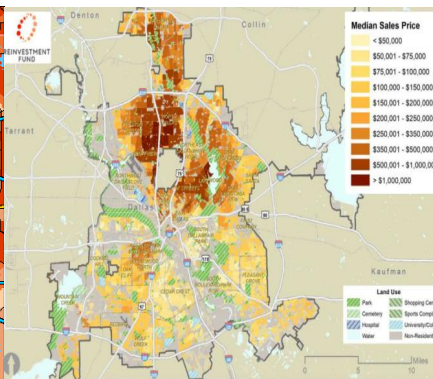
| | | | | |
|--------------------------|---|---|--|--|
| Chang Lee Tae Kwon Do |  | 10233 Northwest Hwy, Dallas, TX 75238 | -30 minute sparring sessions for free on wednesdays (all ages) -Friday 1 hour sparring sessions for \$25 per month (all ages) | -youth as young as 4 years old -Adult |
|--------------------------|---|---|--|--|

Economic Factors

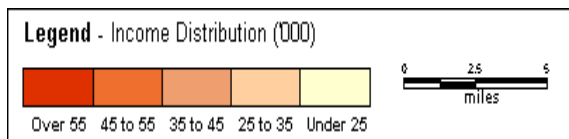
The Dallas Population Pyramid provides information on the demographic groups that make up our target market. Women between the ages of 45 and 20 make up 38% of the female population [1]. Individuals between the ages of 50 and 70 make up close to 22% of the total Dallas population [1]. Roughly 35% of the population over 25 holds a college degree [1]. According to **Figure 2**, Income levels tend to be higher in the Northern part of Dallas than the southern areas. Our target market will be individuals who have the greatest amount of discretionary income, which is the amount that is left over to spend after taxes and other necessities are paid off. Consumers with higher living standards generally possess the extra income to pay for amenities such as memberships to specialty fitness programs. These individuals tend to have higher valued homes. There will be a positive correlation between Dallas housing prices (**Figure 3**) and the potential for the members of those communities to invest in joining the Dallas Self-Defense Academy. Both maps show that Dallas's Northern Central region is a hotspot for prospective customers.

Figure 2

Median Household Income [2]

Figure 3 (Housing Prices)

Housing Market Value Analysis: City of Dallas [3]



Cultural/Social trends

The *#MeToo* movement, which began last year, has highlighted the prevalence of sexual misconduct in our society. Studies have shown that 81% of women and 43% of men have experienced sexual misconduct [4]. The Dallas Morning News has highlighted many stories of sexual misconduct in the Dallas community. Governments, advocacy organizations, women and men alike are looking for ways to mitigate and prevent future acts of sexual misconduct. The Dallas Self-Defense Academy seeks to aid that mission by providing self-defense knowledge that not only helps individuals fend off their attackers but provides them with a sense of empowerment. We offer a variety of class choices, including women-only classes, family classes, and classes for the seniors. This allows individuals to learn self-defense at their own pace in a comfortable environment. Moreover, we also give individuals the knowledge and skills to protect themselves without the use of firearms, which are controversial in American politics. Moreover, the last decade has seen a dramatic increase in the number of fitness centers in

America (**Figure 4**). Fitness centers are especially popular in cities, like Dallas, where individuals are constantly looking for a way to counter the side-effects of a largely inactive urban lifestyle. Furthermore, due to rising incidence of obesity-related issues such as osteoporosis and diabetes, people are continuously prompted to take health, diet, and fitness seriously. Thus, we seek to capitalize on this trend by not only providing individuals a place to learn self-defense but also a place to exercise.

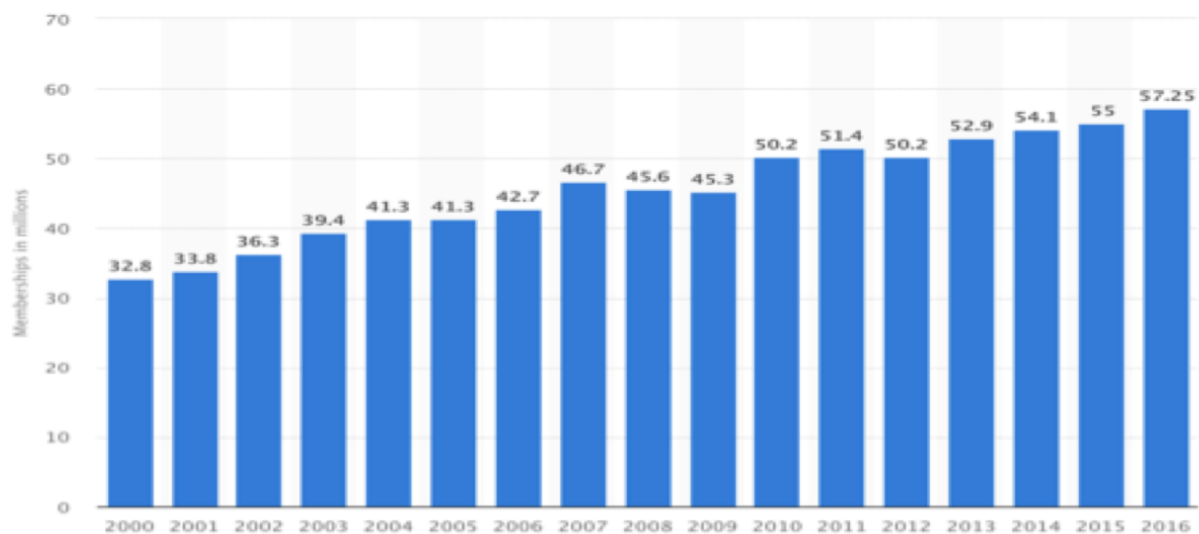


Figure 4: Total Number of Memberships at Fitness Centers/ Health Clubs in the U.S from 2000 to 2016 [5]

Impact of Technological Changes

Technology has revolutionized the way the world works and we expect to leverage technology to improve our business. First, we will build a website, which allows individuals to learn about the services we offer and sign up for different classes. Customers will also be able to give us feedback through our website. Additionally, we will utilize inbound marketing strategies by making youtube videos showing seasoned instructors performing complex self-defense techniques. We will also be running a significant portion of our marketing through social media platforms Facebook, Instagram, and Twitter to specifically target individuals interested in self-defense and health conscious audiences. We will also be sending updates through email and text to our customers if we are offering new classes or if there is a scheduling conflict.

Political/Legal factors

In terms of legal factors, we will take action to limit our liability. These actions will include a liability agreement along with terms and conditions that must be agreed to for membership. A disclaimer will also be included in the membership agreement stating that we are not liable for any injury or harm outside of the facility. The facility will be equipped with proper safety equipment such as mats and pads to protect customers and staff from injury. Instructors will be properly trained in self-defense material as well as teaching, first aid, and CPR. It is important to keep in mind what the legal definition of self-defense is and convey that information to the customer during training. In general for the United States, the right of self-defense is defined as the following: a “person is privileged to use such force as reasonably appears necessary to defend him or herself against an apparent threat of unlawful and immediate

violence from another" [6]. In Texas, self-defense as a legal defense is when “ a person's use of deadly force will be presumed reasonable if someone enters, or attempts to enter, that person’s occupied home, vehicle or workplace unlawfully and with force” [7].

In the United States, politics involving self-defense is primarily focused on the involvement of firearms. Physical self-defense classes are not seen as politically charged and offer an alternative to firearms that is more agreeable to progressive political groups.

Natural Environment

When the temperature increases, the number of crimes increases, and when the temperature decreases, the number of crimes decreases. Among them, August and November are the most obvious. This is evident in **Figure 5** below. This graph was formulated using data from usclimatedata.com [8] and governing.com [9]. The number of crimes is highest in August with an average of 8052.67 when the temperature is the highest at 83.5°F [8,9]. The average number of crimes falls between September and November as the temperature drops. The temperature in December is the lowest in the year. However, the number of crime events are relatively high. This anomaly is may be due to the increase in consumer activity during the holiday season. We plan on increasing promotional efforts in warmer months.

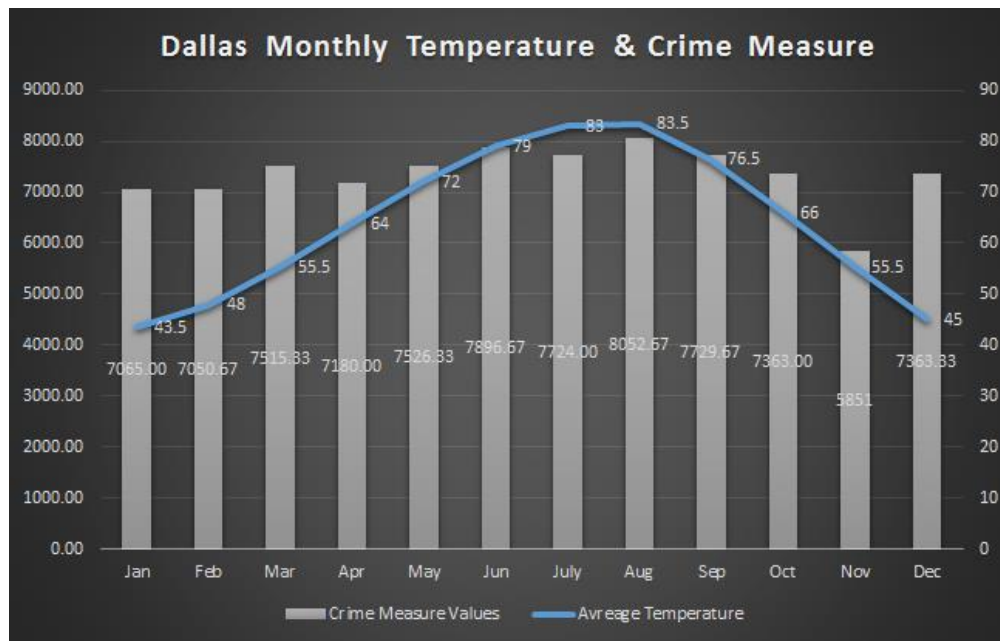


Figure 5: Sources: usclimatedata.com [8] and governing.com [9]

SWOT Analysis

Strengths

- Flexibility: We offer martial arts training for a variety of age groups and a multitude of class times
- Lower startup costs: We do not have to invest in expensive specialized equipment
- Easy to expand: Our costs do not increase with higher membership counts
- We offer additional value by providing exercise and safety
- We will have an expert instructor that is passionate about teaching self-defense and provides individual feedback to members
- We teach people what they need to know without having to spend years learning karate and other martial arts
- We have competitive and transparent pricing
- We offer a welcoming and engaging community
- We offer a monthly membership program which provides us a reliable income format
- Our classes offer a regimented curriculum

Weaknesses

- High customer turnover: Potential for customers to leave once they receive the level of training they desire
- Difficulty generating the demand for self-defense training: Safer communities will have lower demand
- Unestablished: We are not connected with any known brand and will have to build reputation.
- Initial spending needed to raise awareness of our brand
- Single focus: We do not provide additional services outside of self-defense training
- Need of initial capital funding: We will require a loan to pay for initial expenses
- Potentially low profits: We will need a substantially large customer count to generate profit
- Service based product: Our staff must be trained for teaching and customer service

Opportunities

- Heat during summer months and cold during winter months make outdoor exercise less popular: Indoor operations provide alternative space for exercise
- Social media platforms: Create easy access to targeted consumers with marketing
- 'Differentiated Exercise' classes are currently a trend: We can take advantage of consumers looking for exercise outside the traditional gym setting
- The population of Dallas is growing rapidly: We have the potential to grow along with the population expansion of the Dallas area
- Young progressives are drawn to urban areas: We can provide self-defense without gun ownership
- Dallas has a large wealthy population: We can target populations with high discretionary income
- Current self-defense training focuses mostly on kids and teens: We will focus on adults and seniors as well and provide opportunities for families to train together

Threats

- Traditional gyms may be able to undercut us on pricing
- Customers may have existing loyalty to well established gyms
- Other gyms and fitness centers offer a variety of location in the Dallas Area
- We are in a competitive market with low entry barriers
- We are entering a market with already established businesses
- DIY market: Individuals can potentially watch YouTube videos to learn self-defense

- Individuals may prefer firearms or other weapons as a means of self-defense
- We are competing with the Karate market, which offers a long term “membership” through belt progression
- Many organizations offer free self-defense classes
- Consumers can choose from a wide variety of other martial arts classes

Marketing Objectives

The marketing objectives for the Dallas Self-Defense Academy will be to educate individuals on how to defend themselves in a moment of crisis along with providing them with an intensive exercise experience. The Dallas Self-Defense Academy will work to increase membership, increase the number of classes offered, and decrease customer churn rate.

Increase Membership - Gain 150 Members By the End of Year 1

The Dallas Self-Defense Academy will work to increase the number of members who use our services through a variety of push and pull promotion methods. We will form partnerships with prominent local senior citizen, women, and family organizations and market our services at organization meetings and events. We will also distribute flyers to members in these organizations. Moreover, we will create engaging content on YouTube showing our experienced instructor showcasing various self-defense moves. We will also effectively utilize social media to engage individuals who are interested in using our services. We will make use of the features Facebook and YouTube have to enhance viewership of our content. We will also offer one free class to potential customers to allow them to see the benefits of our services first-hand. Last, we will run quarterly referral promotions.

Increase Capabilities to Offer 18 Classes a Week by Year 2

The Dallas Self-Defense Academy will aim to increase the number of classes we offer in order to give our customers a wide selection of timings to choose from. This falls within our mission to offer our customers the utmost flexibility and comfort in their self-defense training. We realize that we will not have enough customers in the first few months to offer much flexibility in timings. Thus, we will only offer 9 classes a week in the first 3 months. However, as our customer base grows with time we will seek to add 3 more classes (12 total) per week. We hope to increase our weekly classes to 18 by the beginning of year 2. We will aim to hire an additional instructor in year 2 to help handle the increased class number.

Reducing Churn Rate to 5% a Month

We can utilize evaluation data to improve customer retention and customer analytics to target lower churn market groups. If a customer terminates their service, we will contact them by phone and email to get their feedback. We will get information about their age, membership plan, membership length, address, and referral information. We will then use this information to improve classes and reduce future churn rates. We will also use this data to target our marketing efforts towards reducing churn rates in groups with high rates of churn.

Target Markets

For our target markets, we selected groups that were likely to benefit from our service while also being most likely to have the demand and income to purchase our service. We also wanted to include groups that were not traditionally marketed to by competitors who could receive substantial benefits from our service. From our analysis, we decided to target the following markets:

- Seniors
- Parents
- Women
- Upper middle class income group (\$70k+)

Demographic

Our target market consists of a broad set of demographics. The demographics of our target markets were chosen based on groups we determined that would benefit from the service as both a self-defense class and exercise tool. Seniors and women are more vulnerable to violent crime. Seniors also stand to benefit from routine exercise to prevent disease and boost overall health. Parents are likely to be concerned about the safety of their family and can benefit from the security offered to their family by self-defense classes. Higher income persons are less price sensitive and more likely to pursue specialty exercise services over traditional gym memberships.

Psychographic

In order to further specify and segment out target markets used to psychographic data to select criteria for the targets of our service. For millennial women, it was found that 65% prefer to spend their money on experiences rather than physical goods [10]. In addition, 87% of millennial women want to be organized and follow a routine [10]. Millennial women also enjoy novel activities as 84% are excited by new and different things [10]. From this data, we are looking to target women who want a service that provides both a new routine and experience.

In the elderly community, a different set of values holds mainstream appeal. Seniors are primarily concerned with health, wealth, community, and outlook [11]. 60% of seniors expect to maintain their current health over the next decade [11]. With seniors, we are targeting those who want to maintain their health and be included in a community which values their involvement and safety.

For parents, their concerns, values, and activities are largely focused on their children. A majority of parents worry about bullying at 60%, and half of all American parents worry about kidnapping [12]. Parents are concerned about the amount of time they spend with their kids as 36% of parents feel that they spend too little time with their children. Parents also value physical activity for their kids with 73% of parents having their kids participate in sports or athletics [12]. For the market of parents, we chose to target those who want to spend time with their kids and have concern for the safety of their children while providing them the opportunity for physical activity.

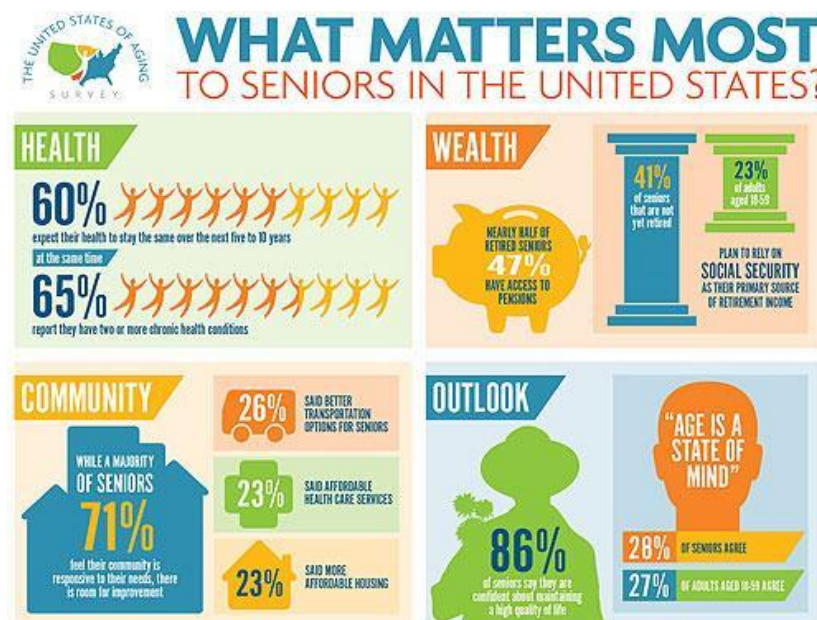


Figure 6: What Do Today's Seniors Value? [11]

Geographic

Our target market area is focused on the north Dallas area and its suburbs. With higher housing prices in this area, the population is relatively more affluent than other areas of Dallas and in line with our target income group.

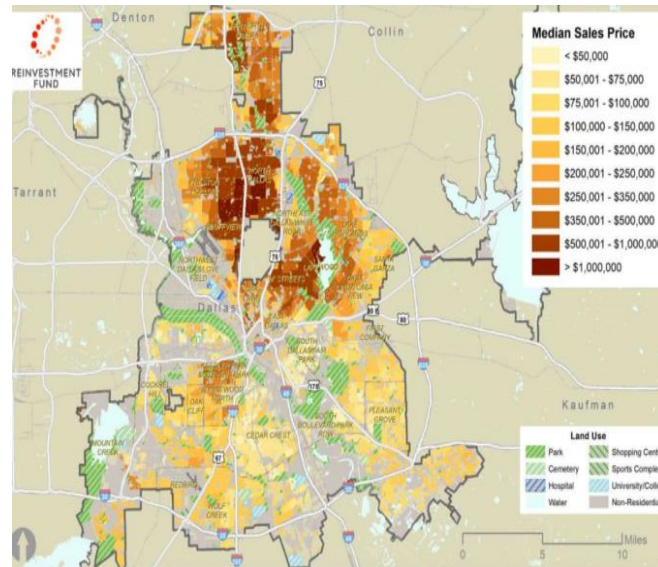


Figure 3: Housing Market Value Analysis: City of Dallas [3]

The average age of the area is in the low thirties. The average age of men and women having their first child is 26 and 31 respectively [13]. This indicates that the population of the north Dallas areas is likely made up of young families.

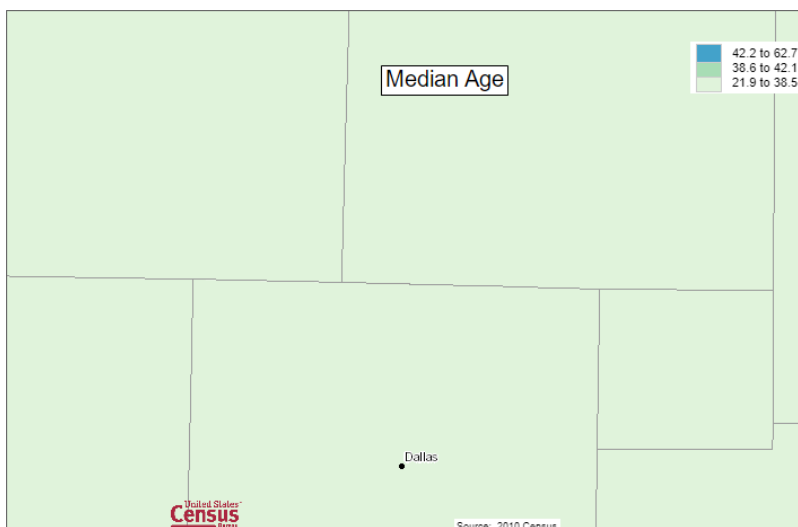


Figure 7: Census Map of Median Age in North Dallas [14]

For the north Dallas region, Tarrant County has a population percentage of 7.7% over 65 and Dallas County has a percentage of 8.8% [14]. While the elderly do not make up a large percentage of the population in the area, they do represent a vulnerable and affluent group in the north Dallas region.

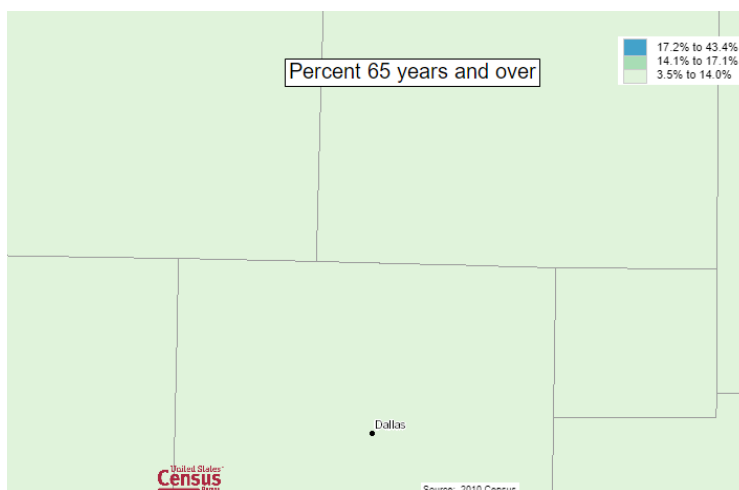


Figure 8: Census Map of Seniors in North Dallas [14]

Behavior and Usage

Women enrolled in a self-defense class at a university in the pacific northwest region of the United States were asked to participate in a study. The following table contains the results found when asked “What led you to sign up for this self-defense class?” [15].

| Reason | Number of Mentions | % of Participants (N = 118) |
|---|--------------------|-----------------------------|
| I heard it was a good class | 85 | 72 |
| I wanted to learn how to defend myself physically | 74 | 63 |
| I wanted to become more assertive or self-confident | 64 | 54 |
| I wanted to learn how to defend myself verbally | 58 | 49 |
| I heard stories about women who were attacked | 25 | 21 |
| I wanted the physical workout | 23 | 20 |
| I felt fearful | 21 | 18 |
| It was for my major or minor | 18 | 15 |
| Changes in my personal circumstances ^a | 13 | 11 |
| A friend was taking it and asked me to join | 12 | 10 |
| I was attacked | 12 | 10 |
| Someone I know was attacked | 11 | 9 |
| Other ^b | 6 | 5 |
| It fit my schedule | 3 | 3 |
| I don't know or don't remember | 1 | 1 |

Figure 9: Table 2 of *Why Do Women Take Self-Defense Classes?* [15]

Education is an important factor in why the women chose to take the course with 63% of participants wanting to learn how to defend themselves physically [15]. Reasons “I felt fearful” and “I heard stories about women who were attacked” with percentages of 21% and 18% respectively indicate that fear and concern are motivating factors for women choosing to learn self-defense [15]. Exercise is also a motivating factor for taking self-defense classes as 20% of participants stated it as a reason to take the course [15]. Another significant factor in taking the course was a desire for self-improvement as seen by 54% of participants giving the reason ‘I wanted to

become more assertive or self-confident” [15]. From this information, we are looking to target people who are looking for self-defense education, self-improvement, safety, or exercise.

Positioning

“Learning to fight, together”

The Dallas Self-Defense Academy will position itself as a place where individuals can learn self-defense in an environment surrounded by peers who have the same goal. We seek to align our pricing, advertising and channel decisions to align with this goal.

Our pricing is competitive within the market and transparent to our customers. This means that customers can make immediate decisions when considering our service.

In terms of advertising, we will highlight the fact that we offer specific women-only, seniors-only, and family-only self-defense classes. We empathize with women who fear facing sexual misconduct, seniors who fear experiencing elderly abuse, and parents who fear for the safety of their children. We also realize that each group will learn the lessons of the class at a different pace. Thus, by siloing each demographic group in separate self-defense classes, we provide them with a comfortable and safe environment to learn self-defense, and one in which they are surrounded by individuals who share their fears and have similar goals. Moreover, we realize that many individuals who seek our services will have previously experienced physical abuse or trauma. For those individuals, we will advertise the fact that all our instructors and staff are trained in dealing with individuals with traumatic experiences. Moreover, in addition to providing participants the training to master self-defense concepts, our classes will also give them the opportunity to be physically active. Thus, in our advertising material, we will highlight

the fact that by signing up with the Dallas Self-defense Academy, individuals can not only engage in intensive exercise but also learn and perfect a valuable new skill.

Since we will be located in north Dallas, a middle to high income area, we will be close to individuals who have the discretionary income to pay for self-defense classes. As stated earlier, this area is also composed of a significant number of women, seniors, and young families, demographic groups who will resonate with our objective.

Service

There are many aspects of the Dallas Self-Defense Academy that will separate it from its competition. It will exist through local ownership and management providing it with a strong commitment to the community. The staff really cares about issues such as sexual assault and believes that possessing these sets of skills will help their customers feel confident in harmful situations. The academy offers flexible class times that are sure to fit into anyone's busy schedule. Instructors are patient, informative, and knowledgeable. They are willing to cater to each person's needs and abilities. Many of them have experiences dealing with traumatic experiences themselves, so they can often see things from the customer's perspective.

The membership program will consist of a monthly fee that will remain set without the possibility of fluctuating from month to month. With today's technology it's simple enough to look up a free online self-defense training course that can teach you the basics in the comfort of your own home. What Dallas Self-Defense Academy provides that an online course wouldn't is the chance to have that one-on-one engagement with instructors. They will be there to provide instant answers to your questions while monitoring your performance. There's also the benefit of being able to interact with peers and build strong relationships with others that are working to

achieve the same goal. There will be times when sessions get difficult and it helps to have friends there for encouragement. There are also the perks of having training equipment readily available for use when needed. Unlike many of Dallas Self-Defense Academy's competitors, its website will have transparent, easy to locate, pricing that is often cheaper than competitors. While most martial arts studios are targeting the younger generation, we recognize the need for self-defense for adults as well and want our customers to have these benefits without feeling a large financial burden. This Academy is also one of the very few places that offers classes for the elderly, seeing as they are easy victims for theft and abuse.

Price

The pricing model for our service will be based on four factors: overhead costs, competition, customers, and margins.

Overhead Costs

Below is a list of the monthly overhead costs which will contribute towards deciding our pricing:

Figure 10: Estimates of Monthly Expenses

| Expenses | Per month | Assumption |
|--------------------------|-----------|--|
| Rent/ Utilities | \$1,050 | There is a property located on 1750 Alma Road, Richardson TX 75081, which meets our needs. The property is listed at \$10.50 per square foot per year at 1200 squarefoot. This comes out to be \$1050 per month. Utilities are included with rent of the property. |
| Administrative Assistant | \$1,200 | Administrative Assistant salary is \$10 an hour. They will work 30 hrs a week. |

| | | |
|----------------------------|---------|--|
| Instructor Salary | \$3,000 | Average Martial Arts instructor salary is \$35,000 according to Indeed |
| Janitor/Cleaning equipment | \$210 | Average Janitor salary is listed at \$9.50 per hour according to indeed. We will require their services 5 hours a week. Cleaning equipment will average \$20 |
| Loan Payment | \$560 | \$17,500 total loan. Paid over three years |
| Marketing | \$675 | 10% of total monthly costs |
| Business Insurance | \$75 | Hiscox quote for personal training business. 1 million dollar limit. \$500 deductible |

Competition

Our pricing is positioned to be inline with our competition but at a slightly lower cost. Based on the average monthly costs of our competitors in the market, we will provide our service at a standard cost of \$65 per month. This allows us to have a competitive edge in pricing while avoiding the creation of a low quality budget image for our brand.

We will also provide a policy of open pricing to our customers. By providing our rates online to be seen by customers, we want to promote transparency in our pricing. This is opposite to much of our competition who require a request to be made for the customer to receiving pricing information. This policy will make decisions easier for customers when considering our service and attract customers who are looking to make an immediate choice.

Customers

With a diverse target market, we want to provide pricing options to our customers that better suit their needs and budgets. In doing so, we have created two separate monthly plans. For the traditional plan, customers will get membership access to 10 classes a month at a rate of \$65 per month. We will also offer a smaller plan of 5 classes a month at a lower rate of \$40 per month. Pricing of the two plans are designed to incentivize customers to choose the traditional plan with a better value while also providing a smaller option plan for those who may not utilize the full service or are looking to spend less money.

Target Margin

According to Investopedia, the ideal profit margin for a small service-based business is 15% - 20% of total sales [16]. Thus, we will aim to achieve an annual profit margin of 15%. However, revenue will primarily be reinvested through improving the quality of the service and expanding marketing efforts. As membership increases, the cost per class and fixed costs will remain flat. This provides us the ability to either lower costs with higher membership counts or increase our fixed costs to improve our service while still maintaining a profitable business.

Promotion

We will utilize both push and pull strategies. We believe that this promotion strategy will allow us to advertise our services in a more effective manner. Through push strategies we can push our marketing message to a large group of individuals, many of whom if not currently looking for our services, may look for them in the future. Moreover, push strategies will be more

effective in attracting the senior population than pull strategies would be. Through the use of pull strategies, we can attract individuals who have genuine interest in the services we offer. Our advertising message will highlight the importance of self-defense in today's world and let individuals know that we provide a safe and comfortable environment for individuals to learn self-defense as well as engage in intensive physical activity. Moreover, we fully realize that as a new business that has not yet formulated a brand image in the minds of consumers, we will have to invest heavily in promoting our business initially. Thus, we expect to use 10% or \$675 of our total monthly costs on marketing every month.

Partnership

The Dallas Self-Defense Academy will seek to form partnerships with businesses and organizations who serve our target populations. To reach the senior population, we will form partnerships with the Richardson Senior Center, local churches, and assisted living facilities. We will distribute flyers, which have a large font size and clear message, to senior citizens who attend events at these organizations. Moreover, senior citizens tend to be more price conscious and may wish to see the services we offer first-hand. Thus, we will hold demo self-defense sessions to show them the benefit of our services. We will also form a partnership with and demo our service at the Richardson Police Department, which has a crime prevention program for seniors. To reach the female population, we will form partnerships with popular women's groups in the Richardson area, including professional women's groups, Women in Leadership, and Richardson Women's Club. We will distribute flyers and showcase demos. To reach families, we will seek partnerships with the Richardson ISD PTA, Richardson family YMCA, and Family Compass. There will be no marketing cost associated with forming partnerships with these

organizations as many of them are non-profit. The demo sessions will be calculated as overtime expense for the instructor. We expect to incur \$20 per hour of overtime expenses. Detailed breakdown of flyer pricing is stated below.

Flyers

Efficient distribution of flyers are still an effective push method of promoting one's business. Thus, we will begin distributing flyers at strategic locations before we begin operations. These locations will include senior centers, police stations, bulletin boards of grocery stores, and meetings of popular women's clubs and groups. Flyers will contain information about our location, pricing, services offered, and enrollment instructions. As mentioned earlier, flyers distributed at events targeting senior citizens will have a larger font. We will design all flyers, free of cost, on Canva, a graphic-design website. The cost associated with printing 2,000 flyers will be around \$50.

Self-Defense YouTube Videos

One-third of all online activity is spent watching YouTube and YouTube has more than a billion active users. Youtube also reaches more 18-49 year olds than any other broadcast or cable network on mobile [17]. Thus, we believe that creating content on YouTube will help us reach two of our target customers: young women and parents who have children. We plan to make YouTube videos which show our instructors completing complex self-defense moves and feature customer testimonials. We will also share those videos on Facebook, Instagram and on our website. This method will allow viewers to see the training we offer and allow use to showcase the skills of our instructor. We will push view counts on these videos through several methods

including by making sure to include keywords in video titles and descriptions, optimizing our thumbnail pictures, and utilizing tags. Additionally we will purchase a \$10 per day (approximately \$305 per month) subscription to YouTube Ads, a service offered by YouTube that allows users to promote their YouTube channel to target audiences. We will also invest in a high-quality camera for a one-time cost of \$300. Making regular video content will fall within the instructor's job role and will thus, be covered through his salary. The administrative assistant will be in charge of editing and uploading high quality videos and maintaining the YouTube channel.

Social Media

Social media has become an increasingly prominent tool in recent times. Social media is not only popular among teens and young adults but is also popular among older individuals. This is best demonstrated by the fact that 61% of individuals 35-54 and 48% of individuals over 55 use Facebook [18]. Thus, we hope to leverage the power of social media to help grow our business. The Dallas Self-Defense Academy will be actively involved on Facebook, Instagram, and Twitter. We will feature our Youtube videos, testimonials from current customers and updates on current crime reports in the community on each site. We hope that these posts will allow customers to engage with our company and become exposed to our mission. We will also take advantage of Facebook's CPM, Click Per Minute, feature to advertise to our target markets of seniors, families, and women. Facebook's base price for this service is \$7.19 per 1000 pages the ad is displayed on. We will start by purchasing 10 CPM sections each month, resulting in our ad being featured on 10,000 pages for a monthly fee of \$72. Our administrative assistant will be in charge on maintaining and updating the Facebook page.

Free Trials Classes

Individuals who are interested in learning self-defense will have the opportunity to try their first class with us for free. This will give them an understanding of the training we offer and allow us to sell our services to them. They will also be exposed to customers who are currently using our services. This will give potentially new customers the opportunity to hear unfiltered testimonies from current customers. We believe that this promotion will help individuals who are on the fence about signing on with us make a decision. Free classes will also offered to families during halloween in October, Seniors during National Senior Citizens Day in August, women in National Women Health and Fitness Day in September, and to children during National Children's Day in June.

Referral Promotion

During January, April, July, and October we will have a referral promotion. This promotional offer will state that for every person an individual refers, both them and the person they referred will get \$10 off of their next month's class fee. Thus, this promotion offer will cost us \$20. We hope that this offer will incentivize mouth-to-mouth communication of our services.

Place

The Dallas Self-Defense Academy will be located at 1750 Alma Road, Richardson TX 75081, which has 74 parking spaces. It is expected to have 20 people in one class. Generally, there will be enough parking spaces with easy access to the location. The location is walking distance from new residential developments.



Figure 11: Aerial view of location from Google Maps



Figure 12: Street view of location from Google Maps

The location was selected due to its affordable rent and proximity to public transit, highways, new residential developments and our target markets. The closest DART rail station is Arapaho Center Transit Stop (Orange, Red Lines) which is a 17 minute walk and 0.8 miles from Dallas Self-Defense Academy. There is one shopping mall, called Arapaho Central Park, adjacent to the rail station. This provides customers the opportunity to shop in the surrounding area before and after their classes.

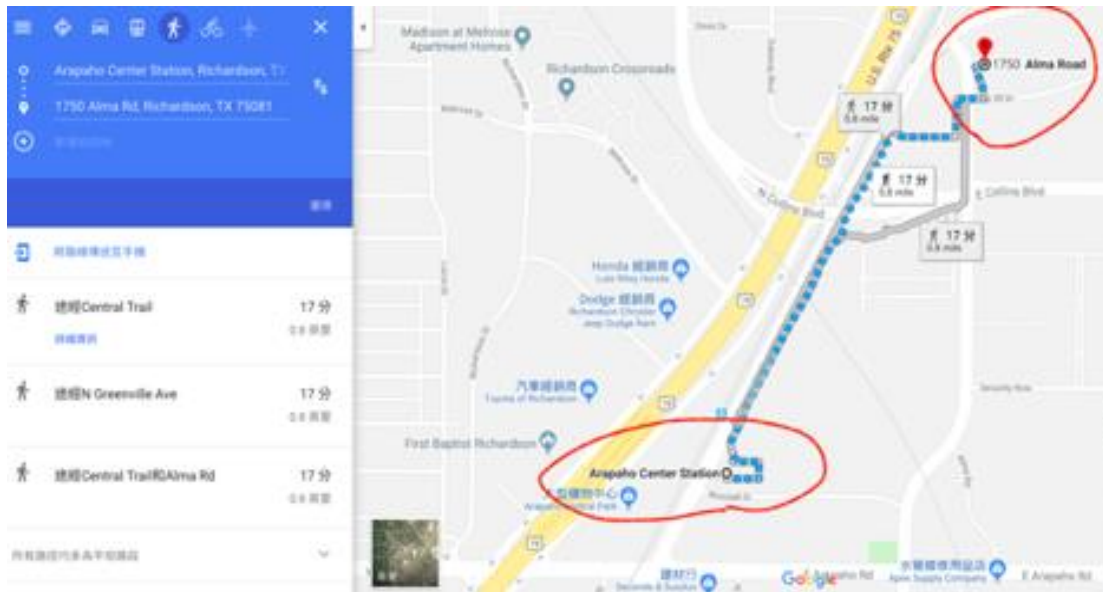


Figure 13: Google Maps Directions from Arapaho Center DART Station

The location can also be accessed by DART bus routes. Notably, the DART Route 362 stops at Alma at Collins-S-FS and passes through the UTD campus area. Making the location also convenient to college students. Additionally, there are 4 high schools nearby: Richardson, John Paul II High School, Plano Senior High School and Richardson West Junior High School. This makes it convenient for families to attend after-school classes.

Implementation

December 2018

- Begin Marketing through the use of social media such as facebook.
- Post YouTube videos displaying instructor self-defense moves in action.
- Start distribution of flyers to various locations that our target customer is likely to spend time such as retirement homes, local women's conferences, shopping malls, and grocery stores.
- Hire staff (head instructor, janitor, and administrative assistant)
- Take out \$17,500 loan to help with first 6 month expenses
- Open Hiscox business insurance policy
- Rent out property at 1750 Alma Road, Richardson TX 75081 to serve as the location for the new academy
- Purchase cleaning equipment, office equipment, and class equipment (yoga mats, punching bag, and sparring pads)
- Accumulate at least 50 registered customers to begin classes on the first day of operation

January 2019

- Dallas self-defense academy opens its doors to begin classes on January 7th which is the first day of school for most Richardson ISD students.
- Pursue partnership with Richardson ISD PTA
- First promotional offer
- Offer the first class free for customers to get a feel for what the sessions have to offer.
- Post YouTube videos displaying instructor self defense moves in action

February 2019

- Create instagram page in which members can post photos showing their experiences while attending classes onto their personal page. They will tag the location so that the gym is linked to a hashtag allowing for the public to view it as well
- Pursue partnership with Richardson Police Department
- Post YouTube videos displaying instructor self defense moves in action.

March 2019

- Partner with neighboring schools (kindergarten - 12th grade) to offer classes as PE credit
- Pursue partnership with Richardson Senior Center, Richardson Family YMCA, and Richardson women's club
- Post YouTube videos displaying instructor self defense moves in action
- Begin monitoring and analyzing churn

April 2019

- Offer Second referral promotion
- Pursue partnership with Family Compass
- Post YouTube videos displaying instructor self defense moves in action

May 2019

- Distribute flyers to target market displaying data of increased crime rate during the summer months to educate the public about the importance of self defense in warmer weather
- Post YouTube videos displaying instructor self defense moves in action

June 2019

- On national children's day which falls on June 9th the academy will offer free classes for kids from the ages of 6 to 17
- Pursue partnership with Women in Leadership
- Post YouTube videos displaying instructor self defense moves in action

July 2019

- Offer 3rd referral promotion
- Evaluate financial performance and make adjustments if necessary
- Post YouTube videos displaying instructor self defense moves in action

August 2019

- On national senior citizens day which falls on August 21st the academy will offer free classes for those above the age of 65
- Hold demo martial arts session at Richardson senior center on the August 14th.
- Post YouTube videos displaying instructor self defense moves in action

September 2019

- On national women's health and fitness day which takes place on September 25th the academy will offer free classes for women between the age of 18 and 65
- Hold self defense demo session at the Richardson Women's club on September 18th.
- Post YouTube videos displaying instructor self defense moves in action

October 2019

- Offer 4th referral promotion
- Post YouTube videos displaying instructor self defense moves in action
- Offer free Halloween family safety class

November 2019

- The first 150 members will receive thank you letters mailed to their address, and will have their signature featured on a large banner which will be positioned on the front wall of the training classroom.
- Post YouTube videos displaying instructor self defense moves in action
- End of year customer and employee evaluation
- Create job posting on Indeed for an additional instructor

Financial projections

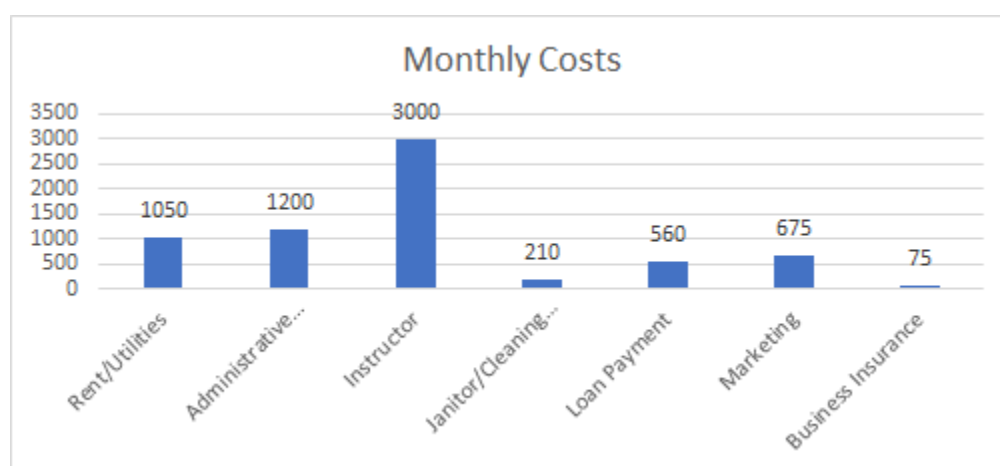
Assumptions

1. Dallas Self-Defense Academy will begin marketing efforts before opening, creating an available customer group upon full opening.
2. The model assumes healthy growth of customers over time.
3. 70% of customers will have a full, 10 class, membership while 30% of customers will have a half, 5 class, membership.
4. Customer growth and churn are likely to be affected by external conditions such as seasonal and cultural occurrences such as Winter New Year's resolution, Summer "beach body", and Fall back-to-school.
5. The following table includes the assumptions made for each of the monthly costs of Dallas Self-Defense Academy:

Figure 10: Estimates of Monthly Expenses

| Expenses | Per month | Assumption |
|----------------------------|-----------|--|
| Rent/ Utilities | \$1,050 | There is a property located on 1750 Alma Road, Richardson TX 75081, which meets our needs. The property is listed at \$10.50 per square foot per year at 1200 squarefoot. This comes out to be \$1050 per month. Utilities are included with rent of the property. |
| Administrative Assistant | \$1,200 | Administrative Assistant salary is \$10 an hour. They will work 30 hrs a week. |
| Instructor Salary | \$3,000 | Average Martial Arts instructor salary is \$35,000 according to Indeed |
| Janitor/Cleaning Equipment | \$210 | Average Janitor salary is listed at \$9.50 per hour according to indeed. We will require their services 5 hours a week. Cleaning equipment will average \$20 |
| Loan Payment | \$560 | \$17,500 total loan. Paid over three years |
| Marketing | \$675 | 10% of total monthly costs |
| Business Insurance | \$75 | Hiscox quote for personal training business. 1 million dollar limit. \$500 deductible |

Cost Projections

**Figure 14:** Monthly Cost Breakdown

The major cost for Dallas Self-Defense will be the cost of employing an instructor at a competitive rate. Marketing costs make up 10% of the total monthly costs.

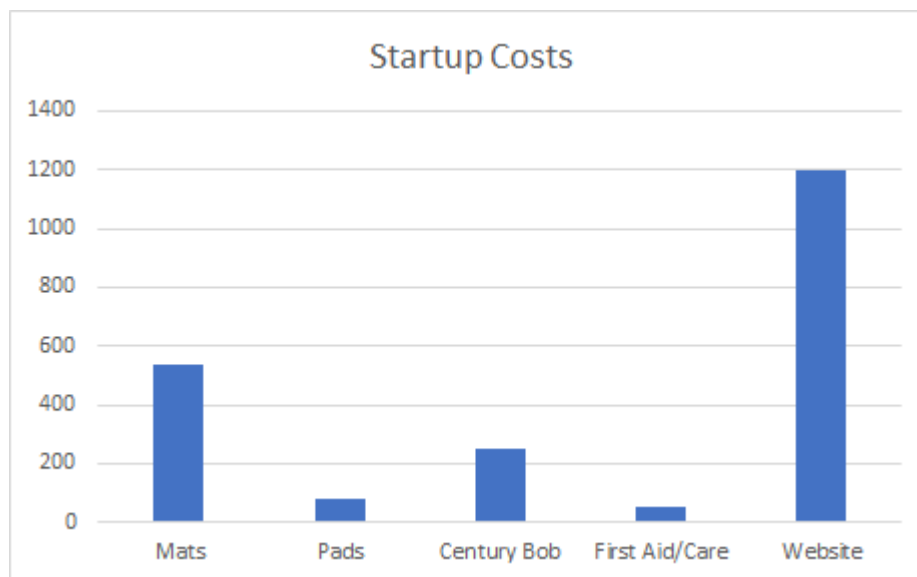


Figure 15: Startup Costs Breakdown

Startup costs will be required to insure instructors are properly equipped and safety precautions are met. A website is also essential to our inbound marketing and online presence.

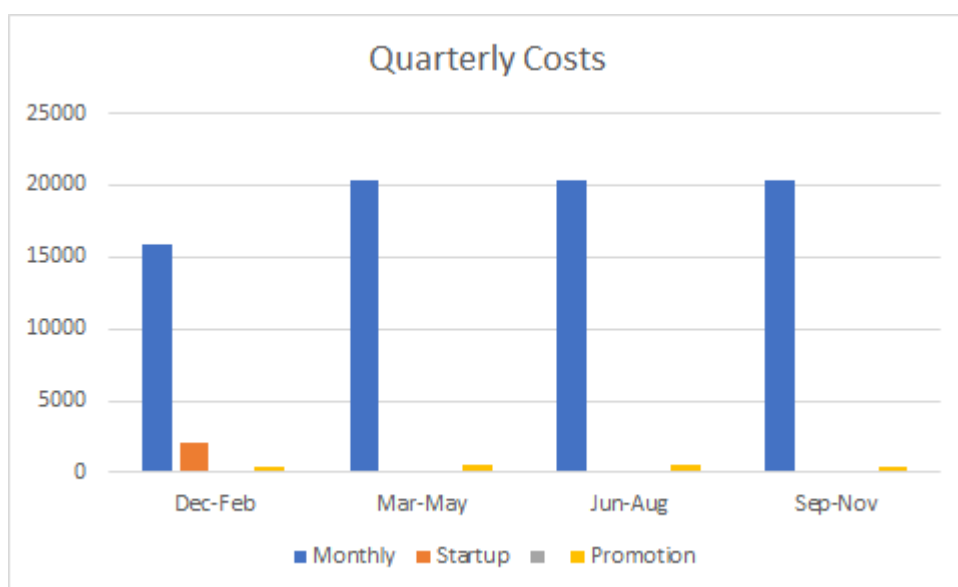


Figure 16: Quarterly Cost Projections Breakdown

Revenue Projections

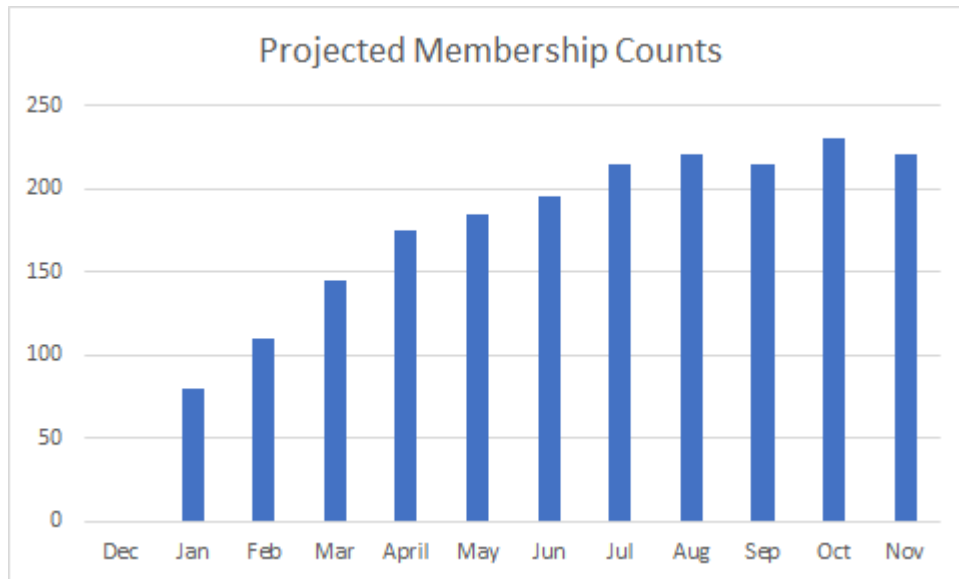


Figure 17: Projected Membership Counts

For our service plan, the number of members determines the revenue of Dallas Self-Defense Academy. To create an estimation of our projected revenue, we have created a projected estimate of our monthly membership counts. The following equation was used to determine the projected revenue based on total membership count:

$$\text{Revenue} = 65 \times (.7 \times \text{membership count}) + 40 \times (.3 \times \text{membership count})$$

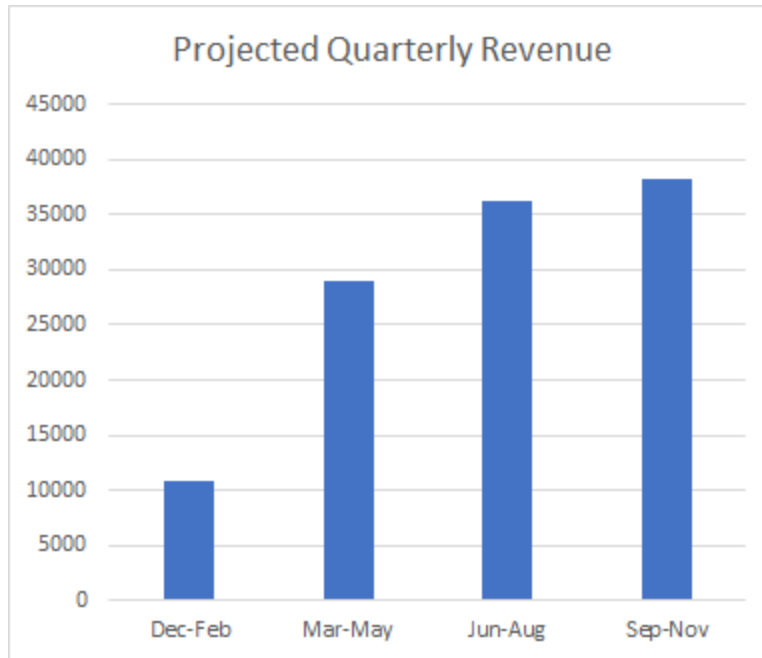


Figure 18: Project Quarterly Revenue

Break-Even Analysis

The following equation can be used to determine the break-even point:

$$\text{Break} - \text{Even} = \frac{\text{Total Costs}}{\text{Membership Revenue}}$$

Expand to a monthly format the equation is:

$$\text{Break} - \text{Even} = \frac{\text{Monthly Costs} + \text{Promotion Costs}}{\text{Monthly Membership Revenue}}$$

With our predicted business costs and membership costs the equation takes the following form:

$$\text{Break} - \text{Even} = \frac{6770 + \text{Promotion Cost}}{65 \times .7 + 40 \times .3}$$

For a month without an ongoing promotion, the estimated number of members required to break even is 105 members. When meeting a margin of 15%, the number of members required raises to 136.

Income Forecast

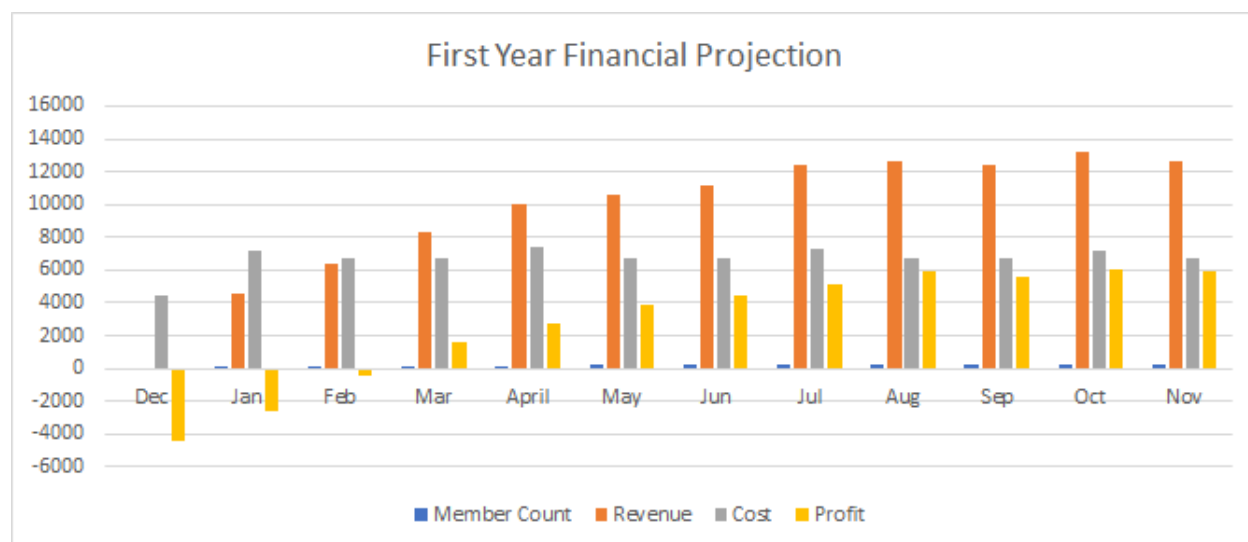


Figure 19: Financial Projection Graph

| Month | Dec | Jan | Feb | Mar | April | May | Jun | Jul | Aug | Sep | Oct | Nov |
|----------------------------|-------|-------|------|--------|---------|---------|------------|---------|---------------|---------|--------------|-------|
| Costs | | | | | | | | | | | | |
| Rent/Utilities | 1050 | 1050 | 1050 | 1050 | 1050 | 1050 | 1050 | 1050 | 1050 | 1050 | 1050 | 1050 |
| Administrative Assistant | 0 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 | 1200 |
| Instructor | 0 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 | 3000 |
| Janitor/Cleaning Equipment | 0 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 | 210 |
| Loan Payment | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 |
| Marketing | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 |
| Business Insurance | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 |
| Startup | 2120 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Promotion | 0 | 400 | 0 | 0 | 600 | 0 | 0 | 500 | 0 | 0 | 400 | 0 |
| Total | 4480 | 7170 | 6770 | 6770 | 7370 | 6770 | 6770 | 7270 | 6770 | 6770 | 7170 | 6770 |
| Revenue | | | | | | | | | | | | |
| Full Membership | 0 | 3640 | 5005 | 6597.5 | 7962.5 | 8417.5 | 8872.5 | 9782.5 | 10010 | 9782.5 | 10465 | 10010 |
| Half Membership | 0 | 960 | 1320 | 1740 | 2100 | 2220 | 2340 | 2580 | 2640 | 2580 | 2760 | 2640 |
| Total | 0 | 4600 | 6325 | 8337.5 | 10062.5 | 10637.5 | 11212.5 | 12362.5 | 12650 | 12362.5 | 13225 | 12650 |
| Profit | -4480 | -2570 | -445 | 1567.5 | 2692.5 | 3867.5 | 4442.5 | 5092.5 | 5880 | 5592.5 | 6055 | 5880 |
| | | | | | | | Total Cost | 80850 | Total Revenue | 114425 | Total Profit | 33575 |

Figure 20: First Year Income Statement

Evaluation and Control

Evaluate Sales

We start marketing in December. The class will open in January. From December to June, it is estimated that there will be \$4,480 expenditure, revenue will be \$51,175 from January to June, and the profit will be \$9,555. If, after 6 months, we find that the costs exceed revenue, we will reduce promotion and advertising to our lost performing market segment. We will also reduce physical marketing expenditures and increase more efficient digital marketing efforts. If revenue exceeds costs, we will hold more events to increase brand awareness and offer new customer incentives.

Evaluate Customer Satisfaction and Engagement

Qualitative Data

We evaluate our service by regular monthly customer surveys and feedback through email and social media. We will also provide questionnaires to students after class and openly request feedback after each class.

We would like to ask you to help us filling out this survey.

| | |
|----------------|--|
| COURSE: | |
| INSTUCTOR: | |
| TEAM AND YEAR: | |

Please cross the response that represents your opinion.

| Teaching Approaches | Strongly Agree | Agree | Neutral |
|--|----------------|-------|---------|
| The instructor stimulated my interest in the subject. | | | |
| The instructor managed classroom time and pace well. | | | |
| The instructor was organized and prepared for every class. | | | |
| The instructor was organized and prepared for every class. | | | |
| The instructor encouraged discussions and responded to questions. | | | |
| The instructor demonstrated in-depth knowledge of the subject. | | | |
| The instructor appeared enthusiastic and interested. | | | |
| The instructor used a variety of instructional methods to reach the courses objectives | | | |

Watching video workshop yes no
If yes please help us to rate the following

| | Very Good | Good | Ok | Poor | Very Poor |
|------------------|-----------|------|----|------|-----------|
| Topic | | | | | |
| Content(clarify) | | | | | |
| Image Quality | | | | | |

Please do not hesitate to give us any feedback or criticism in order to provide you a better service. Thank you.

Other comment:

Figure 21: Customer Questionnaire

Questionnaires and surveys will be analyzed monthly to determine business and instructor performance. This data can be utilized to make alterations to service to better fit the wants of our customers.

Quantitative Data

We can evaluate our weekly social media reach by measuring the following parameters:

- Number of followers of fans in Facebook, Instagram, Twitter, YouTube
- Number of "likes" in each event, classes, videos (weekly and monthly)
- Number of comments and messages in in Facebook, Instagram, Twitter, YouTube

Churn Analysis

After discontinuing our service, customers will be contacted by phone and email for feedback. This information can be used to improve classes to reduce future churn rates.

Information such as age, membership plan, membership length, address, and referral will be recorded for dropped memberships. This data can be analyzed to identify groups that have higher rates of churn which can then influence further marketing decisions.

Evaluate Employee Satisfaction

We will survey our employees monthly to determine their satisfaction with the company. We will make it a point to address employee concerns. Employee satisfaction is a prioritized concern as employee attitude can affect the performance of our service.

Appendix

Facebook Page/ Sample Post

DALLAS SELF-DEFENSE

Dallas Self-Defense Academy
@DALLASDEF

Home
Posts
Jobs
See more

Promote
Manage Promotions

Create Post Live Event Offer Job

Write a post...

Photo/Video Feeling/Activ... Check in

Posts

No Rating Yet

English (US) · Español · Português (Brasil) · Français (France) · Deutsch

Privacy · Terms · Advertising · Ad Choices · Cookies · More · Facebook © 2018

Dallas Self-Defense Academy
Just now · 🌐

What do you do if your attacker has a knife? How do you defend yourself and your family? Find out in our latest YouTube Video:
<https://www.youtube.com/watch?v=dePpR5GsCxl>

Boost Post

Like Comment Share

Write a comment...
Press Enter to post.

General Flyer



Learning To Fight, Together

Women, Seniors, and Family Self-Defense Classes

Whether looking for self-confidence, the skills to protect yourself and your family, or a way to shed pounds and get into fighting shape, the Dallas Self-Defense Academy is the fastest, more effective, and enjoyable way to do it.

Location:

1750 Alma Road,
Richardson TX 75081

Pricing:


A: 5 classes per month at
\$40


B: 10 classes per month at
\$65







Register now at WWW.Dallasselfdefacademy.com
and get your first class
absolutely free



YouTube Page



 **YouTube**


Search 

0 subscribers  Video Manager



Dallas Self-Defense Academy View as: Yourself   0

[Home](#) [Videos](#) [Playlists](#) [Channels](#) [Discussion](#) **[About](#)** 

0 subscribers
Joined Nov 23, 2018

Description

Whether looking for self-confidence, the skills to protect yourself and your family, or a way to shed pounds and get into fighting shape, the Dallas Self-Defense Academy is the fastest, more effective, and enjoyable way to do it.
[Show less](#)

Featured Channels

[+ Add channels](#)

Popular channels on YouTube

Seniors Flyer



Learning To Fight, Together

Seniors-Only Self-Defense Classes

Whether looking to learn practical strategies to protect yourself or a way to become active, the Dallas Self-Defense Academy is the most effective way to do it

Location:

1750 Alma Road,
Richardson TX 75081

Pricing:

A: 5 classes per month
at \$40

B: 10 classes per month
at \$65



Register now at WWW.Dallasselfdefacademy.com and get your first class absolutely free

Sample Class Schedule

| CLASS SCHEDULE: JAN 7 - 13, 2019 | | | | | | | |
|----------------------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|--------|
| | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
| 8:00AM | | | | | | | |
| 8:30AM | | | Women Self-Defense Class | | Senior Self-Defense Class | | |
| 9:00AM | | | 8:00AM-10:00AM | | 8:00AM-10:00AM | | |
| 9:30AM | | | | | | | |
| 10:00AM | | | | | | | |
| 10:30AM | Senior Self Defense Class | | | | | | |
| 11:00AM | 10:00AM-12:00PM | | | | | | |
| 11:30AM | | | | | | | |
| 12:00PM | | | | | | | |
| 12:30PM | | | | | | | |
| 1:00PM | | | | | | | |
| 1:30PM | | | | | | | |
| 2:00PM | | | | | | | |
| 2:30PM | | | Senior Self Defense Class | | | | |
| 3:00PM | | | 2:00PM-4:00PM | | | | |
| 3:30PM | | | | Women Self-Defense Class | | Family Self-Defense Class | |
| 4:00PM | | | | 3:00PM-5:00PM | | 3:00PM-6:00PM | |
| 4:30PM | | | | | | | |
| 5:00PM | | | | | | | |
| 5:30PM | | | | | | | |
| 6:00PM | | | | | | | |
| 6:30PM | | Family Self-Defense Class | | | Family Self-Defense Class | | |
| 7:00PM | | 6:00PM-9:00PM | | | 6:00PM-9:00PM | | |
| 7:30PM | Women Self-Defense Class | | | | | | |
| 8:00PM | 7:00PM-9:00PM | | | | | | |
| 8:30PM | | | | | | | |
| 9:00PM | | | | | | | |
| 9:30PM | | | | | | | |
| 10:00PM | | | | | | | |

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