

Business Plan Competition

**Studio Martial Arts Accessible (MAAC)**

Submitted by:

On this date: **February 22, 2019**

## **Business Profile**

For most of my life, I have practiced multiple martial arts. I have developed a passion and a vast amount of respect for learning the rich histories and beautiful art forms involved in martial arts. From the Japanese origins of Karate beginning on the island of Okinawa, to the smorgasbord of Mixed Martial Arts, martial arts is so vast and diverse that it has something for everyone. For me, martial arts is three things: a new way to learn how to move my body, a way to center myself from the turmoil of daily life, and a way to keep myself fit. My personal goal with Studio MAAC would be to share this love of martial arts and the benefits I have received from it with the people of San Antonio.

Studio MAAC (Martial Arts Accessible), aims to be as dynamic as martial arts itself. Some martial arts focus more on technique, or some are more workout oriented. My business will offer martial arts that appeal to each person's interest. Studio MAAC is the solution for the people that want to learn self-defense, learn art forms that have been passed down and taught for generations, or who want to become more fit. Studio MAAC seeks to achieve this goal by offering multiple martial arts at a single place. As someone who has been involved with multiple martial arts all her life and who has a passion for martial arts first as an art and second as a self-defense program, I am confident that Studio MAAC is perfect for those with a wide range of interests regarding martial arts.

Martial arts that will be offered are:

- Shotokan Karate
- Mixed Martial Arts
- Kickboxing
- Brazilian Jiu Jitsu

Studio MAAC will provide the customer with the ability to create their own concentration in martial arts. A customer is allowed to choose up to three martial arts to learn. A concentration will consist of a choice between learning solely one martial art, two, or three martial arts. Classes that focus on each individual martial art will be held simultaneously. For example, a karate class and a kickboxing class could be held at the same time, and those who are learning both will do a thirty minute class of karate, followed by thirty minutes of kickboxing or vice versa. On different days, classes will focus solely on one martial art for the whole hour. The days where classes are divided in half are called Dual days (and the classes are called Dual classes), and the days where classes focus on one martial art for an hour are called Focused days (and the classes are called Focused classes.) Important to note is that on Dual days, level 3 classes will not be offered together as half hour classes. This means that BJJ and Karate would not be offered in the same one hour class. Instead of switching to another martial art, they will stay at their section and the class will continue as if it were a Focused class.

An example of a week of classes could proceed as follows: Sundays, Tuesdays, and Thursdays would be Dual days, where classes are divided as 30 minutes per martial art. Mondays, Wednesdays, and Fridays would be Focused days, where classes focus on a single martial art for an hour. Patrons are welcome to attend multiple classes that day (one class per martial art in their concentration) if those martial arts are part of their concentration. A client will be subject to a fee of \$15.00 per class if they desire to attend a full hour class that isn't part of their concentration.

Each martial art offered by Studio MAAC would come with a ranking between 1 and 3, with 1 being the least technique oriented and more of a workout-based class, and 3 being more technique oriented (and still a workout class, but the art part of martial arts would be more emphasized).

## Levels of Offered Martial Arts:

- Karate: 3.
- Brazilian Jiu Jitsu: 3.
- Mixed Martial Arts: 2.
- Kickboxing: 1.

Unlike many other martial arts dojos (schools), Studio MAAC will offer comprehensive and authentic training for each martial art. This involves traditional teaching from qualified instructors, not just any kind of black belt. The education needed in this business--and specifically to be hired by Studio MAAC--is to be a black belt certified with reputable institutions like the World Karate Federation or USA National Karate-do Federation.

Studio MAAC will be a local business, situated in a warehouse-like facility. The warehouse will need to be around 10,000 square feet. The warehouse would be divided into four sections, each pertaining to a different martial art. Also included in the warehouse would be a fifth and sixth section, one an office for employees, and another a personal office for myself.

Materials necessary would be uniforms, office supplies, and martial arts protective gear (for example, sparring gear). For more information about materials, please refer to the **Financial Requirements** section.

## **Target Market:**

Studio MAAC's primary goals are to ensure patrons are fit, healthy, and able to defend themselves. San Antonio is listed as the second most obese city in the United States, so it's important that the people of San Antonio have more options regarding their

exercise. Studio MAAC is the solution for a flexible and welcoming atmosphere to help combat this issue.

Studio MAAC doesn't have any fitness standards. A person can walk in who has not done a push up once in his or her life, and a bodybuilder would be equally welcome.

Studio MAAC desires to cater to all of San Antonio. My business would be encouraging people of all ages to work out in a fun and dynamic fashion. For adults, martial arts will help with weight loss and regulation, and for teenagers and children, it will help with their development of discipline and self-confidence along with keeping them fit. In order to reach my wide target market I would need to do the following.

Social media is necessary, as it is the main way Studio MAAC would connect with customers, outside of the main website. Demonstrations and local school visits are also ways to get the word out about my business. More information about reaching my target market is in the **Marketing/Sales Plan** section.

A large attractive factor of Studio MAAC is that it will operate outside of 9-5 hours. Studio MAAC would open at 6:15 in the morning, with the first class being held at 6:30. Classes would run at hour long intervals until 10:30 A.M. The business would then close until 2:30 P.M. when it will reopen and classes will begin at 3:00 P.M. Once again classes would run for hour long intervals, and the closing time would be 10:00 P.M. This allows for people of all ages, whether in school or working, to be able to attend classes at their convenience.

### **Marketing/Sales Plan:**

Studio MAAC seeks to provide its target market with flexible classes and custom concentrations in order to promote fitness and teach self-defense. Classes will vary

from being offered very early in the morning to late at night in order to convenience as many patrons as possible. With this in mind, Studio MAAC would be aimed at a range of ages, from young children (five years old and up) to adults. (It should be noted that adults will not have classes with children. There will be separate classes and times specifically for children.)

I would reach my target market by investing in creating a quality website. I would make sure that my business shows up at the top of the webpage by paying for Google Ads to make my website pop up as the first search entry answer when certain keywords are entered into the search bar. I would ask other local businesses if I could give them brochures and/or business cards to hand out to customers. Social media would be jointly run by myself and my employees. Instagram and Facebook would be two of the primary social media accounts for Studio MAAC and would be updated and maintained often. Visiting schools and universities as well as doing demonstrations would be another way I'd reach my target market.

Studio MAAC would appeal to customers because of the different types of workouts offered. Those who want to have a more workout-oriented class can take kickboxing classes. Those who want to learn a martial art in depth can take Karate and BJJ, and a balance between workout-orientation and technique-orientation is reached in Mixed Martial Arts. This will attract a wider target market than those martial arts businesses that only offer one or two styles of martial arts.

### **Operations:**

In order to begin attending classes at Studio MAAC, the customer must choose what type of membership they want (one, two, or three martial arts per concentration), and then choose the martial arts in their concentration. For example, a customer may choose to concentrate on karate and kickboxing. Assuming they do, the following is how

they would experience Studio MAAC. After the customer has chosen their concentration, uniforms must be given and worn to all classes that require them. Karate will have a uniform, while kickboxing does not require one. On Dual days, when customers are required to change into a different uniform for their second class of the second half hour, they can do the following:

1. If the first class is Karate and the second is kickboxing, the customer can take off the top part of the Karate gi (uniform) and continue kickboxing. The belt can also be taken off.
2. If the second martial art is Mixed Martial Arts (MMA), the rash guard shirt is recommended to be worn under the Karate gi top so that changing time is decreased. As said in number 1, the top of the gi will be allowed to be taken off when switching classes. Belts may have to be switched if belt rank varies per martial art.

Almost all offered martial arts will have a different uniform (no uniform is necessary for kickboxing), so purchase of each uniform is necessary for participation. However, uniform purchase is included in the membership fee.

Uniforms per martial art:

- Karate: White gi (top and pants), white belt.
- MMA: Rash guard shirt, Karate gi pants (purchase of a whole Karate gi is not necessary in order to receive the pants).
- BJJ: White or blue knitted gi (the choice of color is up to the individual and/or the employee selling the gi).
- Kickboxing: No uniform is necessary.

## Financial Requirements:

**Important:** All prices are what Studio MAAC would pay--NOT the customer--unless otherwise specified.

I would apply for a business loan in order to establish Studio MAAC. I would also borrow money from relatives (which I would pay back), and start online fundraising. In return for donating online, I would offer a free class. Taking all this into account, I would start off with \$100,000.

Rent: Studio MAAC would need to be around 10,000 square feet. For a warehouse that is 10,000 square feet, I would pay around \$6.25 per square foot, which would come out to a total of \$68,531.25 per year. Therefore, each month I would need to pay a rent of \$5,710.94 (water is included in the rent).

### Supplies:

- Pens: Pens would cost \$20.00.
- Computers: Four desktop computers sold at \$430.00 per computer would amount to a total of \$1,720.00. Four mouse pads would be \$40.00, while bluetooth mice would be another \$40.00. The total for this section is \$1,800.00.
- Desks: Two office desks would cost \$863.08.
- Office Chairs: Two office chairs would cost \$146.00.
- Front Desk and Chair: A curved reception desk would cost \$803.00, and the chair would be \$66.95.
- Filing Cabinet: A filing cabinet would cost \$125.00.
- Credit Card Machine: A credit card machine would cost \$250.00. Receipt paper would cost \$30.00. This would total \$280.00.

- Printers: Two printers would cost \$60.00, ink would cost \$18.97 per cartridge, and printer paper would cost \$30.00. This would total \$108.97.
- Vending Machine and Food: \$750.00 would be the cost for a vending machine and soda machine. Drinks would be sold at \$1.00 per drink, while snacks would cost \$2.00 per snack. My purchase of both drinks and food would cost \$100.00.
- Memberships: Studio MAAC will offer three memberships depending on the clients' concentrations. For clients that concentrate solely on one martial art, their membership would cost \$150.00. For clients that have a concentration of two martial arts, the cost of membership would be \$160.00, and for clients that have a concentration of three martial arts, the cost of membership would be \$170.00. For every full hour class taken that is not part of a patron's concentration, he or she will be charged \$15.00.
- Utilities: Air conditioning and electricity would cost \$1000.00 per month. Phone bill and Internet would be \$150.00 per month.
- Inventory: Each martial art would require specialized protective gear and uniforms that would need to be purchased. The uniforms are included in the membership fees, while protective gear comes at an additional cost.
  - MMA and Kickboxing: Heavy-bag gloves are used in either martial art, and are required to be purchased whether you're doing one of the above martial arts, or both. Purchase of twenty of the twenty heavy-bag gloves for my inventory (with an estimated bulk purchase discount) would cost \$440.00. The punching bags would cost \$1,845.00. Kickboxing requires no uniform, but MMA does. MMA practitioners would need to wear a special rash guard shirt in order to prevent burns while sparring on the ground. Twenty customizable shirts would cost \$500.00.
  - Karate: Karate gis (uniforms) would cost an estimated (includes estimated bulk purchase discount) \$460.00. White belts are included in the cost as they come with the gi. As students progress, the price for their colored belts would be included in their testing day fees. (Students will need to pay

a fee to test on certain predetermined dates in order to move to a higher color/rank belt.)

- Brazilian Jiu Jitsu: Twenty BJJ gis would total \$800.00.
- Additional: Twenty mouth guards in my inventory would total \$60.00. Mouth guards would be sold for \$14.00 and are necessary purchases for MMA, Karate, and BJJ. Sparring gear is a necessary purchase for both Karate and MMA. I would stock my inventory with twenty packs of sparring gear at any one time. The cost of twenty packs of sparring gear (shin guards, chest guards, protective gloves, etc.) that pertain to each martial art (as each martial art has different sparring gear) would cost an estimated \$1,000.00.
- Sales and Marketing Tools: Social media would come at no cost and Instagram and Facebook are free, and having employees maintain these accounts (as well as maintaining them myself) would be included in their salary.
- Legal and Professional Fees: In order to sign a lease, hiring a lawyer to look over it is necessary. Hiring a lawyer would cost \$500.00.
- Licenses and Permits: A business license would cost \$250.00, and tax registration would cost \$75.00.
- Signage: A large sign on the facade of the building would cost \$3,500.00.
- Insurance: Insurance is estimated to be \$1000.00. (All clients will be required to sign waivers.)
- Software System: For a software system, I would allocate a budget of \$8,000.00.
- Employee Pay: Office workers and receptionists would receive \$12.00 an hour, and instructors would receive \$32.00 an hour.
- Self-Pay: \$35.00

Initial Total Cost: \$40,033.94

Repeatable Cost Total (per month): \$18,270.94

I estimate that if I begin with 50 memberships in the first month and grow by 20 memberships per month, I wouldn't be able to pay off my \$100,000.00 loan for three years. However, I would break even within a year, assuming the trend continues positively. (My calculations allow for a slight decrease in the amount of memberships. If the amount of memberships per month decreases slightly I would still be able to break even within a year.)

### **Business Report Card**

I will measure Studio MAAC's success in customer retention and satisfaction as well as profitability. Success will be measured in how much I can increase my personal pay as well. Increase in memberships per month and referrals are also measures of success, as well as when I can re-invest in the business and still make a profit.

### **Commitment**

In order to show my commitment to Studio MAAC's success, there are several things I'm willing to do. I'm willing to work long hours and make sure that everything in my business is organized. In order to be organized, having a client database with my clients' personal information (I.E. phone numbers, addresses, etc.) is necessary. This database would be encrypted and only accessible by username and password (which is provided only to employees who are trained to use the database). Vacation time for myself is expected to be forfeited for the sake of the business. I will also demonstrate my commitment to my clients by making a point of being present during business hours. I would make a point of being able to do every job required in my business, whether that be operating the client database or teaching a class.

I am confident that Studio MAAC will be able to convey my passion for martial arts to the people of San Antonio and inspire in them a passion for martial arts as well. My goal is to make the people of San Antonio fitter, healthier, and more knowledgeable about martial arts. Studio MAAC is the solution to the above, and will provide a fresh look at martial arts that cannot be found anywhere else.

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