



The Seven Biggest Mistakes Yoga Studios Make in Their Business

And What To Do About Them

A Seven Step Business Strategy Report

DESTINY: SUCCESS
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Thank you for requesting this special report. We hope you will find it to be both interesting and helpful.

REPORT INTRODUCTION:

Do you remember when you first started your practice or studio?

Remember the excitement? Do you recall how it felt when the phone rang or someone walked in the door? Wasn't there a *thrill* when you thought about creating and sharing with others?

First, let me commend you on

entering a profession that is true to your passion, and furthermore, one that serves others.

In this report, I'm going to share

with you some of the common mistakes that studio owners often make. If you've fallen prey to one or more of these, it simply means that no one told you about them yet. Once you know, then you can focus on solutions. And, perhaps you'll find that you are already entirely on track, and this may re-affirm that you are headed the right way.

Let's begin.



MISTAKE #1: OBSESSION WITH THE SERVICES YOU PROVIDE OR THE PRODUCTS YOU SELL.

In business, we ideally view the products and services we sell as generic “black boxes” that either make money or don’t.

Imagine you own a gas station – the old fashioned kind that just sells gas and maybe fixes cars (no mini-mart inside).

One day, a salesman comes to you and says “Hey, I want to put a soda machine in front of your gas station. You can buy cans of soda at \$0.25 each and sell them for \$1.25 each – you make \$1.00 on every can of soda someone buys.”

He offers to rent you the soda machine for \$100 per month as long as you agree to have him be the one you buy soda from.

You agree and find that you sell 20 cans of soda per day, or 600 per month.

In other words, you make \$600 per month selling soda, then pay the sales guy \$100 of that for



renting you the soda machine. In the end, you make \$500 profit each month.

So, what does this have to do with running a studio?

You probably couldn’t care less about selling soda, may not drink it and may even emphasize how unhealthy it is for people. Exactly. And the gas station owner feels the same way.

He couldn’t care less about soda or soda machines, but as a business owner, it’s a “black box” that earns him \$500 per month in cash.

He puts some stuff into the black box (rents the machine for \$100 and fills it with soda) and money comes out of it (\$500 in profits).

“People have a hard time letting go of their suffering. Out of a fear of the unknown, they prefer suffering that is familiar.”

~Thich Nhat Hanh

THE SOLUTION:

For any business to be truly successful, the owner needs to be able to step back and view it as a collection of “black boxes” that either generate money or support another black box in generating money.

Evaluate each major method or strategy your company uses to make money.

Let go of emotional attachment to things like specific classes, favorite services or products – if they don’t make money for you, change them so they do, or eliminate them.

If you can’t bring yourself to do this, acknowledge that this is an area of charity or contribution that your company participates in.

But whatever you do, be honest with yourself.

Remember, if your business doesn’t make money, it won’t be around to help anyone in the future.

Keep it profitable!

MISTAKE #2: BEING IN A RUSH.

Business usually takes time. Our society is so wrought with instant gratification, we often overlook the fact that things take time.

Just as the farmer can't plant crops too late in the season, then try to "rush" them to grow, certain aspects of business take time.

If you are trying a new type of advertising strategy, it might take three months before you can tell if it works or not.



"There is more to life than simply increasing its speed."

~Mahatma Gandhi



*"Smile, breathe,
and go slowly."*

~Thich Nhat Hanh

If you are interested in learning about other business strategies for your Yoga studio, you will find our Yoga Business Coaching programs enormously valuable. You can find out more about the program and request a strategy coaching session at:

www.CenteredBusiness.com.

THE SOLUTION:

Learn from someone else who has done it successfully before, and ask them how long they waited before seeing results.

If we plan ahead and act early, we won't be in such a rush at the end.

For example, don't think about holiday promotions in November, instead plan them in September in case some actions need to be taken early.

We can often save money by starting early as well – after all, have you ever been to a workshop that cost more if you signed up last-minute than if you registered a month or two in advance? (Hopefully you use this strategy yourself with any programs you offer).

As you get better at a particular aspect of business, you'll be able to do it faster, but in the beginning, it takes time.

Be patient, evaluate your results and make changes as needed.

MISTAKE #3: BELIEVING THAT TECHNICAL SKILL IS THE KEY TO SUCCESS.

So often, we believe that with lots of ability in our art we will succeed.

We assume that if we enhance our skills and have perfect form that this will make our business more successful.

Sadly, this has relatively little truth to it in business. Technical skill alone is not the key to success, and in fact, technical skill is only a small part of success.

If business is slow, we often tend to consider getting more training, another certification or something like that.

The real solution usually lies somewhere in business skills and management.

Ask yourself about these areas of your business: Marketing, Sales, Accounting & budgeting, Customer service.

I certainly don't want to minimize the value of your mastery of your practice – this is definitely important.



Rather, I am emphasizing that in business, other things usually count more.

I know it doesn't seem right that someone who doesn't have nearly the ability that you do should have all the students and clients, but that is generally the reality in business.

Consider the example of the most successful restaurant in history, McDonalds. Could you cook a better burger than they do? Of course – anyone could.

It's not their skill in making burgers that makes them such a success. They do the other stuff so well that people have learned to like their marginal food.

THE SOLUTION:

Just as you can watch someone's form and point out specific errors that they are oblivious to, you also have the potential to see your business in the same way.

With the right perspective and knowledge, a business owner can very specifically identify a problem area and what needs to change.

But only in rare cases is the problem actually the technical skill of services being delivered to the customer.

*“Do your work
with mastery.”*

~Buddha



MISTAKE #4: BEING SO EXCITED THAT YOU ARE DRIVEN BY EMOTIONS, NOT LOGIC.

Sometimes we get so attached to an idea – maybe one we created ourselves – that we forget to do a logical analysis.

I remember a small store that sold specialty food products. The owner loved spicy food, so decided to offer hot sauces from all over the world.

He expanded the concept such that a great deal of his inventory was essentially hot sauce.

For months, he didn't acknowledge that his sales had significantly decreased, because he was so excited about the idea that people love hot food – he loved hot food.

Less than a year later, he was sadly forced to face the reality when he could no longer pay his bills and had to close the business.

It's always easy to see it in other people, but very hard to see in ourselves.

Is there a class or service that you created, which for whatever reason has few attendees?

Consider areas of business where you are being guided by emotions, not facts.

THE SOLUTION:

When we are emotionally driven in business, our strengths become weaknesses.

Self-confidence becomes arrogance, ambition becomes ruthlessness, quick-thinking becomes impulsiveness, strategic risk-taking turns to gambling.

And one clear sign that emotions are taking over is that in discussions of a given topic, there is a clear need to “be right” instead of a striving to do what is best for the company.

The solution is simply to back away and treat it like the “Black box” we discussed earlier—it's just a soda machine that makes money or it doesn't.

Another technique is to ask someone else for their honest opinion with the understanding that you will not interrupt them, or offer any feedback other than asking informational questions.

Remember, successful business is driven by facts, not emotions.



MISTAKE #5: NOT HAVING A BACKUP PLAN.

This one is pretty straightforward. Any time you try something new, at least have a rough idea of what you will do if it doesn't work.

When an airplane flies toward it's destination, before it even takes off, the pilot always selects an alternate airport in case he can't land at the original destination.

And, he makes sure he has enough fuel to get there. He doesn't plan all the details, but just knows what the alternative is and that there's enough gas in the tank to make it.



“Good fortune is what happens when opportunity meets with planning.”

~Edison

THE SOLUTION:

I encourage you to do the same thing with any new business tactic.

If you take a lot of money to invest in new product inventory, expecting you can make a killing selling it, have a backup plan.

- What would you do if it didn't sell?
- What if it was a total disaster?

In a case like this, you might decide that you could sell it at half it's value to a large retailer, but at least it wouldn't be a total loss.

You want to make sure that you're not going to go out of business if an idea doesn't work. Always have a rough idea of a backup plan.

“An idea that is developed and put into action is more important than an idea that exists only as an idea.”

~Buddha



MISTAKE #6: RUNNING OUT OF CASH.

This one sounds obvious, so let me clarify. This mistake is about having a plan for what needs to be done to create a successful business, but running out of money before it gets there.

For example, suppose a new studio owner has estimated that it will cost \$150,000 to open the studio, buy all needed equipment, supplies and inventory, and pay operating expenses for one year.

After this point, the owner expects to have enough students, clients and customers that she will be able to cover the cost of all her monthly expenses (including paying staff and herself) and begin paying back the \$150,000.



However, imagine that getting things going ended up costing \$200,000 and even at that, there isn't much left for an advertising budget.

After one year rolls around, she's not even close to making enough money each month to pay expenses (in part because she didn't have money for advertising), let alone repay the debt. She has run out of cash.

THE SOLUTION:

First, make your cost projections worst-case. A quick way of doing this is to figure out best-case, then double it. No kidding, you'll be pretty close to the actual cost about 80% of the time.

If you think it will cost \$10,000, then make sure you have \$20,000 available (but still try to do it in \$10,000 and in fact, base your whole budget on \$10,000).

Next: Plan, Plan, Plan! So many people dive in without a plan, only to find out they spent lots of time and money on things that do not generate any return.

Bottom line: Expect it will take twice as much cash as you think.

“Your work is to discover your work and then with all your heart to give yourself to it.”

~Buddha



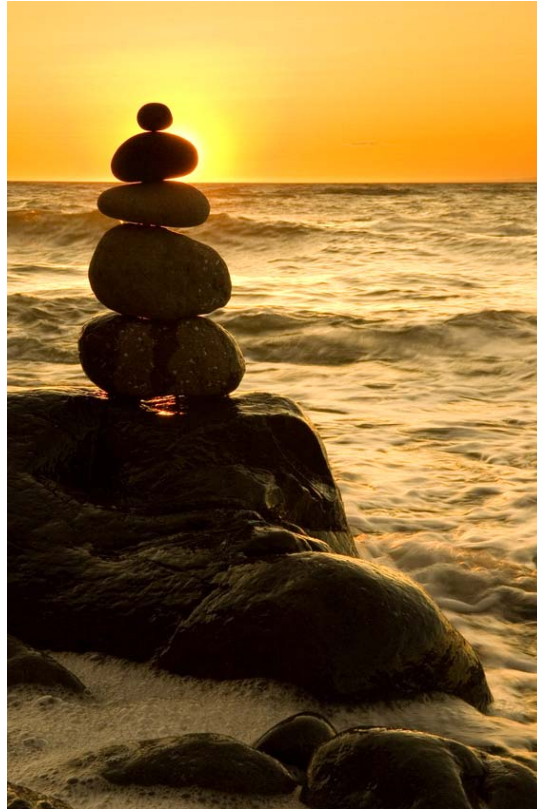
MISTAKE #7: RE-INVENTING THE WHEEL.

Lots of people (and companies) have opened and operated successful studios for years.

There are people who know the answers to questions that frustrate you and problems that cost you money.

One reason franchises are so successful is that they give a business owner answers to nearly every question regarding running the business

(Yes, there are even Yoga and T'ai Chi franchises – do a Google search to learn more about them).



*In the light of contribution and cooperative sharing, we give away free strategy coaching sessions through our monthly drawings. All subscribers to our newsletter, *Balanced Business*, are eligible to win. Visit our website:*

www.CenteredBusiness.com.

THE SOLUTION:

So, don't re-invent the wheel. I can't emphasize this enough. There are people who know how to run a studio very profitably.

Find them. Observe them. Talk to them. Model them.

They may even be willing to actively mentor you.

If you find a successful studio in a non-local area (that is, they don't compete with you), the owner may be more than happy to share.

If you need to hire consultants for marketing, web site design, business planning, accounting, etc., then do it.

It's expensive up front, but once you learn the right way to do things, you can either take it over on your own or hire someone lower-priced and tell them what to do.

Bottom line: If someone else has done it before successfully, learn from them before trying to figure it out on your own.



IN CONCLUSION:

There you have it – the seven most common mistakes studio owners make in business.

In fact, these apply to many small businesses in their own way. Few of us ever had a class or mentor to teach us how to run a business. Unfortunately, 8 out of 10 small businesses will fail because of this lack of experience.

Do whatever you have to in order to do it right (remember, don't re-invent the wheel!) Read books, get online courses, find a mentor, get a good business coach and model a successful studio.

Learn enormously valuable business strategies for your own studio through our business coaching programs. Find out more about the program and strategy coaching sessions at:
<http://www.CenteredBusiness.com>.

To your success!

**Al Lipper
Business Coach
for Yoga Studios**



**"I honor the place in
you in which the entire
Universe dwells,**

**I honor the place in
you which is of Love,
Truth, Light and Peace,**

**When you are in that
place in you, and I am
in that place in me,**

We are One."

Namasté.

DESTINY: SUCCESS

The Business Coach for Yoga Studios

Coach Al Lipper is a successful business coach that has been delivering a message of motivation, success, strategy and personal fulfillment since 1991.

Hundreds of people have worked with Coach Al on developing personal and business strategies that got them more free time, more money, and living their dreams. The amount invested was small compared to the results.

In the light of contribution and cooperative sharing, we give away free strategy coaching sessions through our monthly drawings. All subscribers to our newsletter, *Balanced Business*, are eligible to win.

Learn more about Yoga studio business coaching services at:

Web: www.CenteredBusiness.com

Email: coach@centeredbusiness.com

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