

Business Management Home Study Course

6 CE Hours

Text and Online Study Guide

Presented by the:

Center for Massage Therapy Continuing Education

PO Box 117 • Elk Point, SD 57025

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Table of Contents

INSTRUCTIONS	3
TEXT	4
EXAM	68

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Instructions for the Business Management home study course

Thank you for investing in the Business Management home study course, a 6 CE hour course designed to further your knowledge on a wide variety of topics from business planning and organization in massage to networking and dealing with the competition. This guide will contain all of the instructions you will need to complete this course. This is a 6 CE hour course, so that means it should take you approximately 6 hours to read the text, and complete the examination and course evaluation.

PLEASE READ THE FOLLOWING DIRECTIONS FOR COMPLETION OF THIS COURSE.

The following are steps to follow in completing this course:

- 1. Read the instructions and review the text and exam.**
- 2. Access the online examination in your account at www.massagetherapyceu.com.**
- 3. Complete your examination and print your certificate. The exam is open book and there is no time limit for completion.**

You must pass the exam with a 70% or better to pass this home study course. You are allowed to access and take the exam up to 3 times if needed. There is no time limit when taking the exam. Feel free to review the text while taking the exam. There are no trick questions on the exam. All of the answers are clearly found in the text. The exam is also included at the end of the text for review before taking the exam.

It is advised to answer the exam questions in the study guide before testing online. That way, when you are testing you do not have to go back and forth through the online exam.

Good luck as you complete this course. If you have any questions please feel free to contact us at 866-784-5940, 712-490-8245 or info@massagetherapyceu.com. Most state boards require that you keep your "certificate of achievement" for at least four years in case of audit. Thank you for taking our Business Management home study course.

Table of Contents

Introduction	6
Section 1: Pre Business Considerations	7
What is entailed in owning your own business?	7
Business Goals.....	9
Full or Part Time.....	11
Legal Structures	12
Conclusion.....	14
Section 2: The Business Plan.....	16
S.W.O.T. Analysis	16
Organization of the Business Plan	20
General Company Description	21
Marketing Plan.....	21
Operational Plan	22
Financial Plan	28
Reviewing and Revising the Business Plan.....	33
Conclusion.....	34
Section 3: Marketing Channels and Planning	36
Marketing Channels.....	36
Marketing Products	37
Market Analysis.....	39
Differentiation from the Crowd	40
Cost Benefit Analysis of Marketing Channels	42
Strategies	43
Conclusion.....	45
Section 4: Implementing the business plan and auditing business practices.....	47
Implementing the Business Plan.....	47
Auditing Business Practices.....	48
Expenses	49
Revenue	49

Profit 50

Statistical Analysis..... 51

Conclusion..... 52

Section 5: Networking..... 55

 In Person Impressions 55

 First Impressions in Writing 59

 Creating and Keeping Business Relationships..... 61

 Public Speaking, Practice Makes Perfect 63

 Conclusion..... 65

Answers to Review Questions..... 67

Introduction

Every American's dream is to go into a profession they love, but few are able to start their own business and be their own boss. Starting your own business has an intense sense of achievement that unfortunately very few Americans have the opportunity of encountering. The unfortunate fact is that half of all small businesses fail in the first five years of their startup and only a third last to ten years. Three contributing factors of this statistic are the lack of organization, planning and passion that are required when running a business. Whether you already own your own practice and are looking to improve upon it or you have decided that it is time you start your own business, this course will give you the tools and techniques necessary to overcome these obstacles and unlock the potential of your business.

Now is the time. The time for you to pursue the most intense and rewarding path to be one of the elite, one of the few of Americans that can call themselves survivors, survivors of the business world and the right to call yourself an entrepreneur.

Section 1: Pre Business Considerations

Section Objectives

At the end of this section, you should have the information necessary to:

- List the pros and cons of owning your own business
- Write your business goals and the steps you need to take to assure that these goals are attained
- Describe the costs and benefits of operating your business full or part time
- Differentiate between different business legal structures and choose which is best for your business

Introduction

When pursuing the dream of being an entrepreneur there is one attribute that sets you apart from all the wannabe business owners. This is the fire that burns inside you and the yearning to succeed. It plays such an important role in the starting of a business and any business owner will tell you that if you don't want to be an entrepreneur or if you don't enjoy what you do, you will never make it in the business world. This cannot be any closer to the truth, how can anyone make a business a success if they can't stand being there. No customer is going to walk into a business to get a massage, or much less come back for another, when the massage therapist acts annoyed or aggravated just at the idea of having to give a massage. My point being is that you have to completely want to be an entrepreneur before you can even think of being a true business owner.

What is entailed in owning your own business?

Like many things, the decision to start a business can be broken down into pros and cons. Many of the pros for starting your own business are internal feelings of satisfaction that come with succeeding in what so many people have failed to do. These internal satisfactions include being able to use creativity, being your own boss, directly using your skills and

knowledge on a daily basis and the overall satisfaction that comes from knowing that you were able to succeed and survive in the business world. Other pros include the ability to have flexible hours, complete control over your income, and the opportunity to make all the decisions pertaining to the business. While these all seem to make a convincing case to start your own business, these benefits do not come for free.

All the cons for starting a business and the only things that are stopping you from a lifetime of independence and happiness can all be summed up in one word, risk. Risk is the driving force of fear in the business world and fear is what causes many to not even attempt to start a business. One of the major risks in starting and operating a business is that of financial risk. Businesses need startup capital which is usually hard to obtain. We will discuss later how specifically in the Massage Therapy field this risk can be minimized and that in the Massage Therapy field there is a smaller barrier to entry than many other professions. The second half of financial risk is also a “pro”, you have complete control of your income. No one will be there to write you a check every week and if you don’t go out and market yourself, massage appointments are not going to magically appear on your schedule. This leads to the next point, time.

A business, especially at the beginning, requires a complete commitment, there is no room for taking a break and there is no one above you that you can pass the business problems onto. The decisions and underlying problems all end with you. Now this emotional and time commitment can be a major risk for you as an entrepreneur depending on your lifestyle. Free time seems to disappear quickly and your life is engulfed by the necessities of being a business owner.

Whether it is financial risk, the time commitment, or the overall responsibility, the risks are outweighed by the rewards. The benefits whether they are implicit or explicit are worth fighting for. One of the main traits of an entrepreneur and one that I know you have because you are taking this course is self efficacy. Self efficacy is the ability to create and complete goals. Having self efficacy means that you are able to live with and understand the idea that hard

work now may not create rewards immediately. You must understand that for someone who continues to work toward their goal, the rewards will come.

It is important to keep in mind that while the cons mentioned may be looming over the possibility of you starting a business, there are ways to lessen these burdens and ways to make the road to entrepreneurial success a little less rocky. Throughout this course I will be going over some of these techniques to make your journey through the business world as smooth as possible.

Business Goals

In the previous section we discussed self efficacy. The biggest trait of someone who has self efficacy is the ability to create and accomplish goals. For this section we will go over how to establish goals, what your goals should be about, and how to stick to them until their completion.

“If you don’t know where you want to go, you will never get there”. This saying encompasses everything that is important about creating goals. What people don’t understand about the creation of goals is that developing a goal is only a tiny part of the battle. Goals set your priorities and these priorities need to become habits. For example, if you just opened your massage therapy business and one of your goals is within a year to have 20 massages in one week. You have established where you want to be so now you have to understand how you want to get there. You need to write down the “map” of how you plan on reaching your destination. The more detailed you are in your “map” the easier it will be to get to your goal. Your map includes items like attending the weekly community business luncheon, spending three days a week going to businesses to pass out business cards and flyers, strengthening your relationships with other natural healers, calling previous clients and asking how they are doing, etc. You will come to realize that establishing goals are not a simple thing to do and that they require a lot more than saying “I want ...”

The next step is to write these goals down and put them in a place you will see them every day, the more times the better. The more you see your goals and the more you read what

you need to do to achieve them, the better the mental image of you achieving these goals becomes. When you start to do something that would go against these goals or that doesn't match your mental picture of the end result, a red flag will pop up in your mind. You make achieving goals a habit, and that is the key. You may get an invitation to go to lunch with some friends, but it conflicts with a health fair you planned on attending. An automatic alarm should be going off in your head reminding you that the 20 massages a week goal that you habitually read when you woke up this morning is not going to be accomplished by going to lunch, but by going to the health fair.

Like anything, practice makes perfect and this is no different in the world of goal making. The first goal you make will be the hardest to achieve, but after this achievement you will start to yearn for further success because you know how good it feels to plan and conquer a goal you have set. After this, achieving goals will become easier and easier.

All this talk about goals brings the question, "What should I have goals about?" The answer is simple, everything. This course will focus on business goals, but there is no rule that says that these goal techniques could not be used on one's personal life. For your business, the easiest way to find out what you should have goals on is to answer the question of where you want to be. This is the easiest question in the world because your imagination can run wild. Take the time now before you read anymore and get a piece of paper and a pen. Where do you see your business one year from now? Let that pen fly and write down every detail of what you want in your practice in one year. Think about how many hours you want to work in a week, the number of massages you want to give, weekly/monthly profits, possible partnerships, the location of your business, the possibility of multiple locations, debt repayment, further qualifications, anything that comes to mind when you picture your business in one year. Now take this list of all these "I wants" and turn them all into one main business goal. For each idea you came up with while picturing your business write down how you plan to get there. The more detail the better. Now you have created a main business goal of where you want to be and all the steps you need to take to get there. This goal making process can be completed not

only for a one year time period, but also for shorter terms or longer term periods such as three or five years.

The picture that you drew in your mind and that you have now described on paper will be the biggest motivation you have until that picture becomes a reality. You should do whatever it takes to make sure you are always reminded of where you want your business to be. My advice is to type up that description of your future business and carry it with you. Keep the description in your car, in your office and by your bed. There will be times, we have all gone through them, when things get tough and we step back and say why am I doing this? Luckily, you will have a piece of paper that tells you exactly why you are working so hard and why doing what you are doing will be worth it in the end.

Don't underestimate the power of setting and understanding your goals. These goals will become the key components of your business plan and will be the light at the end of the tunnel when times get tough.

Full or Part Time

Many people who start a business decide to take the full risk and dive right in. In all honesty this is not the smart or responsible way to go when opening a business. The ideal position would be to start a business as a part time venture and then when you feel that the business can support you financially, you can leave your other source of income and run the business full time. This is where massage therapy opposed to other fields excels. A massage therapy practice does not have to be opened nine to five everyday to be successful. For this reason you may start your business with one or two clients a week and use any free time you have to continue building a client base. There is still a risk in this tactic because this would be extremely difficult if your other source of income is a full time job. The last thing you want is to start abandoning the work at your full time job only to get fired and lose the security that it once provided. The optimum situation would be a 50/50 split where you spend half of your time at a part time job that is at least paying the bills in the short term and the other half of your time spent completely on growing your new practice. The other benefit that this tactic

gives is fear, not a lot of fear, but just enough not to have the complete security of a full time job. The importance of this fear is that it forces you to have the mindset that you have no choice but to succeed in your business. You will find that with this combination of the slight fear of not having a full time job and the reassurance of your goals, you will become the best promoter of your business. You will focus all you have on making your business survive.

The time to leave your job and run your business full time is totally subjective to each individual business owner because everyone's financial comfort level is different. Once this level is reached, you can leave your job and manage your practice full time. The time commitment at the beginning may be more than a full time job, but remember that the possibilities are endless. Being an entrepreneur allows you the benefit of setting your own schedule. In a year or two down the road you may be able to cut your business down to only working three days a week or maybe expand to another location and grow that business part time until it is self sufficient.

I hope that this section is helping you realize that when you own your own business, you are your own boss. No one can tell you how you should run your business or how many hours you have to work. Your only limitations are those that you set for yourself, and if you truly follow the entrepreneurial spirit, the idea of limitations will be gone forever.

Legal Structures

Legal structures are a very important part of starting a business and unfortunately very few entrepreneurs take advantage of the benefits that come with correctly choosing a legal structure. Due to the fact that the majority of massage practices are not partnerships and are owned by a single person, we will focus on explaining the different types of legal structures available to individual entrepreneurs. The legal form that you use for your business will determine how you are taxed and where the liability of your business falls.

The most basic legal structure is the sole proprietorship. This legal form simply means that you own the business by yourself and at the end of the year the profits that you make on your business are taxed at the normal individual tax rate. While the benefit of your business

being taxed at the individual level is a huge advantage of a sole proprietorship. The disadvantage of this form comes from liability. You are the sole owner of this business and while the profits are passed to you at the individual level so are the risks. For example if someone walks into your business and falls in your reception area, they may sue your business. Because the business is set up as a sole proprietorship, they are essentially suing you personally. What this means is that if someone sues your business they can sue for your personal possessions even though they have nothing to do with the business. Fortunately, there is a way to receive both the tax advantages of a sole proprietorship and personal liability protection.

The legal structure that offers liability protection in addition to the tax treatment of a sole proprietorship is an LLC or a Limited Liability Company. The reason for this liability protection comes from the actual structure of an LLC. When a business is filed with the state as an LLC, the business becomes a separate entity from the business owner. Once filed, an LLC can buy real estate, open a bank account, buy a vehicle, etc. because it is considered a separate entity. You as the business owner of course would be the representative that signs off on all these business decisions on behalf of the LLC.

What amazes me is that despite the ease of setting up your business as an LLC and the huge liability protection benefits it provides, many people still operate their business as a regular sole proprietorship. Setting up an LLC requires you to file your business under your individual state and pay an annual report filing fee, in most cases only a few hundred dollars a year. If you do not feel comfortable filling out the required legal documents (most are completed online), I would recommend hiring an attorney or accountant to set up your LLC for a small fee. Keep in mind that while an LLC provides liability protection at the personal level, it is not insurance. Your practice should still have insurance to protect the business itself.

Other legal structures such as corporations, LLPs (Limited Liability Partnerships), and partnerships all exist and are possibilities if your business expands to these different levels. In these cases I would definitely recommend hiring an attorney to help with the paperwork because another party may now be involved in the owning of your business. In summation, in

the cases where a business is being managed by a sole owner I recommend taking the small amount of time and money to file the business with the state as an LLC and sleep soundly with the liability protection that it provides.

Conclusion

While there are many obstacles and considerations before starting or re organizing your business, they all have their purpose. The rewards from the steps given in this section will much outweigh the time commitment needed to complete them and you will not regret having the information that they reveal for you.

At the end of each section there will be three review questions. These questions will go over some of the concepts discussed in the corresponding section and will give you some guidance as to what the final course assessment is going to be like. Along with answering the review questions for each section, you should make sure you can complete the section objectives with the detail and organization shown in your reading.

Review Questions

- 1) Which of the following traits is associated with successful small business owners?
 - a. Low self esteem
 - b. High self efficacy
 - c. Passivity
 - d. Procrastination
- 2) True or False. When choosing a legal form, a sole proprietorship offers more liability protection than a Limited Liability Company.
- 3) True or False. Your business goals should be written down then filed and not looked at again until the goal is reached for celebration.

*Answers to all review questions are compiled at the end of the course. Take the time to review your answers and go back into the text if you find any discrepancies between your answers and the answer key.

Section 2: The Business Plan

Section Objectives

At the end of this section, you should have the information necessary to:

- List the steps and description of how to conduct a thorough S.W.O.T. analysis on your business
- List the strategies to deal with business competition
- Organize and create a successful and practical business plan
- Describe how to implement your business plan and effectively make changes to the plan in a timely and useful manner

Introduction

Many business owners whether they are just starting out or have been established for years seem to underestimate the importance of planning. A business plan gives an entrepreneur the opportunity to put all of their thoughts and ideas into a written document that can be constantly referred to during the life of the business. While this is a big advantage, the largest benefit of a business plan is the organization. A well put together plan will cause you to question yourself and your ideas making you dig deeper and deeper into the viability of your business practices. The further into your ideas you go, the more information you collect and ultimately the more comprehensive your business plan becomes.

S.W.O.T. Analysis

The S.W.O.T. analysis is another important process to take into consideration because it really sets the guidelines for your business plan. S.W.O.T. stands for strengths, weaknesses, opportunities, and threats. S.W.O.T. analysis is divided into two sections; external and internal environments. The external environment is anything relating to your business outside of the physical building, such as signage, parking or location. An internal environment factor is anything that affects your business from the inside. Examples of internal environment factors

would be your staffing, appearance, planning or training. When considering S.W.O.T. analysis make sure you write down all that applies to you in each of these four areas so that the information can be used in your business plan.

Strengths

A strength is something that helps your business excel. An example of an external strength would be a gym opening up next to your practice. This would help bring you business solely from being in close proximity to people who care about their health. An example of an internal strength would be the fact that you are skillful and seasoned massage therapist. Another internal strength would be having a certification or experience in a specialty type of massage.

Weaknesses

When something degrades the production or growth of your business this is called a weakness. This could be a row of trees blocking your sign or a structure blocking visibility of your business. Any major weakness to marketing or getting customers to notice your business could be considered an external weakness. An internal weakness would be feeling uncomfortable communicating with clients or marketing your business.

Opportunities

An opportunity is an area of potential growth, whether it is the possibility to venture into a new market or a chance to expand in your current market. Opportunity requires vision from the owner to recognize shifting needs or demands of the customer base being served. An opportunity should always be viewed as a potential strength, granted the idea is well researched, planned and implemented in the correct manner. As an example, you may have recently noticed that the tennis club next door to your massage practice is full of patrons who are filled with sore muscles and who could think of nothing better than a great massage. This is a great opportunity. It's time to walk over to that club, introduce yourself to the owner and either ask to set up marketing materials or better yet, offer discounted massages to club members. Not only does this offer the club an extra perk to add to their sales pitch when they

are recruiting new members but also offers you a whole new marketing path. More ways to use marketing to turn opportunities into strengths will be discussed in the forthcoming marketing section where we will discuss multiple marketing techniques. An internal opportunity example would be extra space in your office. This could offer an opportunity to expand into a different type of service or the space could be rented out to another massage therapist for either a flat monthly rate or a profit sharing agreement. You should start to train your mind to look for potential opportunities, the more you analyze potential opportunistic situations the easier recognizing opportunities will be. Use that entrepreneurial creativity!

Threats

A threat is something that could cause problems in your business or cause your business to fail. The best example of an external threat is competition, but threats can also come from changes in the details of your location, possible legislature, employees, or even natural disasters. We will start with the least common of the threats and work our way up to dealing with competition.

Location threats are a very real and unpredictable problem. The worst part about both location and legislative threats is the fact that there is usually very little you can do to change the situation. Location threats can be as simple as road work in front of your door, a large building being built right in front of your practice, or the worst, if you are leasing, your landlord does not let you continue your lease for any variety of reasons. The way to react to a location threat is to stay proactive and have the ability to adapt. Construction does not happen overnight and we all know that it certainly isn't finished overnight either. Keep on the lookout for a "sold" sign on the vacant lot in front of your building or surveyors taking measurements of your road and that new sign that says "Main St. improvements coming soon". The worst thing you can do is to just go on with your normal business life and think that there is nothing you can do so why worry. This is your business you are fighting for so you need to establish a strategy.

All threat strategies are structured the same way. You need to establish what the threat is, how it is going to affect you, and what you can do to either 1. Eliminate the threat or 2.

Change your business practices so that the threat no longer affects you. In the event of a location threat, try to think of ways to turn the threat into an opportunity or find a way to outweigh the negative effects the threat will have on your business. If you are unable to do either of these things, have exhausted all the ways to adapt to the threat, and you truly believe that your business is going to be negatively affected, it is time to prepare to eliminate the threat from your business. In a location threat scenario eliminating the threat may be preparing your current clients of a future move and looking for alternative business locations. This is where being proactive is very handy, the sooner you realize that you may have to move, the better prepared you will be for a smooth transition.

In the large building threat example mentioned earlier, the 8 story building that is being built right in front of your quaint massage cottage has the possibility to turn into an external strength. Maybe this building is a nice office building and has no real threats to your business except for the fact that it is the largest building in your area and is completely blocking any visibility of your cottage from the road. Why not use the building as a landmark for your business? Instead of trying to describe to potential clients where your business is, now you can simply say, "I am located directly behind the Main Street Building". You can put directions like this on your marketing materials and it will be easily recognized by all of your potential clients.

The threat of competition is a major problem that can be dealt with through techniques of differentiation and targeted promotion. The first step in dealing with any sort of competition is to follow the old adage, "Keep your friends close and your enemies closer". Learn as much as you can about your competition. With your investigative skills you should be able to complete a full S.W.O.T. analysis on your competition. This information is vital and relatively easy to attain. It will be hard to learn the internal aspects of their business, but the external factors are just sitting there waiting for you to dissect.

Differentiation is a vital component of dealing with competition. If someone wants a massage and has the choice of 3 massage therapists in their area, why should they pick you? This is where visibility becomes key. The goal is to have your name associated with your profession. When someone wants or even talks about wanting a massage your name needs to

brought up immediately by someone in the conversation. Most of your clients will know very little of how to evaluate a massage therapist before deciding who would be the better pick. This is where word of mouth comes into play. What your future clients will rely on is how often they have seen or heard of you and once they are in your office, the quality of the experience they had.

Organization of the Business Plan

Your business plan will consist of four parts, each discussed in this section. Remember to refer to your S.W.O.T. analysis and goals while writing the plan to help you organize your thoughts. Any documents related to any of the subjects listed in the business plan should be included. This includes mock ups of marketing materials, leases, maps, contracts, etc. When writing your plan remember to take as much space as you need but keep it to the point. You don't want to be confusing, too general, or so detailed that it is outside the limits of your capabilities to complete. Think of the entire plan as an instruction manual for everything that has to do with your business.

Each massage therapist's business plan is different. For this reason there are many different ways to organize a working business plan; however, there is a basic template that almost every business plan will follow.

- 1) General Company Description
 - a) Executive Summary
 - b) Business Goals
 - c) Business Description

- 2) Marketing Plan
 - a) Market Analysis
 - b) Competitive Analysis
 - c) S.W.O.T. Analysis
 - d) Marketing Strategies

- 3) Operational Plan
 - a) Location

- b) Licensing and Legal
 - c) Policies
 - d) Products and Services
 - e) Supplies and Inventory
 - f) Business Procedures
- 4) Financial Plan
- a) Expenses
 - i) Variable
 - ii) Fixed
 - iii) Startup Costs
 - b) Revenues
 - c) Reserve Account
 - d) Leasing Arrangements
 - e) Funding

General Company Description

The Company Description section should be started with the Executive Summary. However, the Executive Summary should be the last thing you write up. The Executive Summary should be a short 1-2 page explanation of your business, a summation of everything you have included thus far in the business plan, much like a back cover to a novel.

For the remainder of the General Company Description section you want to answer the question, “What is my business?” This is the section of the business plan that will include your overall goals, what your business does, your mission and value statements, the industry you are in, and your legal form.

Marketing Plan

The Marketing Plan will include the information we will discuss in the upcoming marketing section. All of your market research should be included in the plan along with information on the services you offer and your pricing structure. Due to the overlap of competition planning and marketing, information that you have collected on your competitors

and their S.W.O.T. analysis will also be included in the Marketing Plan under the “Competition” sub category.

Operational Plan

The Operational Plan is not as exciting and abstract as the marketing plan, but is arguably more important and very structure oriented. When I described the business plan as being a step-by-step book, this is the section that will exemplify this definition. The purpose of the Operational Plan is to fill in all the details that make your business dream a reality.

The first part of this plan is Location. In this section you will describe where your massage practice is located and what it costs to be there. If you don't have a location yet, this is a great opportunity to write down all the things you would need when looking for a location. How much space do you need for your practice? Would you be better to lease a room in a different business than leasing a complete office space? Is your practice visible from main roads? How does your location affect your marketing plan? However, with all these different angles to analyze location, cost ends up becoming the main decision driver of the location factor for many small businesses. We would all love our business to be right on the biggest intersection in the city with the best visibility. Unfortunately, for most of us this is an improbable goal (at least right now). You will have to decide what your business really needs and find the best deal to meet these needs. This will help you establish how much your monthly lease (or mortgage) is going to be along with any variable monthly expenses. Variable monthly expenses are expenses that you know you will have to pay at the end of the month, but are unsure of how much they will amount to. For instance, electricity, utilities, inventory, and some types of marketing would be considered variable expenses.

Realization is one of the biggest milestones in a business. Most business owners when asked do not know how much it costs to run their business every month. This is a huge problem that I hope after taking this course you will not fall into. To meet this level of realization, add up all of your monthly expenses then multiply by 1.25, or add 25%. This 25% is a margin of safety for all those unexpected or forgotten expenses. If this plan is being used for a startup I

recommend raising this margin of safety to 40-50%. The reason for this large increase in a startup's margin of safety is simple. No matter how much you read or plan, there will always be surprises when you first start out. You have to understand that you are not perfect and you will undoubtedly forget or not know about some of your actual expenses. With all this information added together, can you actually earn the amount needed? Or, do you have enough money saved in the bank to cover your total expenses until you can meet your monthly expenses? You can answer this question by dividing your total expenses for the month by the average price you charge for a massage. For example, let's assume your expenses total \$1,300 a month plus the established business margin of safety ($.25 * \$1,300$) of \$275 equal a total monthly budget of \$1,575. Now, let's assume your average 1 hour massage is priced at \$50. After the math and rounding ($\$1575 / \50) you will have to complete approximately 32 one hour massages in the month to break even. Keep in mind this is just an estimation of your break even mark. What this means is that even if you break even at the end of the month you still won't make any profit, but the lights in your practice will still be on. To find out how many massages you need to complete to still make a profit, add the monthly profit you would like to make to the \$1,575 of total expenses and divide that number by your average massage rate. I like to call this the salary break even number and this is the most relevant number when considering break even points. These are the types of numbers you should be calculating on a monthly basis. Feel free to manipulate the calculations. How many additional massages would you have to do to: Give yourself a pay raise? Pay for a billboard? Start a website? Remodel your office?

Now that you are able to "run the numbers" on different locations, you should have a better understanding of what you can afford and what would meet your needs when looking to establish a location for your business. The detail and accuracy of these numbers will become very important in the Financial Plan.

The next section of the Operational Plan is the Licensing and Legal section. This section is simple, but important due to the negative consequences that come with noncompliance. The most obvious point of this section is to make sure that you are legally allowed to be practicing massage therapy in the state and local municipality you are in and that you maintain this status

by following the specific instructions laid out in your licensure (CE hours, renewal forms, etc.). Along with the basic licensure as a massage therapist, as a business owner you will need a business license. You can obtain this license from your local government. The next area you need to look into before choosing your location is to ensure that the property you are looking at is zoned for a business and not strictly residential. The last thing you want is the county or city officials coming to your business and shutting it down because you weren't aware that the property was not zoned for your business. Health code regulations and insurance coverage should also be discussed and established in this section of the plan. Be sure to keep track of any fixed or recurring fees that may arise from this section so that you will be able to include them in your financial plan and break even calculations.

The Operational plan should also include a policies section. This section is your practice's 10 Commandments. Once you have started with them, the policies are concrete for every client that walks through your door. More importantly, these policies will be the same for every client no matter who they are, what their situation, or how long they have been a client. While you can put whatever policies you want, the biggest items that need to be addressed are in the payment area.

One of the policies that is often over looked is how your practice will accept payment. Credit cards are a great way to accept payment because nearly everyone has one and there is no excuse for not having any cash with them. However, there are expenses associated with credit cards. For small businesses I recommend looking into the mobile credit card readers that attach to smart phones or having payment collected online. These solutions offer simplicity along with the advantages of being able to accept credit cards in your business. The next payment policy is upfront payment. Make it a policy that services are not rendered until payment is received. NEVER give anyone any type of service or product without receiving the payment first. The hardest part about this rule is that it seems easy, but no matter what, eventually you will bend this rule once and someone will take advantage of you. Unfortunately the person who does will most likely be someone close to you or someone you knew in a non-business way. Again you may be sitting there saying this will never happen to me, I am going to

follow my policies, but anyone who has been in business will tell you that it will happen and if you are smart you will only let it happen once.

In your business one of the things you need to realize is that your time has a price. Most of the time it is a monetary price, but no matter what there is always a price you pay to be anywhere but your business. Let's use another example. It's Tuesday afternoon and you have only one appointment scheduled at 3:30. 3:45 comes around and still no sign of the client. 4:00 rolls in and you are starting to get upset. 4:15 then 4:30. You have waited for an hour because you have no policy to take care of this. You wanted to leave at 3:45, but what if the client showed up at 3:50. Worse, what was the cost of you sitting there? You could say it was \$50 because that's what you could've earned giving another massage, but think deeper. You had to take the time to get ready and drive to your practice for this one massage, you could've spent the afternoon marketing your business, and you may have missed your son's soccer game. All because someone couldn't call and say they couldn't be there today. All of those lost opportunities seem to add up to a lot more than \$50. So how do you fix this from ever happening, or ever happening again? You establish a no-show policy. You can manipulate this policy to your liking, but in general if a client does not give you 24 hours notice that they are unable to make the appointment then they are charged for the appointment regardless of them being there or not. Adding to your policies that a missed appointment is anything over 15 minutes late also helps, the last thing you wanted is a client to show up at 4:20 and expect you to start a one hour massage that was supposed to start at 3:30.

To avoid any confrontation or confusion with clients, have them all sign a copy of your policies on their first visit. Give them a copy so that both of you have a copy to be referred to if need be at a later time. If you are looking at starting a policy program in an established practice, consider all existing clients new clients when they come in for their next massage. Remember, policies cannot be argued with and are concrete. Just the presence of policies in your practice will eliminate a large amount of confrontation.

Also included in the Operational Plan should be a description of the products and services you offer and how you plan on dealing with customer relations relating to these products and services. In massage therapy, this would include your procedure of how to prepare a client for a massage. This procedure would describe the steps for collecting payment, signing your practice policies, walking them to the room, etc.

Another concrete section of the Operational Plan is Supplies and Inventory. As your awareness of your business continues to grow, you will have a general idea of what you need on a monthly basis in inventory and how much it costs you to keep it. I like to consider marketing materials as part of supplies and inventory because they are treated the same way. You should have a minimum amount of business cards, pens, and brochures in your personal possession and at your practice at all times. Like the marketing materials, office supplies, massage supplies and any products that you sell should all have a minimum associated with them. When this minimum is met the supplies should be reordered. When establishing a minimum for any of your supplies you need to know how often the item runs out and how long it takes to reorder new product. Let's use business cards as an example. On average you pass out 50 business cards a week to individuals and businesses. How many business cards should you have in stock if it takes two weeks to get business cards ordered and shipped to your practice? Solving this is very simple, but you would be surprised at how often businesses run out of supplies and are upset when they realize that they have to pay more for overnight shipping or use a different product when reordering because they did not have sufficient stock. In the example, using 50 business cards a week means that in the course of two weeks while you are waiting for the new business cards to arrive you plan to use 100 cards. From this information we know that at minimum we need 100 cards in inventory just to get through the reorder period. However, you should add to this minimum of 100 cards a margin of safety in the event the delivery is late, you forget to order, the printer loses your order, or my favorite, you met a lot of potential clients and handed out 75 cards one week opposed to your normal 50. This margin of safety will change depending on the product you are keeping inventory on. Some items you will need to do some minor calculations such as massage oil or any products you sell through your practice to find your minimum. Others you are already doing

automatically such as buying an extra box of paperclips when you are buying office supplies because you know you are running low.

While it is sometimes overlooked, your supplies and inventory section should include a petty cash amount. This is the amount of “change” you will keep in your office to use in cash transactions. Fifty to one hundred dollars in small bills is perfect to keep as petty cash. This amount should also be reconciled at the end of every day. To complete a reconciliation, add up the total amount of payment for all the transactions you should have received during the day without opening the cash drawer (this is easily done by adding your cash receipts for the day; do not include payments made by credit card or check). Once you have this number, write it down, open up the cash drawer and count the cash. The amount you have in cash should equal the number you wrote down plus your petty cash amount. If this is not equal, repeat the process and play detective until you find out why you have more or less cash than you are supposed to. The same procedure should be done with checks by making sure check receipts match the checks you physically have. When your checks and cash in the drawer match the number you should have collected that day, pull the cash and checks out of the drawer to deposit in your business account leaving in the drawer your original petty cash amount. Keeping track of this on a daily basis will allow for easy calculations in future business planning along with the ability to make sure you are not losing any money.

Overall, for the Inventory and Supplies section of the Operational Plan, you should have a list of all the supplies you need in the practice to run it effectively and a minimum number next to it that is used as a trigger for you to replenish your supplies.

The Operational Plan should be filled with procedures and lists. It should be simple to follow and you should feel like you are writing a detailed how-to book about your business life. When writing, some details may seem trivial and you may feel weird writing details like “walk client to the room”, but the more detail you give the more your mind will analyze the situation and help you find the little things that you may have missed in the rest of the plan.

Financial Plan

The Financial Plan should include two main segments. The first being startup (if needed) and ongoing costs and the second, the ways you plan on funding these expenses. The accuracy of the numbers you use in your Financial Plan is very important. The closer you are in your estimations of expenses to the actual expenses accrued the better off you will be in the money management portion of your business.

If you are using this course for the starting of your business you will have to take into account startup costs. Startup costs include everything needed to get your business up and running until the point where the costs thereafter will be somewhat constant. These startup costs would include massage tables, any type of deposit or down payment on your location, utility turn-on fees, the original inventory levels that you established in the Operational Plan, etc. Once you have a clear idea of what your initial startup costs are going to be you will need to establish the number of months you want to have as a running monthly margin of safety. A running monthly margin of safety will allow you to establish an amount to put in a reserve account. To solve this you will need to use the same ideas and calculations used in the beginning of the Operational Plan when we looked at calculating monthly expenses and margins of safety.

The size and purpose of having a reserve account is different for every business situation that you will be in. In this case we will look at the two main cases, a startup and a current operating business. Reserve accounts are extremely important for both types of businesses and should be treated in the same way. In an established practice, a reserve account is just that, a reserve, a last resort that offers you some peace of mind. The size of this account for established practices depends entirely on the owner and their underlying risk tolerances. In my opinion there needs to be a minimum of a three month reserve. To calculate this number, add up all your monthly expenses, and this is important...including the salary you can live on. Once you have this number, multiply by the number of months you want as a margin of safety, in this case three. These total monthly expenses should be the same number you used to calculate your salary breakeven point in the Operational Plan, but it is also the worst case scenario

number. In the event something goes wrong whether it is business related or not you want to have the security of knowing you have at least three months of your business paid for. In a worst case scenario you could essentially lock your doors for three months and spend the three months reevaluating and acting on the situation. Now this reserve is not only for worst case scenarios. The main reason for having this account is for peace of mind. You will sleep better at night and as a result of your clear and rested mind, your business will be more successful. If you know that you are able to take a little risk and still have some sort of cushion, you will be more apt to act on your business ideas.

Like any industry, massage therapy has cycles. These cycles may change depending on location, but in general there is some cyclicity whether it is higher sales in the holiday season or seasonal clients that you only see during one part of the year. The problem with cycles is that even though you know a slow part of the year may be coming, it is always hard to predict how slow it may be. For this reason the reserve amount is very important and the length of the slow season could impact how large your reserve account is. For example, let's assume that you have a salary breakeven point of 60 massages. Your average number of massages is about 70 a month. Not only does this give you your salary breakeven goal, but also gives you a little extra for a bonus and savings. However, in the slow season you are only expecting 50 a month. You don't feel this is a big deal because you have done your preparation and have been saving from the months when you have been over your salary breakeven point which can compensate for the lag in business during the slow months. This is a great strategy and getting your business to this type of success and discipline is quite an accomplishment. The problem arises when during the slow months you only happen to see 25 or 30 clients a month. This is definitely below your salary breakeven point and may even be lower than your actual breakeven point needed to keep the lights on. This is where a reserve account kicks in. You have at least three months of reserve in the bank and pulling out enough to bring you back to your salary breakeven is no problem because you know that in a couple months the business will be back to normal and you will be able to replenish your reserve account with your regular 70 massages. This leads to a major point of the reserve account. The benefits of a reserve account only appear when a

reserve account exists. For this reason make it your number one priority after pulling from the reserve account to replenish it and bring the account balance back to par.

The months you keep in reserve when you are running an established massage practice is based on the cyclical nature of your business, your risk tolerance, and your monthly expenses. However, when dealing with cyclical nature, if you ever find yourself with a reserve account more than six months primarily due to cyclical nature you may want to consider a unique business type where the business is only open for the peak times and closed for the majority of the year. This would only be the case in extreme circumstances such as 80-90% of your revenue coming from a three month busy season.

In addition to a reserve account, practices that are opening a new practice location or starting from scratch will have to include an amount of startup capital needed to actually start the practice. This amount would include all initial starting costs and a safety net of cash to keep the practice running until profitability is reached. Massage therapy is unique in that there are ways to cut costs when starting out which will help lower the amount of starting capital needed before the doors of the new startup business open. I include this section not to target those starting their practice for the first time, on the contrary these are options available to all massage therapists whether they are looking to change locations or add another location to their existing practice.

The most impactful of these cost cutting techniques is the actual location of your practice. The advantage of massage therapy is space. You do not need a warehouse or an office building to run your practice. When starting out I recommend that massage therapists start by renting a treatment room from another type of similar business. The ideal business would be one that complements massage therapy, but that is not massage therapy. It is very hard to establish your own client base when you are working in another massage therapist's office because your clients may associate your massage with the actual brick and mortar massage business. However, renting a treatment room from an acupuncturist, chiropractor, or even a gym would be a great complement. The potential clients that are in direct contact with your

advertisements when visiting these types of locations already understand the importance of taking care of their bodies in a natural way and would be open to massage therapy. Leasing rooms is a great cost saving alternative to opening a whole practice when starting off. Depending on the type of arrangement you work out with the owner of the room this could also eliminate utilities costs if they are included in the lease. Usually there are two types of arrangements made when leasing a room. The first is a flat lease and the simplest to understand. You pay a flat fee every month and the room is yours for as few or as many clients as you bring in. The second is a revenue sharing plan where a percent of the revenue you collect every month is given to the owner of the room sometimes with an additional smaller flat fee. Both have their advantages and disadvantages.

The main advantage of the revenue sharing plan is that there is an incentive to the owner to advertise you to the current clients of their business because at the end of the day he or she will be getting a percent out of the money collected for those massages. The disadvantage to the revenue sharing lease is that there is a possibility for tensions to rise if you do not bring in a lot of clients for massages as the owner could possibly see this as a lost opportunity. The advantage to the flat fee lease is also its disadvantage. In a flat fee lease the advantage is that the owner could care less how many clients you bring in because whether you give one massage or a thousand, the pay at the end of the month is the same. This gives little potential for added tensions. This flat fee lease also brings very little potential or incentive for the owner to do any advertising or supporting of your business. Regardless of which structure you choose, you should still market your business as if you are in your own building. Never rely on the business you are leasing from to feed you massages.

When leasing a room, it is important to discuss with the business owner how your clients are going to be scheduled and/or how the money is going to be collected. Depending on the leasing arrangement you may have unlimited access to the room for the scheduling of clients or you may have to work within the owner's office hours. The money collection is a little more complicated and usually only becomes an issue when there is a revenue sharing lease. The owner may want to have a receptionist collect the money so that there is a record for both

the owner and you of how many massages were given in a month to calculate the lease payment. These are just two of the many adjustments that can be made to room leases so that the situation is better for all those involved.

Regardless of the lease structuring, leasing a room from a complimentary established business not only gives you visibility to the clientele that would be open to massage, but it gives you the opportunity to build a book of business. This type of situation provides you with a low cost strategy before you have the clientele necessary to open up your own office, if you even feel you want or need to. When you reach this point you will have to ask yourself what is going to be better for your business. Do you feel that you will be more successful opening your own office even after including the additional expenses or will continuing to lease a room and making it your “home” be a better fit for you? There is no right or wrong answer and the decision will be completely dependent upon the current leasing situation and your goals.

The second section of the Financial Plan, funding, is mainly for startups, but may be needed for established massage practices if additional capital is needed for expansion or business adjustments. While established businesses may be able to apply for a bank loan, startup businesses have a very slim chance of receiving a business loan because of the risk involved for the bank. There is no track record of a startup business so there is no way for the bank to evaluate whether your business will be successful and more importantly how likely you will be successful enough to pay the loan back. Due to the importance of a good track record of financial statements, it is pertinent that no matter what stage of the business process you are in you keep clean, organized, and correct financial records. I recommend investing in a computer program such as QuickBooks that will allow you to organize and input these types of records.

Funding for startups is difficult. For this reason entrepreneurs are known to get creative in getting their businesses funded. The most common business funding is savings. If you understand from your analysis how much money you need before you open the doors to your new business, you can start to save from other jobs or sources of income until this number is met. The second most common funding channel includes friends and family. They know your

track record and will essentially put their money where their mouth is if they believe you can successfully run your own business. While family and friend loans can usually be simple to acquire they are dangerous territory. My number one rule in business is to never do business with family. I understand that this is the last resort for most people, but understand that whenever you add business into any type of relationship there are added tensions and situations that could possibly lead to horrific outcomes and in many cases has led to the destruction of those relationships. For these reasons, I believe saving your startup money is the most efficient and effective way to funding your massage practice. It may take a while to save up the money you need, but keep your true goal in mind and don't cut corners. If you know you need \$25,000 to start your business, don't settle for \$15,000 because you will have to work harder to save the additional money instead of borrowing it. Be accurate with your numbers and what amount you will need. When you reach that number you will have the safety and monetary capital needed to launch your practice.

Reviewing and Revising the Business Plan

After your plan is completed it is always a good idea to have someone that knows nothing about your field read over your plan. After reading your business plan they should be able to completely start or continue running your business. More importantly they will offer outside advice on any changes they would make. Don't be offended by their advice, you have to remember that you have been working on this plan for a long time. To you all your ideas sound like and very well may be the best thing since sliced bread. However, it never hurts to have someone confirm your beliefs.

I think this area deserves a warning because so many new and existing entrepreneurs take what others say to be gospel and it ends up not being the right path. You have to remember that there is a fine line when asking for advice from others of what you should listen to and what to tune out. Has this person ever owned a business? Are they potential competition? If they comment on your marketing ideas, are they an example of the target market you are after? For example, I would be hard pressed to accept advice on the marketing scheme for a veterinary clinic from someone who hates animals. You are the entrepreneur and

at the end of the day whose reputation and well-being is on the line? Take the initiative and look beyond the advice and make sure it is truly in your best interest before you make the change.

The initial plan is only the first step. Whether you are writing your first business plan after being in business for five years or you are writing a plan to start your first year, the plan is in no way a “write and file” document. The business plan should be a living, working, usable roadmap to fulfilling your planned goals. Set a schedule of when to review and revise your plan. This should be at the least once a year more preferably every quarter. Be open minded and honest with your plan, if something needs to be changed change it. Use the following questions to help organize your revision. Have you reached your goals? If not, why? Are there changes you want to make about how to run your practice? What is and is not working? Has your S.W.O.T. analysis changed? These are great questions to ask yourself when reviewing your business plan and they will lead you in the correct direction to keep your business on track.

Conclusion

The business plan will be the single most important document you ever create and recreate in your business. The more time and detail you put into the creation of the plan the more you will get out of it and the returns will be tenfold. You cannot put a price on or define the benefits of preparation and planning, but it is easy to see what happens without them, failure. Understand the benefits of the business plan and use it by regularly reading, updating and revising it. The more you add to and update your plan, the more you will know about your business. The entrepreneurs who know the most about the internal workings and external environments of their business are the ones that are successful. Take the information you have learned in this section to build your own plan and use it to create the practice that meets your needs and dreams.

Review Questions

1. True or False. A business plan should be filed after its creation and reviewed every 5 years for revision.
2. Which of the following is NOT a benefit to having a revenue sharing room lease?
 - a. The owner of the room has an incentive to promote your business
 - b. Decrease in expenses when compared to leasing an entire office
 - c. There is only one flat fee regardless of how many massages you give
 - d. If the business is chosen correctly the clientele of that business have the same interests as your potential clientele
3. What does S.W.O.T. stand for?
 - a. Strengths Weaknesses Options Treatments
 - b. Strengths Weaknesses Opportunities Threats
 - c. Stress Work Options Treatments
 - d. Strengths Weaknesses Options Threats

*Answers to all review questions are compiled at the end of the course. Take the time to review your answers and go back into the text if you find any discrepancies between your answers and the answer key.

Section 3: Marketing Channels and Planning

Section Objectives

At the end of this section, you should have the information necessary to:

- Identify which marketing channels would be beneficial for your business
- Describe the components of effective marketing products
- List the steps to a thorough market analysis to increase the effectiveness of your strategies
- Create your own unique marketing techniques and list ways to differentiate your business from competition
- Identify the techniques used to audit your marketing strategies to assure that the benefits outweigh the costs

Introduction

Without marketing your business ceases to exist to anyone other than yourself. You will never be able to grow your business without some sort of marketing, whether it is introducing yourself around the community or using a huge billboard. Understanding the different possibilities in your marketing tool box and being able to create your own marketing ideas will work wonders for your business. Once you know who your customers are and how you plan on reaching them effectively, all you have to do is implement the plan and watch as the reputation of your business and the number of clients you see grows right before your eyes.

Marketing Channels

There are many different ways to market your practice and each different marketing channel requires different techniques and strategies. By far the biggest marketing for your practice will be done through referrals. Some studies show referrals accounting for as high as 80% of new clients. For this reason, make sure the experience each and every client has during a massage session from the time they pull into your parking lot to the time they walk out your door is one they want to have repeated.

Online marketing has become widely popular and effective as a marketing channel. The low cost and extensive access is great for small businesses that are looking to reach potential clients without the expenses of traditional marketing channels. The three most common online marketing tools are a website, emails and social networking. The website should be simple with the sole purpose of providing information in a simple and user friendly way. Avoid a lot of animation and complicated controls as this may deter people from staying on and using your website. Another aspect of online marketing is email. Once you have collected email addresses from your clients send weekly message tips or monthly newsletters. Tips can include fun facts about massage and its benefits and newsletters can include further information about massage therapy as a whole and your practice in particular. Both of these should include special promotions or community events you will be participating in. Social networking has risen rapidly in popularity as a medium of online marketing. Communicating with and updating your clients through social networking sites such as Facebook and Twitter keep you constantly in the mind of your customers. This also allows other potential clients to learn about your business much like a website.

Networking and personal marketing is the easiest marketing channel to control because you are directly responsible for the effort and time put into this channel. Networking will be discussed further in the last section of this course, but it is important to understand that you are a direct reflection of your business. How you present yourself should be how you want your business to be viewed and in business, perception goes a long way.

The last medium for marketing is through your basic marketing products. These are brochures, business cards, signs, etc. These products offer a lot of versatility and can be used at networking events, in your practice, or in other local businesses. These tools should always be carried with you and you should be prepared to hand out these products at every opportunity.

Marketing Products

No matter what type of marketing strategy you take you are going to need marketing tools and literature. The goal of this information is twofold. The first is to promote your

business and the second is education. Make the items eye catching and informational. Handing out a business card is one thing but it makes more sense to hand out a business card attached to a brochure that explains the benefits and uses of massage therapy. Doing this gives your potential clients the opportunity to learn about massage therapy in your absence and may reveal a benefit of massage therapy that they didn't know existed. The brochure should be simple and should avoid massage therapy jargon unless you define your word choice. You don't want to scare off potential clients from being overwhelmed. It is also nice to add a little about you and your practice into the brochure. After they know the benefits of massage therapy, show them why they should choose you as their therapist. Think of it as a short biography with your credentials and some facts about you. Keep it professional and think of it as an elongated elevator speech. After writing the brochure, make it appealing to the eye. Add some pictures, but don't fill it with too much information as this could make it look cluttered or worse so intimidating that no one will even attempt to read it. Lastly, when it comes to brochures proofread your writing multiple times. This is the written impression of your business and you want it to be strong and professional.

The business card is also an important tool. There are a few techniques to business cards that will help differentiate your card from the crowd. The first thing noticed when anyone is handed your card is the weight of the paper. The heavier the weight of the paper the less likely the person will throw out your card after you give it to them. Having a heavier weighted card also conveys a sense of importance, a better than the rest sort of situation. This is exactly what you want because when paired against other massage therapists' cards, you want yours to be the last one standing. The person who has a business card printed on a thin almost copy paper like paper with perforated edges is going to be quickly overlooked when your heavy weighted professionally made business card is handed out. This card is your perception within a few inches of paper. Make the card simple and on a soft, neutral color. Don't choose a neon green or pink business card because you think it will make you stand out. Yes you will stand out, but is that the way you want your practice to be perceived? Do you really want to be the massage therapy practice that hands out neon green business cards? Choose a shade of white or beige with dark color writing and your logo. This does not have to mean that a pure white

business card with black writing is the only way to go. Keep the font easy to read, no extreme scripts or cursive should be used. You can never go wrong with a simple format. Your practice name should be centered and the largest writing on the card. Follow this with your name and credentials, title, and contact information. When it comes to the contact information especially when adding an email, make sure it is professional. Beerchugger85 may have been a cool email when you first got it in your twenties, but who wants to get a massage from beerchugger85? The simplest email is always your business name or your name. Nothing complicated like a lot of numbers or symbols should be used. MainStreetMassage or clark.kent are perfect examples of simple and professional email addresses. The same should be considered if you choose to incorporate a website into your practice. Simple, descriptive and professional are ways that you should be able to describe your email address or website address. When dealing with marketing materials and marketing as a whole, it all comes down to how you want to be conveyed. Do you want to be perceived as a professional who is serious about their practice or as someone who is cheap and didn't put much thought into something as simple as a business card? For this reason, professionally made marketing materials are a great investment and will give you a leg up on the competition right from the gate.

Market Analysis

Marketing is only effective if you are marketing to people who are apt to use your product, in this case massage. The key to making your marketing investments effective is to understand your market. There are many organizations, such as the American Massage Therapy Association and the Bureau of Labor Statistics that publish yearly statistics such as the demographics of massage therapy clients which are important in your marketing ventures. This information will tell you who the clients are and how they are brought into massage therapists' practices. For instance, if you know that the majority of national potential clients are under the age of 50 and use massage for non health related reasons then a spa type set up for your practice would be a better strategy then trying to spend a lot of time marketing in a retirement community.

There is some information that will be specific to your geographic area and customer base that cannot be explained by national information. Using the example above, if you live in a town that has a population that is 80% over the age of 60, the national information doesn't help you much and marketing in retirement communities wouldn't be such a bad idea. Your local government agencies will also have this type of demographic information along with other information that will be of benefit to your marketing campaign. Regardless of any published information, the best marketing insights you will get are from your current clients.

When a client walks into your office or makes their first phone call, ask them how they heard of you. This tells you which of your marketing channels are working. Before your client leaves, ask them if they would like to receive an e-newsletter or if they use social media. If they answer yes, ask for their email or give them information on how to get updates from you on Facebook or Twitter. This type of information will be pertinent in helping you target market your clients. Keep a running tally in your practice for a couple weeks of the answers you receive to these questions. If most of the clients you talk to say they are using social media, what would stop you from making a Facebook page? If your clients tell you that they would enjoy reading a newsletter, why wouldn't you start a monthly massage newsletter? These are the type of activities that will enable you to target guaranteed clients, increase your client relationships, and set you apart from your competition.

Comment cards and questionnaires are also great ways to get information from your clients. Keep comment cards and questionnaires confidential and give discounts to customers who give you comment cards or questionnaires to put in your confidential comment box. This gives the client an incentive to give you information and also allows you to ask more detailed questions without annoying your client with lengthy questioning and no reward.

By compiling all the information from your analysis and your list of marketing channels, you can create marketing strategies that will target a specific audience in an effective way.

Differentiation from the Crowd

When you take all of the details of a marketing plan into account, differentiating yourself from the competition is key. You must give your clients a reason to come back to you opposed to going to someone else. Everything about your practice, location, attitude, the whole experience is being evaluated by clients and this evaluation will be immediately compared to other massage experiences. If their experience with you ranks higher than the others, then they will come back. If not, you will have lost a client. There are many ways to differentiate yourself and make it clear to your clients that there is no better choice than you.

One of the biggest aspects of the business experience is your attitude. You have the ability to make someone happy and personally give your clients a great experience. Your communication with them and the way you treat them are key. Be polite and have a positive attitude. Smiles are contagious and making sure your client is happy when they are at your office will leave them with a positive memory every time they think of their massage experience with you.

You also want to establish credibility during the experience. Show your client not only through your words, but your actions that you are a professional and that you have the education necessary to give them the experience they are paying for. Credibility is most easily created by becoming a source of information for your clients. When your clients have questions answer them proficiently and if you don't know the answer be sure to research the information and contact them with the answer. This is the type of action that will set you apart from the competition and make the client willing to come back for a second time.

Many small business owners feel that pricing is the way to differentiation. This is simply not the case and is actually a mistake that causes many small businesses to fail. Your price is a statement. When you set a price for a massage you tell clients and potential clients what you think your massage is worth. People understand that you get what you pay for and by lowering your price you are saying that the quality of the massage is less than that of your competition. However, there are obviously limits and you must be realistic about what a massage is truly

worth. Making each client feel like they are getting special treatment and creating a positive massage experience are vital to raising the value of your massage. Regardless, pricing is important, but there are other techniques relating to cost that can be used for differentiation such as first massage discounts, repeat customer discounts, package deals, referral discounts, etc. These techniques lower the price of your massage to bring clients in the door. Once you show them the value of your massage is worth more than this discounted price, they will feel more comfortable paying the higher price for one of your massages in the future.

Cost Benefit Analysis of Marketing Channels

When you implement your marketing strategies, it will be very hard to decide whether or not the money you are spending on a particular marketing channel is less than the money you are collecting because of it. For this reason it is important to try to quantify the benefits of your marketing channels. This is difficult when looking only at profits or revenues because you are never going to use only one type of marketing strategy and you will never be able to quantify word of mouth marketing. The use of multiple marketing channels doesn't give you the ability to identify what marketing channel led to the increase in revenues or number of massages given. To solve this problem, we must be able to quantify or semi quantify what the individual marketing channels are producing. To quantify the amount of business each channel is bringing into the practice a simple question will do wonders, "How did you hear about Main Street Massage?" The answers you receive to this question will give you the quantification you need to analyze your marketing practices. When you talk to someone on the phone this should be the first question you ask after their name and phone number. If you have an initial questionnaire (highly recommended for contact information) or client policies that incoming clients need to sign, you should have this question somewhere in the papers. This guarantees that you will know how every client that you give a massage to heard about your practice. Keeping track of these numbers will serve as the main predictor of which of your marketing channels are worth keeping.

To differentiate profitable from unprofitable marketing strategies you must do a cost benefit analysis. The cost of the marketing strategy is either the cost of the actual campaign or

the cost of the time you spent marketing. If one of your marketing strategies costs you time away from your business then you need to consider the cost of you not being at your office. The easiest way to calculate this is find out how much you would have made giving massages the entire time you are gone. For example, you spend two hours a week at a local business luncheon. If you charge \$70 for a one hour massage, the cost of that business luncheon is at least \$140. This means that you need to have the equivalent of at least two one hour massages scheduled from each business luncheon. These can either come directly from the luncheon or from a referral of someone that you met at the business luncheon. If you find that after three months of going to these meetings that the benefits are less than the costs of your attendance at these luncheons, you should stop going to the luncheons and consider another marketing channel to spend your time on. The same type of analysis should be used in all other marketing channels.

Strategies

Different marketing strategies range from handing out business cards to putting up a billboard to email marketing. Not only are there a wide range of possibilities, but the best strategies are unique and capture the attention of potential clients. Instead of trying to identify every potential marketing strategy available, I will go over a small list of strategies that you can either use in your business directly or as a stepping stone to get your mental marketing gears running. Your increased familiarity with different marketing strategies such as these will increase your ability to come up with your own unique idea.

- *Discount for Referrals*- Referrals are the best marketing tool you can have so why not give an incentive to have your current clients give you more referrals? Simply tell your clients that if a new client comes in to receive a massage and they mention the referrer's name then that referrer will receive 10% off their next massage.
- *Community business luncheons*- Luncheons and business owner gatherings are great opportunities to network in the business community. There is also a sense of I'll scratch your back if you scratch mine in these organizations as the main purpose is to promote

each other's businesses. Your networking skills will be very beneficial in these types of situations. Your local chamber of commerce will have information on these types of events.

- *Sponsorships*- Sponsoring a sports team, community event, or local organization not only gives an opportunity to give back to the community, but also rewards you with advertising at these locations and events. Strategizing as to which events to sponsor from a cost benefit analysis will lead to this strategy's effectiveness.
- *Newsletters*- Offering your clients a newsletter to further inform them about massage and your business is a great way to create and strengthen your client relationships and keep your business on the mind of your clients.
- *Demonstrations*- Very few people will pass up a free massage. Setting up a booth with your marketing information and a chair massage station allows you the opportunity to demonstrate your abilities as a massage therapist as well as the opportunity to talk to and meet potential clients.
- *Signs, billboards*- Keep signs no matter what the size clean and simple. Your goal is to include as few words as possible while still showing a professional and to the point message. Always make sure that the sign has "massage therapy" printed on it and some way to contact or locate your business.
- *Knock and Drop*- The next most effective marketing strategy next to referrals is what I like to call the "knock and drop". This will undoubtedly be the most prominent method of promotion especially if you are starting a new practice. This strategy entails you going to businesses and organizations and introducing yourself and your business. The ultimate goal of this strategy is to create business contacts within the community and to be able to leave your business cards or brochures at the establishment. Be sure to bring your own business card holder as this is more professional than stacked business cards on a counter.

Conclusion

Marketing is such an important part of your business's success. Unfortunately, marketing is the first expense cut in times of turmoil for many small businesses. Don't fall into this trap. Marketing is what will bring you out of troubling times and should be one of the last expenses you cut. Once you begin an effective marketing campaign in your business, you will see the positive effects it has. Keep these effects in mind and don't underestimate the power of marketing your practice within your community.

Review Questions

1. True or False. When creating a website, the more animation and detail you can put into the design, the more impressive it will be to prospective clients.
2. How are most massage therapy clients brought into a practice?
 - a. Billboards/signs
 - b. Website
 - c. Referrals
 - d. Social Networking
3. True or False. Pricing is a great way to differentiate your business from the competition.

*Answers to all review questions are compiled at the end of the course. Take the time to review your answers and go back into the text if you find any discrepancies between your answers and the answer key.

Section 4: Implementing the business plan and auditing business practices

Section Objectives

At the end of this section, you should have the information necessary to:

- Explain how to incorporate your business plan into the day to day operations of your practice
- Identify the steps needed to conduct regular statistical analysis on your business including business metrics such as revenues, expenses, and profit
- Use business statistics to make business decisions

Introduction

While the business plan is undoubtedly the most important planning regime you will undertake, all the time and effort spent on its creation is useless unless you implement and constantly revise it.

Implementing the Business Plan

Now that we have put together all of the components of a successful business plan, it is time to understand what to do with this binder full of planning details. A business plan can only be successful if it is used. While a large amount of benefit comes from the actual writing and collecting of data for the plan, the real magic happens when it is implemented.

When implementing your business plan, don't second guess yourself. Many people have great ideas and excellent data, but when it comes to the actual execution of the plan they are more risk averse and don't want to take the risks that are outlined in the plan. If you have taken the time to build your business plan with quality information you should have no fear in following your plan like a recipe for a cake. If ever you run into problems in your business or have questions always look back into the business plan. Your plan should have the information that you need to overcome the situation whether it is how much the credit card company is

charging you to run a card, your lease for the office, or what your target market is for marketing. Because of its importance in the day to day activities of your practice, the business plan should be located in a place that is not only easy to access, but visible. The reason for the visibility aspect of the business plan location is the saying “out of sight out of mind”. The last thing you want is to not be reminded that you have an entire plan for your business sitting right in front of you.

Auditing Business Practices

Once you have been working in your practice, you will realize that assumptions you made before the business actually opened were incorrect and now you have actual numbers to work with. For instance you may have assumed that your electricity bill would be \$70 a month when in reality it is \$120 or the landlord may have given you a discounted price on the lease because you are leasing the location for a year opposed to 6 months. These are common occurrences amongst many other changes that will deviate from the original amounts and ideas that were created in the business plan. These changes need to be shown and updated in the business plan, but not immediately.

In the first month you are bound to see large deviations in the actual expenses and revenues from the predicted amounts in your business plan. This is because your first month will entail first month expenses such as utility activation fees, deposits, initial marketing materials, etc. While these should be no surprise because you accounted for them in the startup costs of your practice, they should not be used to change what you would consider an average monthly utility bill. For this reason, your second month expenses should start trending back to what your assumptions for your expenses should be. If for some reason your expenses do not meet your assumptions wait for a few more months. I recommend making revisions to the business plan every three months (quarterly) starting with the 2nd month. Having three months of normal business practices will give you an idea of how things are truly going.

Expenses

For your three month evaluation you want to look at two things, expenses and revenues (marketing should be evaluated separately and was discussed in the marketing section of this course). I recommend putting together a spreadsheet budget with the expenses down the side and months across the top.

Fill this budget sheet in every month when you are paying bills. Doing this will allow you to see your average normal expenses. These average expenses should be the amounts used in the revised business plan. Unless you are right on the money with your original assumptions, revising your business plan to include these numbers will change your total monthly expenses, breakeven point, etc. Once you have included these numbers you should feel a big sigh of relief because you have taken out the risk of guessing expenses. You no longer have to worry about whether or not your expenses are going to be completely different than what you imagined. There will still be changes from your average, but they should be slight and overall should average back to your new estimation in the business plan.

Revenue

The second part of your evaluation is revenue. Because you are starting your expenses with the second month, it is best to stay consistent and evaluate your revenue metrics from the second active month forward. The only difference between your measurements of expenses and revenues is while you will have monthly revenue numbers to match with your monthly expenses, it is a good idea to track revenues on a weekly basis. Weekly monitoring is hard to do with expenses because your big expenses such as utilities and your lease will be in monthly statements.

The biggest section of the revenue evaluation section is gross revenue. Gross revenue is the total amount of money you pulled into the business. You should calculate this number at the end of the week every week. Calculating this number is very simple since you should have this number written down for every day of business when reconciling your cash drawer. To calculate gross revenue, add up all the receipts from the week (include everything regardless of

how it was paid, credit card, check, or cash). Calculating this number on a weekly basis and putting it into a spreadsheet format will allow you to see the trend of your practice's revenues. If for some reason you start to see your revenues trending down instead of up, you will need to step back and analyze why you are not collecting as much as you used to. Have you made major changes in your business? Are you marketing as much as you used to? Has competition moved into the area?

Another predictor of how your practice is doing is your weekly amount of clients. This is not only an easy indicator to look at, but also very useful in massage therapy. Using this metric along with the gross revenue will allow you to see what general direction your business is heading. You want to see the amount of massages you give per week increase every week. You have already calculated a rough estimate of how many clients you need to see a week in your business plan, so calculating how many massages you are giving in a week will help you to see if you are on the right track to reaching your goal.

Profit

The last measure of monthly evaluation of your practice is net profit. This number holds the most information about your business because it combines both your revenues and expenses. At the end of the month you have a total monthly expense number and a gross revenue number. Subtracting your total monthly expenses from your gross revenue will give you how much money in profit you made that month. This is the money you get as your salary. You can use this on personal expenditures or to invest back in your business. You could use this extra business investment to pay down business loans (over and above the regular monthly payment), increase your marketing, or give yourself an extra bonus. Profit reveals a lot to a business owner. Understanding the components that go into calculating profit as we have discussed in this section will allow you to do your own analysis so you can understand why your profits are going up or down. More importantly, profit calculations help you decide what you plan to do to change or continue the trend.

Statistical Analysis

Now that you have all your numbers, the next step is to analyze what is going wrong or right. Much like when you reconcile your cash drawer at the end of the day, if the numbers you have do not meet your expectations, you need to do the proper investigation and find out why. This is a difficult task and one that is done from everyday small business owners to the largest corporation CEOs. If your profits are falling, why? Profits are only based on two main components, expenses and revenues, so which is causing the problem? Are you not collecting enough money like you used to? Or have your expenses increased? Having accurate numbers for your business make these types of questions easy to answer. You should have all your expenses and revenues already written down, hopefully in a spreadsheet. With these numbers you should see trends in your monthly expenses or revenues. If your expenses are increasing, why? Look further into your expenses, maybe your utility bill has been steadily increasing or your rent was increased.

When you establish why your profits are trending down the next step is to decide how to deal with the situation. Think of this step much like that of dealing with competition. You know the problem, now it is time to eliminate it, work with it, or leave it. If the reason for a down trending profit is a decrease in revenue because you are giving fewer massages on a weekly basis then in the case of dealing with the problem you only have two choices, eliminate the problem or work with it. To eliminate the problem you increase the number of massages you give. This means heightening your marketing efforts, maybe even reevaluating your marketing plan to see if your marketing budget can be allocated in a more efficient way. Another technique that is always an option is to do more personal marketing, more networking with businesses and potential clients.

Working with the problem means to leave the situation as is and lowering your expenses to meet this new revenue. I must note that you should never choose to work with a downward profit trend. In the event of a downward trend in any revenue or profit measure the first step is stabilization. You need to stop the down trend and at least keep the number constant before you start to cause the trend to go up. In the example we just used about

decreasing profits because of a decreasing amount of massages given in a week, you should not continue to deal with the problem and just continue to lower your expenses every month. This makes no sense and without a doubt will lead to business failure. First, stop the trend by stabilizing the amount of massages you are giving a week by using marketing, networking, etc. Then once you have stabilized decide whether or not you should deal with the stabilized level or fight for the uptrend. If you truly have the entrepreneurial spirit inside of you this is an easy question. You will not settle for less and you will continue to fight until you reach the level you are looking for.

For businesses that are just starting to implement a business plan whether it is a startup or an established business I recommend analyzing your business plan every three months then after a year of using the plan, analyze and make changes to the plan semiannually. As for the business statistics discussed, revenue should be tracked on a weekly basis, amount of massages given on a weekly basis, expenses on a monthly basis, and profit on a monthly basis.

Throughout this section we did a lot of work with numbers and trending business statistics. This area is a very important part of your business and needs careful evaluation. At the end of the day, if the numbers don't add up, no matter how much you love your business you will have no choice but to shut your doors. If you are not already comfortable using computer spreadsheets such as Microsoft Excel, I would highly recommend looking into either a class or book that will give you the basic skills needed to operate these programs. It is possible to do all the analysis by hand, but the simplicity that a computer based spreadsheet provides will allow you to spend more time analyzing your business and less time trying to average your electric bill for the past year.

Conclusion

Being able to audit your business decisions using numbers will be a useful tactic in the management of your practice. Numbers eliminate the emotion that is present in so many decisions. They also allow you to see the cut and dry of whether or not the choices you have made were correct. You will undoubtedly make choices in your business that do not work out.

The key is to recognize and acknowledge the mistake and change the situation. There is no shame in making mistakes as they usually become the strongest stepping stones on your way to success. However, refusing to acknowledge that you made a mistake and allowing this mistake to eat away at your business is a sure path to failure.

Review Questions

1. How is profit calculated?
 - a. Revenues + Expenses
 - b. Revenues – Expenses
 - c. Monthly Revenues – Weekly Expenses
 - d. Monthly Expenses – Weekly Revenues
2. What is the first strategy to implement when your revenues are on a downtrend?
 - a. Stabilize the revenues
 - b. Decrease your expenses to meet the new revenue level
 - c. Try to increase revenue to create an uptrend
 - d. None of the Above
3. True or False. Whenever you run into problems or have questions about your business practices you should consult your business plan.

*Answers to all review questions are compiled at the end of the course. Take the time to review your answers and go back into the text if you find any discrepancies between your answers and the answer key.

Section 5: Networking

Section Objectives

At the end of this section, you should have the information necessary to:

- List the techniques that you can use to manage the impression made by you and your practice
- Describe the components of an effective introduction and “elevator speech”
- Describe how to conduct and follow up on a business conversation in a networking setting
- Identify ways to make yourself more comfortable speaking in front of other people specifically in a speech or presentation format

Introduction

Networking is an art and the art of networking is all about perception and reputation. The more open you are to practicing your communication skills, the more opportunities that will find you. Business is all about relationships whether they are with other business owners or clients. Exercising impression management by making sure that the way you carry yourself and the way you operate your practice is a direct representation of how you want you and your business to be perceived by the community is an important skill to develop. Good communication skills, a comfort with public speaking and strong networking abilities will lead to positive impressions and a successful future for you and your practice.

In Person Impressions

The majority of your networking will be in person. In other words you will have complete control over the impression being made by you and your practice. There are three main tools in your networking toolbox that must be completely polished and ready for business. These tools are your introduction, elevator speech and your business card or

brochure. These three tools, in most cases, form most of your first impression in the business world.

The introduction and the elevator speech work together. Imagine an elevator speech as more of an introduction for you and your business. Both of these when used in a networking scenario need to exemplify confidence and competence in your field. For this reason the basic introductions for you and your business should be near perfect. Self promotion is going to be the biggest marketing technique and if used correctly the most productive. Because of this, why wouldn't you want to be amazing at promoting yourself? The first step to self promotion is the introduction. The first impressions of you when talking to potential clients will be made within the first 30 seconds. The last thing you want is you to spend this time stuttering or searching for the words to give a proper introduction. Not only is this a minor embarrassment, but also a lost opportunity to make a great impression and potentially gain another client.

Your personal introduction should be short and to the point. It should obviously include your name and depending on the event how you are associated with the event or some sort of transition to start a conversation. For example, if you are at a health fair your personal introduction would be, "Hello, my name is Jane Smith. Have you ever received a massage?" Now these are just two sentences and many would wonder why bother explaining how to say your own name. The reason lies in the fact that these two sentences are the least important part of an introduction. The phrase, "Actions speak louder than words" explains this perfectly. There is a difference between walking up to someone without eye contact, a straight face, introducing yourself and looking disinterested and giving a firm handshake, a smile and looking confident. No person, much less a potential client, is going to hang around long enough to even here what your business is if even you don't look interested in what you are saying.

Eye contact is the most important part of an introduction. Look the person you plan on introducing yourself to in the eye as you are approaching them. Doing this allows them time, no matter how short, to mentally prepare themselves to talk to them. Holding eye contact and smiling during the conversation lets the other person know that you are paying attention and

shows interest in what they are saying. Keep in mind that eye contact is not staring; you want to look interested, not make person you are talking with feel uncomfortable. For this reason it is alright to break eye contact briefly when in a conversation, just make sure you are still actively listening to the person speaking.

Active listening is an important habit to learn. When you are in a conversation, there is a difference between just hearing someone talk and actively listening. Actively listening in a conversation entails being engaged, add to the conversation not with random words, but with the purpose of adding to the knowledge gained from the conversation. Also, don't let the conversation become one sided, this leads to that dreaded awkward feeling or worse the feeling that one needs to talk even more. This never ends well. Lastly, when engaging in a conversation truly think about what the person is saying. This will enable you to understand where the conversation is going and will give you more relevant points to add to the conversation.

The other two aspects of the “action” of an introduction deal with confidence more so than technique. These are the handshake and posture. Now there is no need to break someone's hand when giving a handshake, but you should give a firm handshake that shows that you are confident in introducing yourself. The second action item is posture. When you are walking toward someone or around a room, you can automatically show confidence by putting your chin up and rolling your shoulders back. Demonstrating a confident posture is difficult to do when encountering uncomfortable environments. For most people these uncomfortable environments include times when they have to speak publically, speak to people directly that they do not know, or are surrounded by strangers. In these types of situations we tend to slouch and put our heads down because it gives us a hiding place. When you do these things, less of you is exposed therefore you are protecting yourself from a possibly unsafe environment. Forcing yourself to show a confident posture is important. At first this will be uncomfortable and in some cases you will feel like everyone is watching you. But, eventually you will build up the strength and bravery against the possibility of people looking at you. After

this is overcome you will be enjoying the fact that you have the confidence to walk up to strangers, introduce yourself, and possibly add a client to your practice.

The last topic of first impressions is attire. Like everything in a first impression or any impression, the way you are personally perceived is the way your business is perceived. This is important to remember as a business owner. When you are going to an event or going to a business meeting think about what you want people to think about you. If you want to be taken like a serious business person, you need to dress like one. Someone introducing themselves in a business suit is going to come across as more competent and professional than someone in jeans and a t-shirt. Now this may not be the case, but perception wins in impressions and you need to make sure that the way you dress and carry yourself is the way you want to be perceived.

In summation, eye contact, confident posture, a commendable handshake, appropriate dress and of course a smile when you are meeting new people will do wonders. This positive impression will not only benefit your practice, but more importantly will benefit the reputation of you personally and the Massage Therapy field as a whole.

The next topic is the elevator speech. The elevator speech gets its name from the idea that if you meet someone in an elevator you have about thirty seconds to introduce yourself, make a good impression, tell them the purpose of you talking to them, and explain how to contact you after the elevator door opens. This idea is mainly used by salespeople because their elevator speech has to be good enough to get anyone interested in their product before they are brushed off, ignored, or hung up on. Elevator speeches for massage therapists are not nearly as rushed or structured as a sales pitch. However, it should house the same type of goals.

Your main goal after any introduction or elevator speech is to spark a conversation. People are more likely to remember you if they can associate you with a conversation opposed to only a name. The introduction and impression sections of the elevator speech were already discussed, but the contact information and purpose of why they should be listening to you are

the parts that take some finesse. The easiest way to take care of the contact information goal is to hand your potential client or fellow businessperson a business card or brochure right after the handshake while you are finishing your elevator speech. The bulk of the speech is the reason why they should continue talking to you which should also lead to a conversation.

The reason why they should continue talking to you does not have to be something that you say directly to defend this, but more so your credentialing and what you do. "...I am a nationally certified massage therapist here in Metropolis and I own Main Street Massage across from the Main Street Business complex." So many points in one sentence. The more practiced you are with this the smoother it will sound. Robotic is not the tone you are looking for. Following this up with a transition to a conversation as we mentioned above will finish up your elevator speech. So all together for a simple and to the point elevator speech, we have, "Hello, my name is Jane Smith. I am a nationally certified massage therapist here in Metropolis. I own Main Street Massage across from the Main Street Business complex. Have you ever received a massage?" The great thing of ending with a yes or no question is that you can be prepared to follow up to either answer. If the person says yes, you can easily follow up with questions like when it was or why they used massage therapy. If someone says no, you can tell them that you would love to give them some information on massage therapy in the event they would like to get a massage in the future. With these types of follow ups to any transition, it should be relatively easy to start a conversation. When in the conversation, enjoy it, let them enjoy it and give them information. Doing this will allow for a positive experience that you and your practice will be associated with which in turn will strengthen your reputation.

Take some time to write and practice your introduction and elevator speech. Practice different scenarios for answers to any transition questions and work on tweaking your introduction and speech for different locations, events, and people.

First Impressions in Writing

Impressions in writing whether they are in print or online are just as important as first impressions or any impression made in person. Whether it is a business card, brochure,

advertisement, email or website, all written mediums should personify a professional and knowledgeable massage therapist. The advantage of written impressions is preparation. You can make sure that the points you are trying to convey through your writing are done so in the correct manner. More importantly, you can be sure that the points accurately represent you and your practice.

The potential issue with a written impression is that a simple mistake can ruin the whole message and worse, you are not there to defend it. An advertisement that says, “Free Message” instead of “Free Massage” will never be flagged by spell check. This type of error makes potential clients question whether you proofread your ad or if you even cared enough to proofread it. The questioning of the advertisement is an obvious red flag, but what other flags does this type of mistake raise in the minds of potential clients? Why put your practice and your personal reputation in a situation where others have the opportunity to question whether you take your profession seriously?

It is also good to keep in the back of your mind that while you are promoting and building your own business, you are also representing the Massage Therapy field as a whole. Strengthening the field builds awareness of alternative ways to healing and care. This will eventually lead to a larger client base for those who have their business ready. The negative ramifications of misspellings, grammatical errors or sounding unprofessional in any written form are not worth the risk. Proofread all written documents whether online or in print or whether they are to be handed out to clients or fellow business owners. It is always best to proofread documents, if you can, the day after you write them so that you are reading them with fresh eyes. Using another person to proofread documents is also recommended for the same purpose. Any documents you produce represent you and your practice; take the time and care necessary to make sure they do so in the appropriate manner.

Remember that the impression you make through any type of written impression is a first impression for someone. Do not take the chance in thinking that because it is only one sign of many or one blog post on your website that anyone who encounters it will already be

familiar with you or your practice. A newspaper ad you took out could be the first thing a potential client sees of your practice. If there is a mistake or the message is taken in the wrong way then the impression made on this person could be completely destroyed and much worse, any future contact this client has with your marketing will be discounted due to this one simple, but powerful mistake.

Creating and Keeping Business Relationships

The contacts you create for yourself are only worth the time and effort if you take the necessary care to turn them into relationships. Relationships of any kind take time and must be actively managed. This section is not so much focused on client relationships as it is on business contacts whether they are suppliers, fellow massage therapists or other business owners in the community. Client relationships were briefly discussed in the marketing section and pertain mostly to the massage experience as a whole.

Handing out a business card or meeting another business owner is only knocking on the door of the potential business relationship. The key is being invited inside. You may have made an awesome introduction and your elevator speech was flawless, you may have even had a great conversation, but it doesn't mean anything if you never see or hear from this person again. This is where the follow up becomes important. Whenever you meet or are introduced to a business person and you feel that it would be conducive for your business to build a relationship with this person, you must follow up. This person has only met you once so somewhere in your follow up you must reference something that would trigger their memory so they know who they are talking to. Allow them to put a name to a face so to speak. Topics from the great conversation you had and the location of the meeting are perfect topics to add to your re-introduction as reminders of who you are. Make sure not to follow up too late as you still want them to remember the event or the conversation. Within a week, at max two weeks, from the original meeting is a perfect time to follow up on the original meeting. Anything longer and it is possible that they have forgotten what you were discussing or have lost the spark of interest.

The medium of follow up and reason for the follow up are also very important and highly subjective to the type of original meeting you had. There must be a reason you want to follow up with this person whether it is some sort of business arrangement you both were discussing or you feel that you both could offer each others' businesses some sort of benefit. This reason should be discussed in the follow up. For instance, maybe the contact you met was a gym owner and he or she had expressed interest in bringing in a massage therapist to give massages at the gym two days a week. This is a great opportunity for your practice so it is time to take the bull by the horns and turn this opportunity into a reality. For this type of situation it may be best to call and reintroduce yourself. Remind the owner about the conversation you had about bringing in a massage therapist to the gym and ask if there is a convenient time so that you two could meet to discuss this as being an actual possibility. If nothing else comes of this business arrangement you have still built upon your reputation and connections within the community. When this owner is ever asked to recommend a massage therapist you will be at the top of the list because of the positive impression you made. If anything you should always ask if you could leave some business cards or brochures at the business and be open to take any of their materials back to your business. The reason for this exchanging of marketing materials is simple. In a successful business relationship both businesses are more successful from having the relationship than operating without it.

Business relationships are an active commitment. You have to keep in touch with the contacts you make even if it is a simple email asking how everything is going in their business or even better reference the last communication you had with them. If the last email you were sent says something about them expanding their business to a second location, in your next email or phone call ask them if the second location has opened yet. Just like in general conversation etiquette, stay active in the conversation and be an active listener.

The strongest benefit of a business relationship is the referral. Nothing says someone is a business ally more than when they refer a client to your practice. Maybe you met a chiropractor a few months ago at a local business get together. You exchanged contact information and stopped by his or her office to drop off some business cards. Now you receive

a phone call to schedule an appointment from someone who was referred to you by this chiropractor. That business relationship just added a client to your client list. After someone adds a client to your client list you should always thank them. This thank you can be a simple phone call, email, or the best of all, a return referral of one of your clients. This type of scenario truly shows that in a successful business relationship both businesses have added benefits from working together than working apart.

Before we finish up the business relationship section I want to make a point that these types of relationships are two way streets. Don't be taken advantage of or worse have negative effects on your reputation because of a relationship. If you know someone is not willing to help you out in your practice don't take time away from your practice to help grow theirs. I would be really hard pressed to allow someone to take up coffee table space in my waiting room with their marketing brochures if they won't even let me put some business cards on their reception counter.

Positive business relationships are such a strong tool when you are building or running a business. Spending the time to turn a contact into a relationship and keeping that relationship is worth the effort and will offer you benefits from so many different angles.

Public Speaking, Practice Makes Perfect

For many people the words "public speaking" are more frightening than any snake or spider. The idea of standing up and talking in front of group of people sends chills down the spines of so many. But why? The underlying fears that people face when having to speak publically are things like rejection, timing, boredom, or the worst, forgetting what to say. Public speaking is a skill and skills are perfected by practice. While you can practice speaking in the comfort of your own home, public speaking is a skill only practiced in front of others. So before we go into how to enhance this skill, let's discuss some of the benefits of being comfortable speaking in front of a crowd.

1. When you are able to speak in front of a crowd confidently, speaking to one or two people one on one becomes easier. By speaking to a crowd, you are increasing your comfort with your own communication style.
2. Think about the opportunities. Some health fairs and business luncheons allow business owners to introduce themselves and their business to all those at the event. Why not take the opportunity to promote your practice to a whole room of people instead of trying to talk to one person at a time?
3. Public speaking builds confidence. Confidence is essential in running a business and will allow you to take your business to whole new levels.

The tips on how to calm yourself down before a speech or how to prepare for a speech are endless and everyone has their own techniques even to the extent of picturing the audience in their underwear. The best tip that I have is preparation. If you are comfortable with what you are going to speak about or have your speaking points memorized, most the battle is already won. Before walking up to the podium take a few deep breathes and keep the speech in perspective. I guarantee this speech won't decide your fate and it won't be the last time you ever give a speech, just another tally in the books.

To practice public speaking, which is a must, I highly recommend joining an organization that promotes and allows the practice of public speaking. Toastmasters is a great organization that will fulfill these needs and there is more than likely a local Toastmasters group near your practice. The next way to practice public speaking is to take all the opportunities you can to speak in public. If you are offered an opportunity to promote your business or speak at an event, take it. The more you speak the less nerve wracking giving a speech becomes. Once you overcome the nerves and have done your preparation you will be surprised at how easy a speech will go.

Conclusion

The fear of public speaking and communicating with people we don't know is rampant all through society. You are not alone. Even the best public speakers and communicators will tell you that there will always be some amount of fear no matter how practiced of a speaker you are. For this reason, you should continue to strengthen your communication skills without the fear of other's opinions for you are doing what very few are willing to do. This confidence will be recognized by those around you whether you are talking to a small group or to a crowd in a banquet hall. With confidence comes respect and people that respect you and your work as a professional in the community will patronize your practice. Carry this confidence with you while networking and work on growing business relationships throughout the community. All of these techniques are the start of a good reputation, not only for you, but for the Massage Therapy field as a whole.

Review Questions

1. True or False. Once a business contact is established there is no need to keep in contact with that person until you need something that can benefit your business.
2. Which of the following is involved in creating a good first impression?
 - a. Professional attire and attitude
 - b. Firm handshake
 - c. Confidence and a smile
 - d. All of the above
3. What is not a way to calm nerves for a speech?
 - a. Take deep breathes
 - b. Prepare your speaking notes ahead of time
 - c. Practice public speaking
 - d. Think about the importance of the speech

*Answers to all review questions are compiled at the end of the course. Take the time to review your answers and go back into the text if you find any discrepancies between your answers and the answer key.

Answers to Review Questions

Section 1

1. B
2. FALSE
3. FALSE

Section 2

1. FALSE
2. C
3. B

Section 3

1. FALSE
2. C
3. FALSE

Section 4

1. B
2. A
3. TRUE

Section 5

1. FALSE
2. D
3. D

Business Management Exam

1. What would be considered a “pro” and a “con” of owning your own business?
 - a. Complete control of your income
 - b. Internal satisfaction
 - c. Creativity
 - d. Being your own boss

2. What is self-efficacy?
 - a. Having faith in yourself
 - b. Being able to establish goals and achieve them
 - c. Having the ability to make good business decisions
 - d. Knowing the correct decision to make at the right time

3. When establishing goals what type of time period should you choose?
 - a. Depends on the goal
 - b. The longer the better
 - c. The shorter the better
 - d. Always 1 year

4. How often should you review your business goals?
 - a. Only when the goal is completed
 - b. Every six months
 - c. Everyday
 - d. Only when you are changing goals

5. What would be a reason to continue a part time job when starting a business?
 - a. Financial security
 - b. Less pressure than starting a business full time
 - c. Both A & B
 - d. None of the above

6. For a sole owner of a business, what is the optimum legal structure?
 - a. Sole Proprietorship
 - b. Partnership
 - c. LLC
 - d. LLP

7. Which is an example of turning an opportunity into a strength?
 - a. Meeting a fellow business owner then agreeing to allow each other to put marketing products in the other's business
 - b. Moving your practice to a new location because of major future construction
 - c. Working on your communication and speaking skills so that you can give a presentation about your business
 - d. None of the above

8. What is not an example of a business threat?
 - a. Competition
 - b. Communication skills
 - c. Negative legislative action against your profession
 - d. Construction in front of your business

9. Which of the following is not a section of a business plan?
 - a. Marketing plan
 - b. Financial plan
 - c. Management plan
 - d. Operational plan

10. What is the first part of the operational plan?
 - a. Licensing and Legal
 - b. Location
 - c. Policies
 - d. Supplies

11. What are variable monthly expenses?
 - a. Monthly expenses that occur every month at different times
 - b. Monthly expenses that occur every month with a fixed amount
 - c. Monthly expenses that occur every month with different amounts
 - d. Monthly expenses that occur every month at fixed times

12. The amount of cash you keep in your cash drawer every day to use for change is called _____.
 - a. Variable cash
 - b. Reserve cash
 - c. Petty cash
 - d. Pocket cash

13. What should you do if the amount of cash in your cash box at the end of the day does not match the total of your cash receipts?
- Redo the reconciliation to check for errors
 - Nothing, take the cash currently in the box, the error will come up later
 - Doesn't matter because you should only reconcile once a week
 - Nothing, you must have just miscounted because you always collect the correct daily amount
14. How large should your reserve account be (in months)?
- 12
 - 6
 - 3
 - Depends on the individual practice
15. A massage therapist charges \$50 a massage. She expects her expenses to be \$200 and her salary to be \$500. How many massages does she need to give to meet her salary breakeven point?
- 4
 - 10
 - 12
 - 14
16. What is not a benefit of keeping clean, organized and correct financial records?
- You will need them if you ever plan on applying for a business loan
 - It is easier to review and analyze your business
 - You don't have to worry about business statistics or trends
 - None of the above
17. Where is the best place to keep your business plan?
- Deep in a filing cabinet
 - On the computer
 - In a visible area so you can review it often
 - With a friend
18. How are the majority of clients brought into a massage therapy practice?
- Referrals
 - Internet
 - Signage
 - Social media

19. What are the signs of a good website?
- A lot of animation and bright colors
 - Simple to read and use
 - Information limited to your practice and not the massage therapy field as a whole
 - A lot of information in a very complex format
20. What would be a description of a correctly organized business card?
- Bright colored
 - Simple
 - Written in a unique font
 - Hard to read
21. Which is the best way to differentiate your practice from your competition?
- Pricing of massages
 - Quality of the massage experience
 - How often your practice is open
 - Marketing promotions
22. What is the best way to monitor and quantify the effectiveness of your individual marketing strategies?
- Ask your clients how they heard about you
 - There is no way to monitor marketing effectiveness
 - The trend of your profits
 - The trend of your revenues
23. When should you discontinue a marketing strategy?
- When the costs are high
 - When the costs outweigh the benefits
 - After one year
 - After two years
24. How can you reward your clients for referring other clients to your practice?
- Saying thank you
 - Giving discounts
 - Both A & B
 - None of the above
25. What is the purpose of the “knock and drop” marketing strategy?
- To meet other business owners
 - To distribute marketing materials
 - To network
 - All of the above

26. If a massage therapist gives 40 massages at \$50 a piece in one month and has \$500 in monthly expenses, how much profit was earned in that month?
- \$1000
 - \$1500
 - \$2000
 - \$2500
27. What should you do in the event of down trending profits?
- Stabilize the situation
 - Immediately cut expenses
 - Both A & B
 - None of the above
28. What are components of a good first impression?
- Firm handshake, confidence, credibility
 - Professional attire, passive listening, confidence
 - Casual attire, serious and robotic tone, firm handshake
 - Casual attire, active listening, serious tone
29. What is an elevator speech?
- Speeches given only in elevators
 - A quick introduction of who you are and what you do
 - A speech that includes up and down tones, representing an elevator
 - None of the above
30. Proofreading is important in which type of documents?
- Documents being handed out to clients
 - Documents being written for other business owners
 - Both A & B
 - None of the above

This completes the Business Management exam.