



STUDIO COLLECTIONS TOOL KIT

Dear Studio Owner

Welcome to StudioAutopay.com. In this tool kit you will find information that will help simplify the transition from manual collections to automatic collections at your studio.

Please feel free to customize any of the documents and use them at your studio. If you have questions please email info@studioautopay.com.

Introducing and explaining autopay at your studio

Automatic collection technology has been used in many industries for years. It may be new to your studio but it is not new to your students and customers. Almost everyone with a job, car or home has some type of payment that is automatically withdrawn from their account.

One universal trait of human nature is – people don't like change. The following pages are proven methods of presenting automatic payment to your studio families.

Switching to Autopay from one teaching year to the next

(See the attached sample letters)

The most successful way to introduce autopay to current students for a new teaching year is to explain why you are making the change and give families an incentive to switch.

The sample switch to autopay letter explains why you are switching:

- Every hour spent doing studio collections and administration takes away from time that could be spent improving programs and instruction for your students

The letter also gives an incentive:

- If parents go onto the new payment system they will get a slight discount.

We recommend using this idea when you are planning a fee increase. If you give your families the option of going automatic and saving a part or all of the increase, most will want to make the switch.

If some parents argue that it is unfair that they must pay more if they still pay monthly, an easy comparison to make is a health club. Every health club charges a much higher rate for drop in visits than the monthly rate because they must manually collect the fees. Even at minimum wage, the labor cost of collecting the money driving to the bank and chasing late payers is a significant expense in time and effort.

This approach has a cost to you at the studio (the discount) but essentially you are buying guaranteed payments from parents. Brand new students can be introduced to the autopay at the regular rate.

If they are not used to any other system an auto pay method should be very easy to introduce.

Switching to Autopay during the teaching year

(See Sample Letters)

Some people will be happy to switch to autopay because they appreciate the convenience. Other people will need an incentive because they are used to paying when they arrive.

Giving an incentive is a cost to your studio, but the cost of time and effort and cash flow issues can be much greater.

Some of the effective incentives mid year have been:

- Free additional dance recital tickets for the end of the year
- A gift certificate for studio merchandise if you retail
- A gift certificate that can be used towards next years lessons.

The gift certificate towards next years lessons has a great side benefit. It encourages your students to re-register and come back!

During the year if a customer is offered a reward to switch many will take the offer.

One of the keys to switching is to remind people that make monthly check and cash payments that they have the option of automatic payments. Even if only half of your parents switch to monthly payments, that will represent a huge decrease in the amount of hours spent on paperwork and collections each month.

Q - Why can't I just keep on paying one month at a time like I have done for the last 3 years?

A. Even though it only takes 5 minutes to make a payment, 5 minutes can turn into hours if you have to do it hundreds of times. We at the studio are making this change so we can focus more on the dance education. This will benefit the students the most.

This change will also benefit the parents because they never have to worry about remembering to pay.

Q or Objection - I don't feel comfortable giving someone access to my bank account.

A. I understand how you feel. These days you do have to be careful. I assure you that you don't have to worry because the automatic payment federal regulations are very strict and millions of transactions happen each day without any problems. You probably have a few automatic payments coming out of your account or credit card right now.

(Customer will usually say yes they do)

Our studio has been around for ___ years and we have taught over ____ students.

If hundreds of families trust us with their most valuable possession – their kids, they also know they can trust us with their payment information.

Also remember that if there ever is a concern with a payment, you are not dealing with a big faceless company. You can always call us or talk to us face to face each week.