

Children's Services and Education Roundtable



Opportunity World and Money 'N Profits recently sat down with Russell Miller, the Vice President of Business Development for Huntington Learning Centers; Curt Hapward, the Vice President of Franchising for Sylvan Learning Centers; and Frank Milner, President of Tutor Doctor. This roundtable discussion allowed us to gain some scholarly insight into the breadth of educational business opportunities out in the marketplace. We've asked these experts at some of the leading educational franchising corporations for their input on industry trends and what it takes to succeed in education franchising.

Opportunity World (OW): *What qualities do you look for in new franchisees? How are franchisees selected?*

Huntington: Huntington looks for top notch professionals, with strong ethics that are community minded. These individuals typically come to us from the corporate world with substantial business experience in marketing, sales or operations. We also attract some of the best educators that this nation has to offer. They are all attracted by our quality programs and strong business model coupled with incredible support.

Tutor Doctor: We have attracted franchisees from many different walks of life including folks who come to us from the corporate world, some have come from the education industry, and others have come from a small business environment. No matter what the back ground of our franchisees, the most important quality that we look for is the desire to make a difference.

Franchisees who want to engage in meaningful work and impact the lives of others. This desire, coupled with the willingness to get involved in the local community, are key qualities that Tutor Doctor looks for in its franchisee candidates.

Franchisees are selected by going through a highly structured selection process that is made up of a series of information sessions and candidate interviews. Tutor Doctor also involves its existing franchisees to select the best candidates through a franchisee nominations committee.

Sylvan: Sylvan Learning is actively seeking qualified franchisees who possess an entrepreneurial spirit, have a passion for the communities they serve and are interested in helping children build confidence and success in school and in life. They should have a knack for motivating and inspiring those around them and an ability to build their business around and for the children and families. Potential franchisees also should be self-starters with strong interpersonal skills and have the ability to build a collaborative, supportive environment for their staff and clients. If potential franchisees possess these basic qualities and meet the education and financial requirements, then Sylvan Learning whole-heartedly welcomes them into the system.

(OW): *What are the three most important things people should know about this market before becoming a franchisee?*

Huntington: Number one, the market has grown consistently for the last 50 years. Two, the market is projected to continue to grow through 2025! And three, despite

increasing competition in supplemental education, Huntington has no national competition in its category as a high end, full service provider of individualized tutoring services.

Tutor Doctor: First, that this is an extremely rewarding business that allows people to make a difference while making a great income. Second, franchisees wear many different hats such as marketer, sales, administrator, and manager. Last, the education industry is high profile and therefore franchisees need to be comfortable being on center stage. They may be asked to do various radio, newspaper or television interviews to discuss common challenges that kids face and how we help them overcome those challenges.

Sylvan: Despite the economy, we are finding that the supplemental education market is surprisingly resilient, and as a result, there has been increased interest from entrepreneurs who are looking to join the

Sylvan Learning family. As school budgets shrink and after-school assistance is eliminated, parents are turning to supplemental education to help bridge the educational gap. So, it's not surprising that companies like Sylvan Learning continue to grow in markets coast-to-coast to meet parents' growing demand for supplemental education.

(OW): *What education, skills or licensing is necessary to be successful?*

Huntington: None! If you can pass our selection team to get approved our training and support that we provide is all you will need.

Tutor Doctor: While there are no requirements for experience within the education industry, franchisees must complete a comprehensive training and certification program that includes four weeks of pre-training, six days of classroom training, followed by three

months of the Tutor Doctor Jump Start program.

Sylvan: The ideal candidate should have a college degree, preferably in business or marketing. Previous experience in sales or as a small business owner is a plus. Potential franchisees must be able to network with local leaders, government officials, schools, businesses and nonprofit organizations. Franchisees interested in joining the Sylvan Learning family can expect their initial investment to be approximately \$188,000 to \$305,000 depending on the real estate selected. Qualified candidates must possess a minimum net worth of \$250,000 and a minimum liquidity of \$75,000.

(OW): *What are some of the typical issues that new franchisees should expect to encounter when starting out?*

Huntington: The issues vary tremendously by person and market. "Huntington's Steps to Success Program" is a

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Web-based project management tool that we utilize to support our franchisees from the day they sign on to the day they open the doors. Each day they have a task list of “to do” items that makes the process smooth and cost effective. If they hit any roadblocks they are immediately linked to the appropriate department and support staff to jump over the hurdle. That is why they buy franchises.

Tutor Doctor: Typical issues that franchisees encounter include ramping up marketing efforts. Franchisees will find that in general there is great demand for our service and typically, as they are conducting consultations in the market, parents and students respond very well to our offering. For every 10 consultations franchisees do, they will enroll seven students.

Sylvan: Franchisees are backed by operating and training systems, as well as

expertise in educational programs that has been refined over 30 years. All franchisees, with or without educational experience, are trained and prepared with the tools they need to succeed as business owners.

(OW): What can your franchise opportunity offer new customers and franchisees that set you apart from the competition?

Huntington: Huntington's core competency is delivering high quality individualized instruction utilizing a low student to teacher ratio. We carefully define the student's specific needs, then carefully select the curriculum and facilitate the learning with a trained person on a 1 to 1 up to a 4 to 1 student to teacher ratio. Our programs are authentic and unique for each child

Tutor Doctor: Children can learn in the comfort and privacy of their home. Children get one-on-one attention as opposed to one-to-many ratios. Chil-

dren are matched with the right tutor who can work with the student's style. We make sure we cover the student's homework material from school.

Sylvan: Sylvan Learning is North America's most recognized provider of supplemental education. With more than two million students served since 1979, Sylvan is a pioneer in the industry and currently has approximately 1,100 centers located throughout North America and abroad.

Franchisees benefit from Sylvan Learning's brand awareness, as well as a \$40 million national advertising and marketing program designed to drive enrollment and conversion.

Families benefit from the many innovative products and services Sylvan provides, ranging from in-center, online and at-home tutoring designed for students of all skill sets and ages. Sylvan's proven process and personalized instruction methods have inspired two million students to discover the joy of learning.

(OW): What types of marketing tools are crucial for a successful business in this niche?

Huntington: Shoe leather!! We give the franchisees the tools and support but they deliver! Huntington is a sales and marketing business. We have the best service but the franchisee needs to educate the local education community, the business community and reach out to the family in the town their center is located and nearby towns. You must get out and educate the educator, business people and moms that we exist and how we differ.

Tutor Doctor: Franchisees have access to a vast array of marketing tools including flyers, brochures, direct mail pieces, promotional products, banners, advertisements, website, on-line marketing pieces, etc. The majority of the tools are made available by a variety of suppliers through website portals that they have created specifically for Tutor Doctor franchisees.

Sylvan: Over our three decades, we've found that the traditional marketing materials are important to use in driving enrollment. However, partnerships with local schools, community leadership groups and social media and networking sites have become more and more important to help local centers succeed.

(OW): What current trends in business will affect the future of this market?

Huntington: Our economy has changed dramatically over the last 2 decades! The value of a college education has increased dramatically right along with it. The market will continue to grow, in fact...The National Center for Higher Education Management Systems estimates that to keep up with international competition, at least 20 million more Americans must access higher education by 2025." "20 million people!" "That's twice as many as the GI Bill aimed to serve." There has never been a

better time to get into this business

Tutor Doctor: Despite the struggling economy, the supplemental education industry continues to grow. There are many reasons for this, not the least of which is that tutoring is often seen as an affordable alternative to private school education.

Sylvan: Not unlike other businesses – in franchising or otherwise – the financial markets and financing will continue to affect busi-

nesses. However, despite the economy, current demand for supplemental education services is strong and the market is projected to continue with double-digit growth, according to Eduventures, Inc. This positive news reinforces the opportunity that supplemental education systems with a proven concept – like Sylvan Learning – can continue to succeed and serve families in the U.S. and abroad.

(OW): What is a trend you see in the market today? How can startup businesses address this trend in a way that will make them successful?

Huntington: With increasing competition in supplemental education it makes sense to go with a leading brand. Very few companies advertise nationally like we do. Start ups should invest in a franchise. Programs like our “Step to Success” program are the only way to get open quickly in the most cost effective manner possible.

Tutor Doctor: The reality is that our school system and the education system in general continue to struggle. More and more students are competing for fewer spots in higher education so the pressure to compete is intense. We continue to tutor a great number of high performing students that recognize that an “A” is not always good enough to get into the program of their choice.

Sylvan: One very important development or trend Sylvan is experiencing is that, despite the economy, families are still seeking the best education for their children. In fact, the recent government stimulus plan has increased funding for education and the supplemental education market is benefiting from these resources. Specifically, one of Sylvan's programs – Ace It! – is designed to assist lower income families with supplemental education services. This group of families is one of the main recipients of the educational stimulus funding.

(OW): What are two challenges you have faced in this market and how did you overcome them?

Huntington: One, local marketing. We have a three-tiered marketing plan that allows you to build the brand locally while driving inquiries. Two, Sales ability. To increase our sales we added a national call center for our franchisees. It works great!

Tutor Doctor: One challenge is getting the word out that help is available for struggling students. We overcome

this challenge through an aggressive local marketing effort and bringing on board great franchisees to help spread the word. The second challenge is the perception that quality tutors are hard to find.

Tutor Doctor takes the time to understand the needs and circumstances of the families that we serve through an in-depth seven-step consultation process. We then take the knowledge and insight from that consultation and use it to make what we refer to as the “magical” match ensuring that we are matching the student with a great tutor that will really be able to connect and help student through their struggles.



Sylvan: Sylvan recently celebrated its 30th anniversary earlier this year. Over these three decades, the supplemental education market has grown considerably, so we've had to ensure our courses and services can continue to lead the industry. Therefore, the challenge of continuing to innovate is one I would highlight. We've met this challenge over and over again by introducing new products and services to children through our franchisees. Most recently, our local franchisees are offering SchoolMathprep.com as a free resource for teachers and students in grades 7-12 to use during school hours – for math remediation, enrichment and test prep.

Another challenge would be ensuring we find the best and brightest franchisees to help represent the brand across the globe. We outlined some of those

processes above, but we've been fortunate to identify great franchisees and our training program ensures they deliver a consistent product in every center from Baltimore to Bahrain.

(OW): What advice would you give someone just starting out in this industry?

Huntington: I think by now you know what I'm going to say..buy a Huntington Franchise!

Tutor Doctor: Be passionate about helping kids, work hard and deliver outstanding customer service. If you do these things your customers will stay with you year after year and your business will grow leaps and bounds.

Sylvan: The best advice for someone starting out is to make it a priority to get involved in the community. To succeed in this business, it is important to give back to the community you are operating in. Our business is helping children develop the skills, habits and attitudes that lead to lifelong success. This focus is completely intertwined with families and, therefore, Sylvan needs to help not just their students, but everyone in the community.

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