

futurpreneur 

Zebra Tutoring

Business plan

1.0 Executive Summary

Company Profile Summary

The face of tutoring is changing and Zebra Tutoring plans on being at the forefront of the new wave of tutors. Zebra Tutoring Services offers Writing/Reading Tutoring Services to high school students by making learning fun and fully engaging the students to learn. The area of focus will be in the Riverdale area of Toronto. Zebra Tutoring is fully owned by Tanya Maliak who has three years' experience tutoring students on a part time basis having tutored 17 students to date gaining valuable experience working for Oxford Learning. She holds a degree in English and her interests lie in pedagogy – specifically designing effective and engaging one-on-one tutoring modules. Tanya has worked as an ESL teacher in Japan for two-and-a-half years gaining valuable classroom skills before returning to Canada. She has taken three pedagogical tutoring training courses from Dartmouth College and is a committed life-long learner.

Market Research Summary

The face of tutoring has changed dramatically in the last 10-20 years. In 2010 CBC did a report on the Canadian tutoring industry which has gone through dramatic changes with growth projections of over 7% per year predicted. The drive has been pushed by parents who have solid post-secondary education and wish the same for their sons/daughters. The tutoring business in Canada is generally fragmented with a good mix of large established tutoring companies like Sylvan, Oxford and Kumon. With demand increasing and more players entering the market creating a niche will be important. Zebra Tutoring will be targeting parents with household incomes of \$100,000 – 250,000 and whose daughters and sons are interested in attending university.

Marketing Summary

Zebra Tutoring's key strategy is to be an active member in the community (Riverdale area) and to be seen as an expert in engaging students with their own learning. In social media, Zebra Tutoring will initially focus on Linked In (since the target group are mainly professionals and executives) including posting articles on student engagement once a week

The location will be a home based business located at 15A Albemarle Ave. Liability insurance, marketing costs and providing professional workbooks will be needed. To ensure quality tutoring Tanya Maliak is committed to the latest ongoing training. Students will work in a relaxed, productive but fun environment. Zebra tutoring will encourage frequent feedback to improve our process and experience.

Finance Summary

\$15,000 will be needed to start the business with funds coming from the Futurpreneur Canada Start-up Program. In the first year of business, whilst we build the foundations, Zebra Tutoring plans on generating just under \$36,000 in sales with expenses of \$7,500.

By the second year plans are to increase its sales by 60% to \$58,000.

2.0 Company Profile

Business Overview

Zebra Tutoring is a tutoring company (beginning with English tutoring) dedicated to bringing back excitement and student engagement in the learning process. Zebra Tutoring was established on 01/08/2014

Zebra Tutoring is an English tutoring service for high school students that is committed to making lessons engaging and fun -- which in turn motivates students to learn and retain more knowledge.

Zebra Tutoring is a service business. Services and products offered:

- One-on-one tutoring (30, 60, 90 minutes) Tutoring will be done at Zebra Tutoring's office, at the clients place of residence or remotely via Skype
- There will be options for group work (3-4 students) at Zebra Tutoring's office or remotely via Skype

Company History

From her part-time business Ms. Maliak currently has three steady clients. In the last four months she has had just over \$1,100 in sales working part-time. Various advertisements in the local papers did not produce any conclusive results, however networking in local community events proved to be more effective.

Management

Zebra Tutoring is run and fully owned by Tanya Maliak, who has over five years' experience in teaching in both Japan and Canada. She holds a B. A. in English and has a TESL certificate. Tanya Maliak has tutored high school students on a part-time basis for the last three years. Ms. Maliak teaches in an engaging and interactive manner that has students enjoying the tutoring sessions. Her professional commitment in teaching has won her The Student's Choice Award in ESL in 2012.

Location

- Zebra Tutoring will be a home based business. Zebra Tutoring will be located at 15A Albemarle Avenue, Toronto, ON M1M1M1

Zebra Tutoring's services will be offered at different locations:

- Within the client's own home
- At Zebra Tutoring home-based office
- Virtually via Skype

Legal Structure

Zebra Tutoring is a sole proprietorship. Zebra Tutoring will operate as a sole proprietorship which is the norm for start-ups in this industry And will purchase liability insurance to mitigate any risk.

Vision

To be the benchmark for quality tutoring in the greater Toronto area, with hundreds of testimonials from students and parents.

Mission

Tutoring in ways that spark interest and fun and provide relevant examples to the student's own experience.

Goals & Objectives

- Steady base of 20 clients by March 2016
- Minimal monthly revenues of \$2,800 or more beginning May 2016
- Three exceptional testimonials by April 2016

Professional Advisors

Zebra Tutoring will rely on the services of Ms. Maliak's long-time lawyer and accountant for matters surrounding the start-up of the business.

3.0 Market Research

Industry Profile & Outlook

Zebra Tutoring operates primarily in the service industry.

The need

Janice Aurini, an assistant professor of sociology at the University of Waterloo, describes the growth in supplemental education as a "revolution," created largely by educated parents who feel pressured to help their children compete for the best spots at university. These parents aren't against public school education. They just want more for their kids. Most of these kids are getting A's and B's in the public school system. Most parents who hire tutors (73%) estimate that their children's overall academic performance is in the A or B range. Thus, the majority of tutors are hired by parents of children whose academic performance is average to high achieving. Zebra Tutoring will therefore focus on rising achievers rather than targeting families who have children with low grades.

“What we’re seeing over the past 10 years is a dramatic increase in the level of grades required to get into colleges and universities,” says Paul Elliott, president of the Ontario Secondary School Teachers’ Federation. “You’re going to see parents doing everything they can to increase marks, and paying for tutors is one way of doing it.” The average grade of high-school students entering universities was 85% in 2012, according to data from 48 universities published in the 2014 Maclean’s University Rankings. Currently, some of Canada’s top universities are posting minimum averages in the 90s for students wanting to enroll in specialized programs and for a chance at a bursary and other monetary incentives.

Rates of Toronto students reporting they’re helped by private tutors have grown by 60% over the last five years, Toronto school board data shows. (Global News April 19, 2013) <http://globalnews.ca/news/492413/private-tutoring-rising-sharply-in-toronto-map-shows-strong-link-to-income/>

The Gap

- 1) Less stigma in having a tutor
- 2) Parents having less time to spend at home
- 3) Higher grades needed to get into university
- 4) Perception that public schools don’t have enough resources for individual student attention

Toronto schools that had the most tutored students were in higher-income census tracts and vice versa. The only large-scale exception was Agincourt, in north-central Scarborough, which has high tutoring rates and lower family incomes. Agincourt is also an exception to the link between high-income neighbourhoods and high standardized test scores.

Household income is the strongest predictor of parents’ decisions to hire tutors. Families with annual household incomes greater than \$100,000 are almost three times more likely (2.9 times more likely) to hire tutors than families making less than \$40,000. An average hourly rate runs around \$40/hr. For this reason Zebra Tutoring will be looking at targeting higher income families and families that have university educated parents. There are many tutors who discount their prices, but tend to be private tutors who usually work part time.

81% of parents who have hired tutors, in contrast to 68% of parents who have not hired tutors, agree that homework was a source of household stress. From a marketing perspective Zebra Tutoring will include “relieving homework stress for parents” as one of its core messages.

With franchises like Sylvan Learning, Oxford Learning, and Kumon, tutoring has evolved into private ‘learning centres’ in cities and affluent suburbs. These new tutoring centres, typically compact 1,200 sq. ft. spaces in shopping plazas, offer initial learning level assessments, study skills programs, math skills instruction, career planning, and even high school and university admissions testing preparation.

The industry is unregulated so there are minimal barriers to entry. However, parents who

are making the decision to hire a tutor look for qualifications, years of teaching/tutoring experience and ability to work with children/youth. The determining factor is the quality, method of tutoring and the results produced.

Local Market

There are three franchises that offer tutoring in the Riverdale area: Oxford Learning Danforth; Kumon Math and Reading Centre and Epsilon Learning Centre. All three offer tutoring in all subject areas. There are also other private firms that offer tutoring. Zebra Tutoring will specialize in Writing/Reading tutoring to be seen as the prime tutoring provider.

From the 2011 census, Toronto's Ward 30, Toronto-Danforth has an average household income of \$89,388. Zebra Tutoring will focus on parents with household income of \$89,000 or more who will see the value of tutoring more readily.

Skype tutoring: Opportunity for growth

With public schools closing at 3:00 pm, today's parents are increasingly turning to online, virtual education to address the skills deficit.

With more students comfortable learning online there is an opportunity to teach over Skype (a software package is available). This medium works well with mainly essay subjects as the teaching is conversational and doesn't involve drawing diagrams or manipulating formulae.

For the tutor there are obvious advantages with this method of teaching. You don't have to spend precious time and money travelling from student to student, you can work from home, and you can cast your net over a larger range of students. For parents there also advantages: you don't have to take your child to and from the tutor's house, or let a stranger into your house to teach your child. You can still sit in on the sessions to check if the quality of the teaching is what you would expect.

Key Competitors / SWOT Analysis

	Strengths	Weakness	Opportunities	Threats
TOP Tutors	<ul style="list-style-type: none"> • Good reputation • Well established • Online presence 	<ul style="list-style-type: none"> • \$145 diagnostic test required • \$390 for 8 sessions 	<ul style="list-style-type: none"> • No fee diagnostics 	<ul style="list-style-type: none"> • May decide to waive diagnostic fee • Offer online tutoring
Zebra Tutoring	<ul style="list-style-type: none"> • Familiar with local community 	<ul style="list-style-type: none"> • Limited physical teaching space in home office 	<ul style="list-style-type: none"> • Make learning exciting for students 	<ul style="list-style-type: none"> • High schools may begin to offer in-school tutoring

Target Market

Zebra Tutoring is focused on selling to consumers (B2C).

Market profile for Zebra Tutoring:

- Parents with children in high school (demographics)
- Students planning on attending university (lifestyle)
- One or both parents holding a degree (demographics)
- Household income: \$100k to \$250k (demographics)
- Parents desiring that their children attend university (lifestyle)
- 'B' students wanting to become 'A' students (behaviour)
- One or more parents are concerned about their community (lifestyle)
- Both parents and children are computer literate (demographics)
- Parents feeling overwhelmed with demands placed on their time with increased competition for university admission (behaviour)
- Located in Toronto's Riverdale area (scope)

Keys to Success

A consistent networking strategy and visibility program and being involved in the community in particular education related activities in the area of the business location will be crucial to develop exposure to parents. Zebra Tutoring will develop a portfolio of testimonials that highlight both the results and the students 'love' of learning.

Zebra Tutoring will monitor the tutoring session through feedback from the student and consistently upgrade their methodology and pedagogical approaches through ongoing training.

Customer Survey Summary

32 people who had used tutoring services in the last 12 months were surveyed between September and October, 2014. Over 65 % of those surveyed indicated that they selected a tutor based on a recommendation from a friend or colleague. The second most common way was through face-to-face interaction (24%). Word of mouth advertising is a by-product of the business need to make local networking and community relationship development a priority marketing strategy.

4.0 Sales & Marketing

Pricing Strategy

Fees range from the low end of \$20/hr. to \$55/hr. Usual range for established tutoring companies like Oxford Tutoring is \$49/hr with a minimal commitment of at least 2 hours per week. Assessment fees are extra.

Competition: 45/hr. plus an assessment fee. Zebra Tutoring will be offering \$40/hr. for the first 10 hours as an introductory offer.

Pricing will reflect the image of high quality tutoring using the latest student engagement methodologies. A small discount will be offered as an introductory offer but discontinued once the business has established some ground.

Marketing Strategy

Networking in the Riverdale community

Face to face relationship building is critical to the success of the business. The marketing strategy will focus primarily on networking activities where parents of high school youth are likely to be in attendance (see Marketing Activities detail). Zebra Tutoring's key strategy is to be an active member in the community (Riverdale area) and to be seen as an expert on engaging students with their own learning.

Social Media: Linked In

Regarding social media, Zebra Tutoring will initially focus on Linked In since the target group are mainly professionals and executives, which is an effective way to reinforce connections made at a networking event. Linked In also hosts Expert Talk Shows and one that we will be hosting is 'Getting Your Son or Daughter Interested in their Own Learning'

Posters in local cafes/shops

A supporting strategy will be placing posters with tear offs, in coffee shops, grocery stores and community centre which is a common practice for new tutoring businesses.

Unlike self-made posters, Zebra Tutoring will create compelling eye catching posters and

encourage potential clients to take a photo on their smartphone to receive a discount. This will assist in tracking the effectiveness of the promotion.

Marketing Activities

Primary marketing activity

Zebra Tutoring's key marketing activity will be networking in the community (primarily Toronto's Riverdale community) including professional and informal networking groups and through larger community sponsored events such as the Sick Children's Relief Fund. Representatives will be professionally dressed yet casual at all times. Networking events will include the Riverdale Share Community Association, Danforth Business Improvement Area, and Concerned Parents Association.

The support materials on hand will be business cards and bookmarks. 1,000 book marks will be ordered for a cost of \$500. The idea is to be engaged with other parents but not do a 'hard sell'. If parents are interested they would be emailed an article titled 'Engaging Students Today'. This would be followed up 3-4 days later with an email or phone call. It is important that Zebra Tutoring has an effective contact management system. The goal will be to network at least twice a week increasing to three times in peak seasons of Fall and Spring. The weekly cost will range from \$20 to \$100 a week with the average being \$60 a week. For every networking event Zebra Tutoring believes it can connect with two parents. It is expected that for every third networking event Zebra Tutoring will land a sale.

Marketing Objectives

Goal #1: Three networking events a week starting in November with 2 contacts per event

Goal #2: 10 on-going students a month (2 hours a week) by the end of February 2016

Goal #3: 23 clients (\$48,000 in sales) by the end of the first fiscal year

Positioning Statement

Zebra Tutoring is a high quality tutoring company that creates interesting and fun interactions between the tutor and the student.

The Sales Process

Zebra Tutoring sales cycle is 2-4 weeks.

The selling processes will involve for the most part an informal meeting with potential clients in the form of networking, community meetings, and casual gatherings with associates. The marketing tactic calls for a soft sales approach. Individuals will not be sold initially. Instead, interest will be shown to potential clients' challenges.

Once a client has shown interest in tutoring, Zebra Tutoring will follow up with an article on 'engaging students' via email within three days. A follow-up call will be made and where possible a one-on-one meeting arranged (3-7 days). Zebra Tutoring will outline

the tutoring service and ask for the sale. After the meeting most people will need one week to talk it over with their spouse. At that point clients would be ready to buy. Another week would pass by before a one-on-one meeting was set with the student. Payment is due at the end of tutoring session. The complete sales process, from initial contact to payment, would take about 20 days on average.

Strategic Alliances

Math and science tutors (that strictly offer only those topics) are a natural strategic alliance as they could refer clients to Zebra Tutoring and vice versa and would be seen as a value-added benefit to the parent. Currently a relationship has been formed with Omega Math Tutoring who is based just east of the Riverdale area to refer business.

5.0 Operations

Location(s)

In running Zebra Tutoring, Tanya Maliak will be working from home at 15A Albemarle Ave. This reduces costs and encourages Skype as a more efficient means of tutoring.

Operating hours will be flexible according to the students' needs, but appointments will typically be Monday to Thursday 2:00pm - 8:30pm; Saturdays 9:00am - 5:00pm and Sundays 10:00am - 3:00pm.

Zebra Tutoring website will launch/launched on 16/4/2016.

Zebra Tutoring will have an easy-to-navigate website for marketing and contact information purposes. No monetary transactions will be conducted on the website, however clients will be able to schedule or cancel appointments. The majority of the content on the website will be static, however there will be a link to the blog 'A to Zebra' where new material will be posted on a weekly basis.

The website will be developed for launch and will be developed by an external developer. In addition to designing the website and developing the tutorial scheduler for launch, the web developer will perform maintenance and support on an as-needed basis.

Legal Issues

Zebra Tutoring anticipates the following legal issues:

- Business licenses

Zebra Tutoring has obtained a Master Business License, confirming registration of the business name with Service Ontario.

Insurance Issues

Zebra Tutoring requires liability insurance.

Human Resources

Zebra Tutoring will have 1 - 10 full time staff.

Zebra Tutoring will have 0 part time staff.

Zebra tutoring will start out small with the owner as the only employee. Plans are to hire a part-time independent contractor in April of Year 2 (working 15-20 hours a week) when there will be a substantial increase in business.

Process/Production

Zebra Tutoring Process

1. Parent signs a waiver (including liability issues) explaining what services Zebra Tutoring offers and what is expected of the student during tutoring. This is an excellent opportunity to clarify expectations.
2. Parent pays for at least the first 6 lessons up front; for larger amounts they can post-date the cheques.
3. The first session with the student is an assessment of the student's level of skill and knowledge. Feedback is given and an action agenda is co-created with the student. Zebra reports back to the parent on the initial assessment. Privacy/disclosure issues are talked about in this session.
4. Lessons are designed to suit the student's style of learning and engagement. Regular check-ins are done to see if the student is finding the tutoring sessions interesting and useful.
5. Records are kept with each student that include the days and time met, the subject or subjects tutored and any problems they seem to have with the material.
6. A follow up report is given after every 6 sessions with the parent.
7. After all the tutoring sessions the student is asked for feedback about the sessions as well as the parent.
8. After all the tutoring sessions or possibly even during, if the student and parent are satisfied with the tutoring a letter of recommendation is requested. This is posted on the website with their permission).
9. A check-in is done with the parent and student after three months of the completion of the tutoring as a way to follow up and stay connected.

Risk Assessment

Zebra Tutoring will be spending the majority of its efforts networking and engaging in community events. However, should those marketing efforts prove to be ineffective, a much more concerted effort would be made in social media which is part of the secondary marketing strategy.

Zebra Tutoring's strength lies in the experience and methodology of the owner. Should the effectiveness of the teaching model of 'making learning fun' not work, regular feedback sessions with both the parent and the student will inform ways to improve the

tutoring services. The owner is committed to learning new teaching methodologies that enhance the learning process.

If, after a full year of business, sales are less than \$12,000 (cumulative) Zebra Tutoring would close its door, sell off any supplies such as workbooks, and shut down the website.

6.0 Financials

Start-Up Costs

The example business plans do not include start-up costs, cash flow or income statement example content. To review how to create these elements for your business, please visit <http://futurpreneur.ca/en/bplan/> and use the free online business plan writer. Not only does it provide tips and tricks on what to include but it outputs a custom spreadsheet with all the formulas you'll need.

Cash Flow Template: This is a comprehensive Excel template that includes worksheets for Past Purchases, Start-up Costs, Cash Flow Year 1, Cash Flow Year 2 and Income Statement. A step by step process is provided and Instructions & Tips to help you complete the required information.

Crash Course: Financials: getting the most for each start up dollar

Crash Course: Financials: tackling your cash flow

Sales Forecast

Key Assumptions for Zebra Tutoring

- No sales in the first month - extensive networking to drum up business
- Slowest months: Dec (holiday season) and July/Aug - summer vacations
- Average hourly rate: \$40 (increased to \$45 by the end of Year One)
- Each student, on average, will attend one tutoring session per week
- Each student, on average, will have 3 months of tutoring

Year One Sales Forecast (Including Assumptions)

September - 0 (totalling \$0)

- Launch of business
- extensive networking (at least 3 x week)
- Linked In social media strategy commences
- Posters placed at 16 key strategic sites

October - 4 (totalling \$640)

- Eager parents who want their son/daughter in tutoring immediately
- Continue with extensive networking (3 x a week)

- Attend the local community fundraising event

Cash flow

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Income Statement

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