

Margaret Williams Billy's Learning Center

Billy's Learning Center

BUSINESS PLAN

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EXECUTIVE SUMMARY

Many school-aged children living in less fortunate and disadvantaged communities in Paarl-East, Western Cape, South Africa, struggle to achieve positive school performance due to poor living conditions and lack of better learning opportunities, causing some to drop out of school and get drawn into gangs and drugs in their teenage years. Billy's Learning Center provides one-on-one tutoring services for children ages 5 to 11 in these communities to improve their reading and math skills, as well as boost their self-esteem and confidence. Since some children need more help than others, Billy's Learning Center often assists students in individual sessions to better identify and meet their specific needs. But group sessions are also used and are very beneficial as they provide children with an environment of interaction while learning. Billy's Learning Center plans to expand from 6 students currently to 16 students. In some cases, the tutoring service is free of charge, as some parents cannot afford it. Due to the teacher's expertise, community network connections, and low running costs of the business, Billy's Learning Center will earn positive income and profits over the next five years.



OPPORTUNITY

The opportunity with this business is to assist Billy's Learning Center to expand the learning environment to be able to accommodate more learners. Billy's Learning Center is situated at 8 Pietersen Street, Mountain View, Paarl-East in the Western Cape, South Africa and is owned and run by Margaret Williams. Margaret is a teacher by profession having had her own pre-primary over a decade ago and later working for the education department as a teacher.

Parents are jobless or seasonal job-seekers and too poor to afford to place their children in equipped ECD (Early Childhood Development) Centers. Such learners enter formal (Main Stream) schools at the age of 6 years with extreme backlogs in learning. They were not exposed to basic skills for learning and no essential building blocks for learning were formed.

This results that learners struggling to read or do mathematics in the Foundation Phase (Elementary). Young and ill-equipped learners drop out of the school system at the age of 14 and are at risk to fall prey to gangsterism and or drug abuse.

Company Performance

Billy's Learning Center plans to grow the learning center from 6 students to 16 students. Currently, the center has profits of R10000 over 9 months. This is between \$600 and \$650. The student's parents are paying \$6.25 per hour and there are 3 hours per day that the students are currently getting lessons for 2 days a week.

Team

Billy's Learning Center is owned and operated by Margaret. Margaret plans to provide food for the learners as well as lessons. She will need to employ new people for the kitchen and teaching.

Five-Year Financial Snapshot

Financial Snapshot: Five-Year Income Statement					
	2022	2023	2024	2025	2026
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Total Revenue	\$ 5 400,00	\$ 10 800,00	\$ 11 880,00	\$ 13 068,00	\$ 14 374,80
Food Supplied	\$ 1 700,00	\$ 3 400,00	\$ 3 740,00	\$ 4 114,00	\$ 4 525,40
Gross Profit	\$ 3 700,00	\$ 7 400,00	\$ 8 140,00	\$ 8 954,00	\$ 9 849,40
Gross Profit %	69%	69%	69%	69%	69%
Expenses					
Self-Salary	\$ 2 500,00	\$ 2 500,00	\$ 2 750,00	\$ 3 025,00	\$ 3 327,50
Employees		\$ 2 500,00	\$ 2 750,00	\$ 3 025,00	\$ 3 327,50
SG&A**	\$ 575,00	\$ 1 150,00	\$ 1 265,00	\$ 1 391,50	\$ 1 530,65
Income vs Expenses					
Total Expenses	\$ 4 775,00	\$ 9 550,00	\$ 10 505,00	\$ 11 555,50	\$ 12 711,05
Total Income	\$ 5 400,00	\$ 10 800,00	\$ 11 880,00	\$ 13 068,00	\$ 14 374,80
Net Profit	\$ 625,00	\$ 1 250,00	\$ 1 375,00	\$ 1 512,50	\$ 1 663,75
Net Profit Margin	12%	12%	12%	12%	12%

SG&A** = selling, general and administrative expenses

INDUSTRY

Size

The global private tutoring market size was USD 92.59 billion in 2020. The global impact of COVID-19 has been unprecedented and staggering, with private tutors witnessing a negative demand shock across all regions amid the pandemic.

Growth

Based on the global market there was a huge decline of 18.41% in 2020. The market is projected to grow from USD 98.15 billion in 2021 to 171.93 billion in 2028 at a CAGR of 8.3% in the 2021-2028 period.

Major Players

Tutoring organizations like Elsen Academy and Curro Online Primary School, have online subscriptions and are gaining popularity as students are more inclined toward technology-based

learning. Technology has helped create subject-related content innovatively with presentations, 3D colored diagrams, flashcards, and animations that can keep children more focused. No other tutors teaching in Paarl for young children except Billy's Learning Centre.

Trends

Topmost schools accept students with better grades with strict criteria such as passing difficult entrance exams or English language exams. As per the Global Education Census Report 2018 published in November 2018, about 4 in 10 surveyed students (43%) had received private tuition outside the school worldwide, wherein in China, it accounted for more than 5 in 10 surveyed students (57%), followed by India (55%), and 1 in 10 students in the U.S.

Customers

Billy's Learning Center's customers are 5 to 11-year-old children, underprivileged school learners who struggle to read and do mathematics because of external factors and or a lack of a supportive learning environment. The payment comes from the student's parents.

COMPETITION

Billy's Learning Center currently has no direct competition as it is the first to offer tutoring services to this niche market. Billy's Learning Center provides its tutoring services to children living in less fortunate and disadvantaged communities who are struggling with reading and math. The current absence of competition in this niche market is positive for Billy's Learning Center as it provides a clear and direct path for growth. However, Billy's Learning Center is aware of the challenges that may lie ahead. There are currently a number of private tutors in the market that offer similar services to other market segments in Paarl-East, Western Cape. However, while there is a great need for tutors, most of the tutoring services available in the market are very limited and ineffective. What sets Billy's Learning Center apart is its expertise and focus on the individual needs of each student, providing a systematic and collaborative way with the school curriculum, monitoring the teaching-learning process, motivating students to study, and helping them catch up and keep up with their classmates.

Company and Product Description

A. Company Description

Billy's Learning Center is a sole proprietorship tutoring service business which is located at 8 Pietersen Street, Mountain View, Paarl-East in the Western Cape, South Africa. Billy's Learning Center aims to create effective learning opportunities for learners and prepare them for school in a supportive learning environment. Billy's Learning Center focuses its attention on the specific needs of each student.

B. Product Description

Billy's Learning Center provides tutoring services in reading and mathematics for children between the ages of 5 and 11 who live in less fortunate and disadvantaged communities in Paarl-East, Western Cape, South Africa. Many of these children enter formal schools too late without any exposure to basic learning skills. This makes it extremely difficult for them to keep up and achieve positive school performance. Billy's Learning Center offers a unique, personalized learning experience to help these children improve their self-esteem, enhance their school performance, and become independent learners.



C. Competitive Advantage

Billy's Learning Center uses a personalized approach and pace to ensure the best quality teaching and learning. Billy's Learning Center differs from most local private tutoring services that are primarily concerned with answering the student's immediate questions and are not concerned with providing students with basic skills for future applications. Billy's Learning Center uses a unique and innovative teaching approach that helps students connect to the subjects they need to master. Billy's Learning Center always searches for the best way to teach each student so that they can develop the skills they need for continued success in school. If a student does not respond well to the method used, Billy's Learning Center immediately changes the method to a more effective method for that particular student.

D. Growth Strategy

The market for private tutoring services will continue to grow with increasing educational awareness. Billy's Learning Center plans to expand the learning environment to accommodate more students and forecasts a 10% increase in annual profits for the next 5 years. Since our tutoring services focus on helping children from disadvantaged communities, a strong presence in these communities will be a very significant growth strategy. One strategy we will adopt to acquire a larger number of students is to build valuable relationships with parents. Another strategy we will use is to implement a referral program that involves our customers referring our services to their family, friends, neighbors, and acquaintances. In turn, we will offer them an incentive reward such as a discount for referring new customers to our business.

Billy's Learning Center will focus on establishing itself as a thought leader in these communities by adding value to its students, staying consistent with the quality of its services, and earning the trust of its target audience.

MARKETING PLAN

A. The Target Market Strategy

As a standard Learning Center, Billy's Learning Center will offer varieties of educational services. Our purpose in offering tutoring services is to prepare children to better perform in school. Billy's Learning Center will use concentrated marketing, where we will focus only on parents whose children are in elementary school. We plan to target parents who are seeking better tutoring opportunities for their children who are from ages 5 to 11 in Paarl, South Africa. Billy's Learning Center will market to the target market through Word of Mouth Marketing and Recommendation. The Center will enroll the children and offer tutoring services in mathematics and reading since most of them reported that they face challenges in those aspects.

Our target market as a Childhood Learning Center cuts across people of different classes and cultural backgrounds living in South Africa (Paarl-East) whether African, American, Asian, or

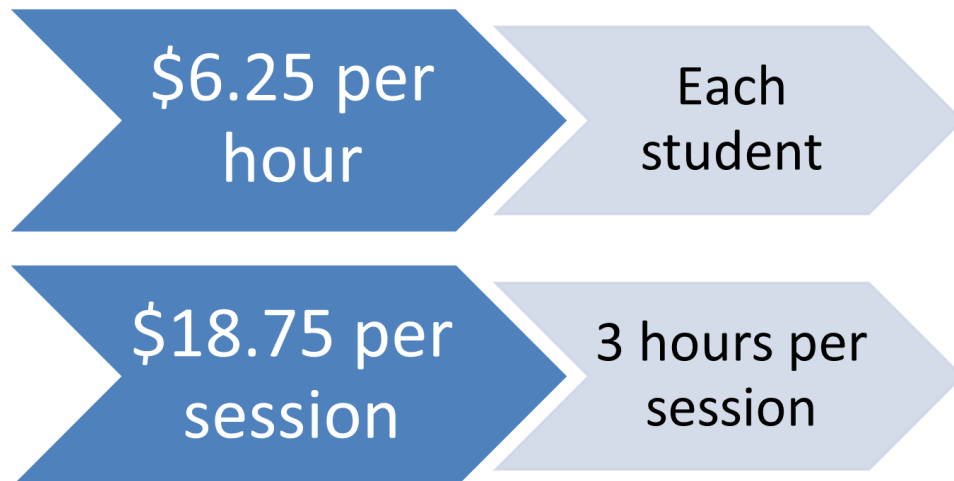
European. We plan to adopt business concepts that will enable us to work with students at different learning stages and of course generate revenue.

B. The Service Strategy

Billy's Learning Center is an early Childhood Learning Center where young children are offered tutoring after school. We will offer services based on the needs and demands of the people in the community. Currently, parents in South Africa (Paarl-East) complain about the poor performance of their children in mathematics and reading in school. Because of this, Billy's Learning Center has decided to offer tutoring services in mathematics and reading to young children residing in South Africa (Paarl-East). One of our intentions in starting the Childhood Learning Center is to firmly teach and educate children in various subjects and make profits from the industry as well.

C. Pricing Strategy

Childhood Learning Centers charge students based on loads of factors including location, service offerings, and extra-curricular activities. The business decided to use the market penetration pricing strategy where the fees will be set low initially in order to increase the market share. At Billy's Learning Center, we will keep our fees below the average market rate by keeping our overhead low and by collecting payment in advance. For example, we charge each student \$6.25 per hour. Besides, we will offer special discounted rates to all our students at regular intervals.



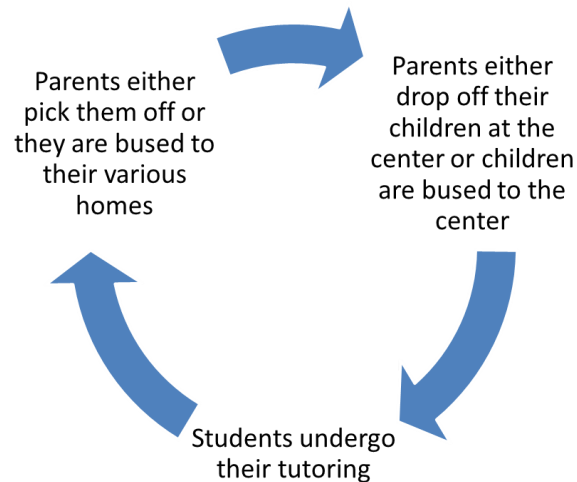
We are aware that different customers prefer different payment options as it suits them. Below are some of the payment options that we have;

- Payment with cash
- Payment via bank transfer
- Payment via mobile money
- Payment via credit card

We have selected platforms that will help our clients make payments without any stress or difficulty. Our bank account numbers will be provided as the clients visit our premises.

D. Distribution Strategy

At Billy's Learning Center, parents either drop off their children at the center or children are bused to the center and after the students undergo their tutoring, their parents either pick them off or they are bused to their various homes.



E. Advertising and Promotion

Billy's Learning Center will promote itself by making use of popular and efficient advertising and promotion tools, which can grab the attention of parents seeking care and ways to improve their children's education. Some of the tools and platforms we intend to use to advertise and promote the Learning Center are;

- Word of Mouth Marketing (WOMM): This is the basic method that we use to promote the business. The owner speaks to people around the community about the services the center offers.
- Distributing flyers and handbills to the target market in the community: We will share flyers and handbills with the business' inscriptions on them to people in the community. This will help them know about our services.
- Social media platforms like Facebook, Instagram, and Twitter: We will create social media platforms where we can share information about the Learning Center with the public.
- Referral program/Recommendation: We will use our current customers as a means of getting new clients. We will have them talk to friends and family about our services.

F. Sales Strategy

Billy’s Learning Center pays close attention to sales and marketing strategies in order to identify and take advantage of the available market. Billy’s Learning Center will use the following sales and marketing strategies to capture potential markets or clients:

- Present the Learning Center to schools and parents by sending introductory letters and brochures.
- Share fliers, posters, and business cards in student organizations, homes, and schools.
- Placing advertisements in local publications or newspapers about Billy’s Learning Center.
- Promote our services through educational magazines and radio stations.
- Encourage word-of-mouth marketing through satisfied customers.

These steps will help us present our services to the public and subsequently grab the attention of those individuals who need our service. This will also help Billy’s Learning Center to provide its services to interested clients and consequently generate high revenue.

G. Sales and Marketing Forecasts

Billy’s Learning Center is properly positioned to make good use of the available markets in Paarl, South Africa, and we are positive that we will achieve our set target of making enough profit and increasing our student base. Currently, the Learning Center has 6 regular students who visit the center twice a week, and only 3 of them are able to pay their fees constantly. Each session of tutoring takes 3 hours and Billy’s Learning Center charges \$6.25 per hour. In year two, we anticipate to having 8 regular students visiting the center, of which at least 6 will pay their fees constantly. Our total revenue will grow by 10% each year starting from year 2 (2023).

Below is the sales forecast for Billy’s Learning Center for the next 5 years. This projection is based on the number of students we have, the number of hours we will spend with them, and the kind of services we are going to offer;

Financial Projection

Season	2022	2023	2024	2025	2026	Average	Overall Average	Index	2027 Projection
Winter	\$1,500.00	\$3,100.00	\$3,200.00	\$3,800.00	\$3,900.00	\$3,100.00	\$2,772.14	1.12	\$4,420.60
Spring	\$1,500.00	\$2,900.00	\$3,000.00	\$3,600.00	\$3,900.00	\$2,980.00	\$2,772.14	1.07	\$4,249.48
Summer	\$900.00	\$1,800.00	\$2,600.00	\$1,968.00	\$2,774.80	\$2,008.56	\$2,772.14	0.72	\$2,864.21
Fall	\$1,500.00	\$3,000.00	\$3,000.00	\$3,700.00	\$3,800.00	\$3,000.00	\$2,772.14	1.08	\$4,278.00
								Expected	\$15,812.28

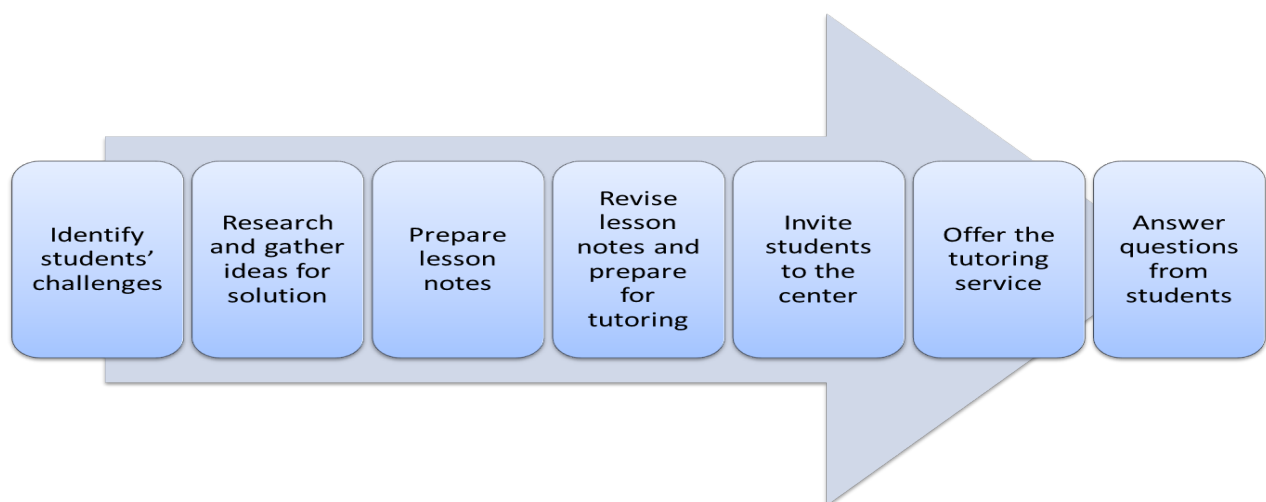
OPERATIONS PLAN

A. Operations Strategy

At Billy's Learning Center, the curriculum and the way we care for the children distinguish us from other Learning Centers in Paarl Cape Town in South Africa. Billy's Learning Center stands to help children aged five to eleven to gain basic skills for them to be able to resolve problem in the future. In terms of quality and time, Billy's Learning Center helps children to gain basic skills with the help of advanced resources such as GFCGlobal, which contains core skills, reading and, math. These resources help children to learn fast and gain basic skills that can help them in the future. Billy's Learning Center is concerned about the future of the children. The curriculum at Billy's Learning Center focuses more on helping children to gain basic skills that can help them in their future studies. Billy's Learning Center provides resources that children can use at home to memorize words, and homework to encourage children to learn fast. The tutoring service offered by Billy's Learning Center is more flexible for the children because they attend the class only once a week.

B. Scope of Operations

Billy's Learning Center offers it tutoring service to children aged 5 to 11 who live in Paarl-East Cape Town, South Africa, our focus is to help children gain knowledge on reading and basic skills in Mathematics. Billy's Learning Centre go through some steps to help their students to be successful in their pursuit to be able to read and gain basic skills, Billy's Learning Centre identify students' challenges, by observing students as they come to the class and asking them questions to identify their challenges. After identifying the issues, we move on to make research and gather ideas to come up with the solutions to challenges of the students. The information gathered tutor allow to prepare lesson notes. On the day of the class, the tutor answers questions from students and give students applications to do in the class, and give them homework. To make sure that the homework is done Billy's learning Centre reaches out to parents and to remind the parents to encourage their children to do homework.



C. Ongoing Operations

Billy's Learning Center operates every day after the normal school day. We start the tutoring around 4 p.m. and we organized sections and we focus on children that are less privilege that are struggling with mathematics and those that have a challenge to read. Focus will be on mathematics and help children to read.

CRITICAL RISKS

Billy's Learning Center is currently operating in an environment where there are no other competitors, the tutor is well-trained and has over 40 years of experience in education. However, we have identified some critical risks that might affect our success or lower our chances of making higher revenue and profit:

- Lack of student motivation

Billy's Learning Center is aware that tutoring requires students to study beyond the normal school time. For some children, this can be too much and they will lack motivation. It may not be easy for them to be motivated and ready to acquire new knowledge. Lack of motivation can lead students to drop out and consequently affect the revenues and profits of Billy's Learning Center.

- Lack of sufficient space is a risk for Billy's Learning Center

If Billy's Learning Center does not have enough space of its own to accommodate all customers or if the rent is too high, it will not increase the number of customers since its tutoring service is face-to-face. Lack of sufficient space will compromise revenue and profits. The alternative would be for the tutor to travel to her customer' homes, which would imply additional costs with transportation and more time.

- Other competitors targeting the same market can be a risk

If other competitors decide to target the same niche market and launch a strong marketing campaign, it is possible that Billy's Learning Center's customers will be enticed to opt for other tutoring services. Billy Learning Center should find out what motivates its customers and make sure it provides it so that it is prepared in case a competitor tries to steal its customers.

FUNDS REQUIRED

Table Sources and Uses Schedules

Sources

\$ 1000,00 debt

Uses

Purchase Desks and Tables

Tiles and paint the class

Purchase Computer and other resources

\$ 1000,00

Total \$1000,00 total