



ANDROMEDA BLUE

EST. 2020

CHARTER SCHOOL BUSINESS PLAN 2021

Industry Overview

Charter schools offer primary- and secondary-level education funded by public sources, but are afforded more flexibility in curriculum design and implementation than traditional public schools. Charter schools receive the vast majority of their funding from federal, state, and local governments, so revenue can fluctuate significantly based on budgetary decisions.

However, many charter schools are funded on a per-pupil basis, allowing schools to increase enrollment without having to worry about financial support. Recent reports released by IBISWORLD shows that over the past five years, the Charter Schools industry has grown by 9.8 percent to reach revenue of \$41bn in 2018. In the same timeframe, the number of businesses has grown by 5.6 percent and the number of employees has grown by 8.8 percent. As a result of explosive growth in charter school interest and enrollment, industry revenue is anticipated to grow at an annualized rate of 9.8 percent over the five years to 2018 to reach \$40.8 billion, including a 9.2 percent increase in 2018 alone. In the US, the Charter Schools industry is indeed a large and thriving industry. Statistics has it that the industry is worth \$41 billion, with an estimated growth rate of 9.8 percent annually between 2013 and 2018. There are about 7,975 registered and licensed (accredited) charter schools scattered all around the United States of America and they are responsible for employing about 427,934 people. Aside from Los Angeles Unified School District which has the largest enrollments, no other charter school can boast of dominating the market; every player in the industry can comfortably compete in the industry.

It is important to state that the barriers to entry into the Charter Schools industry are high. As a matter of fact, the industry is pretty difficult for new entrants to establish themselves. So also, the reputation of the school is of utmost importance, as charter schools that have a good history of getting students into prestigious colleges often have the best reputations hence good enrollments. Reputation indeed is imperative to parents' decisions when shopping for charter school for their wards. This is so because the quality of education cannot be assessed until after it is complete. As a major marketing tool, schools need to show parents a track record of admission to elite colleges and universities.

Even though this might seem like a highly competitive industry, the industry is still pretty much open for aspiring school proprietors to still come in and compete. As a matter of fact, if you conduct your research and feasibility studies very well before starting your own charter school, coupled with impressive profile of your faculty members, you are likely going to struggle less to make headway in the industry.

Executive Summary

Andromeda Blue Academy is a standard co – education charter school that will have locations in well – populated and strategically selected districts throughout the greater Chicagoland area. We are a standard charter school that is composed of primary (kindergarten through sixth grade) and secondary (seventh through 8th grade) educational institution that will be predominantly co – funded by government and levies from students and of course from other private sources. Our school plans to operate exclusively on a digital platform, not only due to the added stresses and demands that the Covid-19 pandemic has placed upon us, but also because we strongly believe that the education industry must incorporate more technology into its teaching methodology in order to remain competitive in a highly tech focused and digital world. Times are changing, and it is our desire to change with them and to leverage the many tools available to our advantage in ways that other schools still have not caught up to.

Andromeda Blue Academy is a client-focused and result driven charter school that provides broad-based learning approaches and experience at an affordable fee that won't in any way put a hole in the pocket of our clients (students and parents alike). We will offer professional teaching services in a highly secured and conducive digital/distance learning environment to all our students that is primary (kindergarten through 5th grade) and secondary (6th - 8th grade). We will ensure that we work hard to meet and surpass all our students' expectations and educational goals whenever they enroll in our charter school. At Andromeda Blue Academy, our students' overall best interest would always come first, and everything we do will be guided by our values and professional

ethics. We will ensure that we hire professional educationist cum teachers in various subjects who are well experienced and passionate in imparting knowledge to students at various learning ladder. Andromeda Blue Academy will at all times demonstrate her commitment to sustainability, both individually and as an educational organization, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our students' needs precisely and completely.

We have plans in future to also offer learning platforms to people with both learning disability and physical disability (especially the blind, the dumb and the deaf). Our overall business goal is to position our charter school to become the leading special public school brand in the educational industry in the whole of the Chicagoland area, and also to be amongst the top 10 charter schools in the whole of the United States of America within the first 20 years of operation. This might look too tall a dream, but we are optimistic that this will surely come to pass because we have done our research and feasibility studies and we are enthusiastic and confident that Chicagoland area is the right place to launch our charter school.

Andromeda Blue Academy is founded by Milena Perryman. She founded the organization in memory of her brother, Alec, a physicist who was instrumental in the engineering of many of the projects at Andromeda Blue, including the co-designing and testing of a self-sustaining greenhouse to grow sugar beets in LEO orbit, in order to autonomously harvest the adipic acid contained within for the future bioplastics production. Ms. Perryman has previous experience in education as a home school educator to her own 4 children, as well as experience serving on the Tulare County Mental Health Board of Directors. Ms. Perryman brings over a decade of experience in organizational and business management of her own companies, and nearly two decades of experience cumulatively, spread across various sectors of business including local government, nonprofit, and for profit businesses.

Our Products and Services

Andromeda Blue Academy is going to offer varieties of educational services within the State of IL. Our intention of starting our charter school is to soundly educate people in various subjects, but with a pronounced and deliberate focus on STEM; and of course to make profits from the education industry and we will do all that is permitted by the law in the US to achieve our aim and business goal.

Our service offerings are listed below:

- Teaching basic literacy and numeracy, and STEM
- Establishing foundations in science, mathematics, geography, history, and other social sciences
- Constantly working hard to meet regulatory accreditation standards
- Administering public – private funding efforts
- Providing access to extracurricular activities
- Retailing of Educational Books and Materials

Our Mission and Vision Statement

- Our vision is to build a highly competitive charter school that will become the number one choice for both parents and students in the whole of the Chicagoland area.
- Our mission is to provide professional and conducive learning environment to students at different levels of learning.
- Our overall business goal is to position Andromeda Blue Academy to become the leading charter school in the educational cum charter school industry in the whole of Chicagoland area, and also to be amongst the top 10 charter schools in the United States of America within the first 20 years of operation.
- Our mission is to provide citizen science funding and to educate America's future with a STEM based curriculum in order to increase STEM literacy in grades K-8.

Our Business Structure

It is a known fact that the success of any business is to a larger extent is dependent on the business structure of the organization and the people who occupy the available roles in the organization. Andromeda Blue Academy will build a solid business structure that can support the growth of our charter school. We will ensure that we hire competent hands to help us build the charter school of our dream. Andromeda Blue Academy is registered in the State of IL as a nonprofit entity, and is a registered 501(c)3 tax exempt organization. The fact that we want to become one of the leading charter schools in the industry in the whole of the United States of America makes it necessary for our organization to deliberately build a well – structured business from the onset. Below is the business structure that we will build Andromeda Blue Academy:

- Head of The Charter school (School Proprietress)
- Tutors for Various Subjects – Secondary (6TH-8TH grade)
- Tutors for Various Subjects – Primary (kindergarten through 5TH grade)
- Accountant

Job Roles and Responsibilities

Head of the Charter school/School Coordinator:

- Responsible for providing direction for the college
- Responsible for fixing fees and signing business deals (partnership)
- Responsible for signing checks and documents on behalf of the charter school
- Coordinates all arms of the charter school
- Evaluates the success of the charter school
- Reports to the board of the charter school
- Responsible for overseeing the smooth running of HR and administrative tasks for the charter school
- Designs job descriptions with KPI to drive performance management for tutors (teachers)
- Maintains office supplies by checking stocks; placing and expediting orders
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process
- Carries out induction for new team members
- Responsible for training, evaluation, and assessment of employees
- Responsible for arranging travel, meetings, and appointments
- Oversees the smooth running of the daily activities of the charter school.
- Identifies, prioritizes, and reaches out to new students, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase growth for the school
- Welcomes/receive parents and students by greeting them in person or on the telephone, answering or directing inquiries.
- Ensures that all contacts with parents and students (e-mail, walk-In center, SMS, or phone) provides the parents and students with a personalized customer service experience of the highest level
- Through interaction with parents and students on the phone, uses every opportunity to build parent's interest in the schools' products and services
- Manages administrative duties assigned by the HR and Admin Manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to parents and students when they make enquiries
- Receives parcels / documents for Andromeda Blue Academy
- Distributes mails in the organization

Teachers and Tutors for Various Subjects – Secondary (6th – 8th grade)

- Effectively teach subject/subjects as assigned by the school administrator
- Accesses the progress of students under their care
- Ensures that students abide by the rules and regulations of the charter school
- Contributes his / her quota towards growing the charter school
- Receives complaints from parents and channel it to the appropriate quarters
- Handles any other duty as assigned by the school administrator.

Teachers and Tutors for Various Subjects – Primary (kindergarten through 5th grade)

- Effectively teaches subject / subjects as assigned by the school administrator
- Teaches basic literacy and numeracy
- Establishes foundations in science, mathematics, geography, history, and other social sciences
- Accesses the progress of students under their care
- Ensures that students abide by the rules and regulations of the school administrator
- Contributes his/her quota towards growing the charter school
- Receives complaints from parents and channel it to the appropriate quarters
- Handles any other duty as assigned by the school administrator.

Accountant

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for Andromeda Blue Academy
- Serves as internal auditor for Andromeda Blue Academy

SWOT Analysis

Andromeda Blue Academy engaged the services of a core professional in the area of business consulting and structuring with bias in the education sector to assist us in building a well – structured charter school that can favorably compete in the highly competitive education industry in the United States. Part of what the team of business consultant did was to work with the management of our organization in conducting a SWOT analysis for Andromeda Blue Academy. Here is a summary from the result of the SWOT analysis that was conducted on behalf of Andromeda Blue Academy:

- **Strength:**

As a charter school, our core strength lies in the power of our team, our workforce. We have a team with excellent qualifications and experience in the educational sector. We are well positioned in a community with the right demography, and we know we will attract loads of students from the first day we open our doors and welcome students for enrollment. Additionally, having a STEM heavy curriculum sets us apart from the competition and grants us a distinct competitive edge.

- **Weakness:**

As a new charter school in Chicagoland area, it might take some time for our organization to break into the market and gain acceptance via reputation in the already saturated education cum charter schools industry; that is perhaps our major weakness.

- **Opportunities:**

The opportunities in the education cum charter schools industry is massive considering the number of parents who would want their wards to perform excellently in their education and go ahead to be admitted in Ivy league colleges.

As a standard charter school, Andromeda Blue Academy is ready to take advantage of any opportunity that comes her way.

- Threat:

Some of the threats that we are likely going to face as a charter school operating in the United States of America are unfavorable governmental policies that might affect charter schools, the arrival of a competitor within our location of operation and global economic downturn which usually affects spending / purchasing power.

Market Trends

The trend in the charter school line of business is that the keys to attracting students is the educational performance and the pass rate of their students in national exams. Any charter school that has good records will always thrive. The demand for charter schools are driven by the fact that most public cum government owned schools cannot accommodate every students or potential students in a given geographical location. In some cases, students with special needs cannot cope in public schools hence the need for charter schools. Private schooling offers an alternative for households with higher income, as these institutions often come with a high price tag.

Charter schools are overwhelmingly located in urban areas. Over one-half of all charter school students reside in urban environments, compared with less than one-third of students at traditional public schools. Growth in the percentage of the overall population living in urban areas increase demand for charter schools. The US urban population is expected to increase, representing a potential opportunity for the industry. The economic downturn hasn't really affected this industry, especially in countries that believe in the efficacy of education. The areas you would need to spend heavily on is in ensuring that your school is up to standard, your advertisements, and on insurance policy cover.

Lastly, it is trendier to find charter schools engaging in extra – curricular activities and as a matter of fact, a charter school that thrives in sports can leverage on that to attract students who are sports inclined.

Our Target Market

As a standard charter school, Andromeda Blue Academy is going to offer varieties of educational services. Our intention of starting our charter school is to soundly educate people in various subjects and of course to make profits from the industry. Our target market as a charter school cuts across people of different class and cultural background whether African, White, Caucasian, Latinos, Indians, and Asians. We will work with the students at different learning stages residing in and around Chicagoland area to cultivate community relationships to help bring many of our socioeconomically disadvantaged students in order to grow our organization and make sure that at risk youth has the best possible chance for success in the future.

Indeed, the charter schools industry is highly competitive, and the entry barriers are high. As a matter of fact, it is pretty difficult for new entrants to establish themselves. So also, the reputation of the charter school is of utmost importance, as charter schools that have a good history of getting students into prestigious colleges often have the best reputations hence good enrollments. With this, it is obvious that a new entrant into the charter school industry cannot offer this. Reputation indeed is imperative to parents' decisions when shopping for charter schools for their wards because the quality of education cannot be assessed until after it is complete. As a major marketing tool, schools need to show parents a track record of admission to elite colleges and universities.

We are quite aware that to be highly competitive in the education cum charter schools industry means that you should be able to deliver consistent quality service, your students should be able to experience remarkable difference and improvement and you should be able to meet the expectations of both students and parents alike. Andromeda Blue Academy might be a new entrant into the education cum charter schools industry in IL, but the management staff of the charter school are licensed and highly qualified educationists/teachers at various levels of learning. These are part of what will count as a competitive advantage for us. Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry meaning that

they will be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

Sales and Marketing Strategy

Andromeda Blue Academy does not charge parents or students a tuition fee, though we are established with the aim of maximizing profits in the education charter schools industry and we are going to go all the way to ensure that we do all it takes to attract students on a regular basis. Andromeda Blue Academy will generate income by offering the following tutorial services:

- Teaching basic literacy and numeracy
- Establishing foundations in science, mathematics, geography, history, and other social sciences
- Constantly working hard to meet regulatory accreditation standards
- Administering private funding efforts
- Providing access to extracurricular activities
- Retailing of Educational Books and Materials

Sales Forecast

One thing is certain, there would always be parents and students who would need the services of charter schools, and as such the services of charter schools will always be needed. We are positioned to take on the available market in Chicagoland area and we are quite optimistic that we will meet our set target of generating enough income/profits from the first six months of operation and grow the charter school and our student base. We have been able to examine the charter school market in the United States of America, we have analyzed our chances in the industry, and we have been able to come up with the following sales forecast. Below is the sales projection for Andromeda Blue Academy, it is based on the location of our tutorial center and of course the wide range of educational learning services that we will be offering:

- First Fiscal Year: \$250,000
- Second Fiscal Year: \$450,000
- Third Fiscal Year: \$750,000

N.B: This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown within the period stated above. Also, there won't be any major competitor offering same services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

Marketing Strategy and Sales Strategy

We are mindful of the fact that there are stiff competitions amongst charter schools in the United States of America; hence we have been able to hire some of the best marketing experts to handle our sales and marketing concerns. Our sales and marketing team will be recruited based on their vast experience in the industry, and they will be trained on a regular basis so as to meet their targets and the overall goal of the charter school. We will also ensure that our students' excellent results from national exams and other exams speak for us in the marketplace. Our goal is to grow our charter school to become one of the top 10 charter schools in the United States of America which is why we have mapped out strategies that will help us take advantage of the available market and grow to become a major force to reckon with not only in Chicagoland area but also in other cities in the United States of America. Andromeda Blue Academy is set to make use of the following marketing and sales strategies to attract clients:

- Introduce our charter school by sending introductory letters alongside our brochure to schools, parents/households, and key stake holders in Chicagoland area.
- Print out fliers and business cards and strategically drop them in schools, libraries and even student organizations.

- Creating a website allows parents to be able to look you up, and also allows you to post general study tips, giving you an added advantage.
- Use friends and family to spread word about your charter school
- Introduce Andromeda Blue Academy to learning specialists, school coaches, school administrators, teachers, guidance counselors especially as they are with students everyday
- Post information about Andromeda Blue Academy on bulletin boards in places like schools, libraries, and local coffee shops.
- Place a small or classified advertisement in the newspaper, or local publication about Andromeda Blue Academy
- Use tutorial referral networks such as agencies that will help match students with Andromeda Blue Academy
- Join relevant association or body that will enable you network and meet others in same industry.
- Advertise online by using an advertising platform such as Google AdWords, that will allow us place text advertisements alongside on websites with related contents, and along results from search engines.
- Advertise our charter school in relevant educational magazines, newspapers, TV, and radio stations.
- Engage direct marketing approach
- Encourage word of mouth marketing from loyal and satisfied clients

Publicity and Advertising Strategy

We are aware of the potency of a good publicity strategy hence we have been able to work with our brand and publicity consultants to help us map out publicity and advertising strategies that will help us walk our way into the heart of our target market. We are set to become the number one choice for both parents and students in the whole of Chicagoland area which is why we have made provisions for effective publicity and advertisement of our charter school. Below are the platforms we intend to leverage on to promote and advertise Andromeda Blue Academy:

- Place adverts on both print (community based newspapers and educational magazines) and electronic media platforms
- Sponsor relevant community based events / programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, YouTube, Google + et al to promote our brand
- Install our billboards in strategic locations all around Chicagoland area
- Distribute our fliers and handbills in target areas in and around Chicagoland area
- Passing general information via our school's social media handles like twitter, Facebook, Google hangouts etc.
- Ensure that all our teaching and non – teaching staff wear our branded shirts, and all our vehicles are well branded with our schools' logo et al.

Startup Expenditure (Budget)

In setting up a charter school business, the amount or cost will depend on the approach and scale you want to undertake. The materials and equipment that will be used are nearly the same cost everywhere, and any difference in prices would be minimal and can be overlooked. However, this is what it is a good breakdown of the standard costs to open a charter school in the US:

- Business incorporating fees in the United States of America will cost – \$750.
- The budget for Liability insurance, permits and license will cost – \$1,500
- Equipping the classes and office will cost – \$350,000
- Launching an official website will cost – \$500
- The budget for the payment of salaries for the first three months of operations: \$120,000

- Additional Expenditure such as Running cost, Business cards, Signage, Adverts and Promotions will cost – \$45,000

Going by the market survey and feasibility studies conducted, we came to the conclusion that we will need an average of \$515,000 to start a standard charter school in the State of IL.

Generating Funds/Startup Capital for Andromeda Blue Academy

Andromeda Blue Academy will be owned and managed by Ms. Milena Perryman. She decided to restrict the sourcing of the startup capital for the charter school to just five major sources.

- Generate part of the startup capital from personal savings and sale of stocks
- Generate part of the startup capital from government, friends, and other extended family members
- Generate a larger chunk of the startup capital from the bank (loan facility).
- Government grants
- Account terms with vendors who provide curriculums, supplies, materials, etc.

Sustainability and Expansion Strategy

It is a known fact that the future of any business lies in the number of loyal customers that they have, the capacity and competence of their employees, their investment strategy and of course business structure. If all of these factors are missing from a business, then it won't be too long before the business closes shop.

One of our major goals of starting Andromeda Blue Academy is to build a business that will survive off its own cash flow without injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to ensure that we offer nothing less than the best to all our students so much so that they can favorably compete and gain admission into Ivy League colleges.

Andromeda Blue Academy will make sure that the right foundation, structures, and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner of our business strategy. As a matter of fact, profit-sharing arrangement will be made available to all our management staff, and it will be based on their performance for a period of three years or more as determined by the board of the organization. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.