

Education Management Company Business plan

OLMEC CONSULTING

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1) EXECUTIVE SUMMARY

The plan is to start an education management company in UAE, with focus on Dubai and Abu Dhabi. The promoters of the project are promoters of two international standard Schools in Abu Dhabi and have vast experience and expertise in managing educational institutions

1.1 SERVICE OFFERING'S

The following are the services planned for the new company

SERVICES TO BE OFFERED
School Management Service
<ul style="list-style-type: none"> Managing schools for investors either with co-branding or with the investor brand
<ul style="list-style-type: none"> Consulting for School Improvement service
<ul style="list-style-type: none"> Full school Set up service
School Improvement Service
<ul style="list-style-type: none"> Consulting service to improve school inspection ranking
Nursery Operate service
<ul style="list-style-type: none"> Operate Nursery for an Investor
SEN services
<ul style="list-style-type: none"> Sen Services can be offered to school as separate consulting or as additional services for existing schools.

1.2 MARKET FINDINGS

The summary of the Findings out of the research were the following

- 1) The economy has been hit by the Pandemic but is expected to recover
- 2) The private education market is on a positive growth in UAE and is a good investment sector.
- 3) The education sector especially schools have come under more stringent regulations by KHDA (Dubai), ADEK (Abu Dhabi) & SPC (Sharjah)
- 4) The regulators by their intervention has raised the bar for the quality of education provided. This has led to need for professional help with managing schools.
- 5) With school Inspections happening, schools have to focus on quality delivered.
- 6) The Promoters of the business are in a strong position to start the business as they have the relevant expertise.
- 7) With the pandemic creating many operational issues, many single school owners may prefer to hand over operations to a management company to reduce risk.
- 8) The lack of technical capability & financial inability to invest and operate in a post covid online or mixed platform may lead some owners to hand over operations
- 9) For starting new schools in Dubai and Abu Dhabi, for the approval process the regulators prefer that the investor have either experience in managing schools or have a management company or franchise model in place to reduce risk of failure.
- 10) There are established players in the market who are providing the same service.
- 11) The sales process would be long and the promoters need to be patient about the project and allocate a 3-to-5-year time horizon to the project.

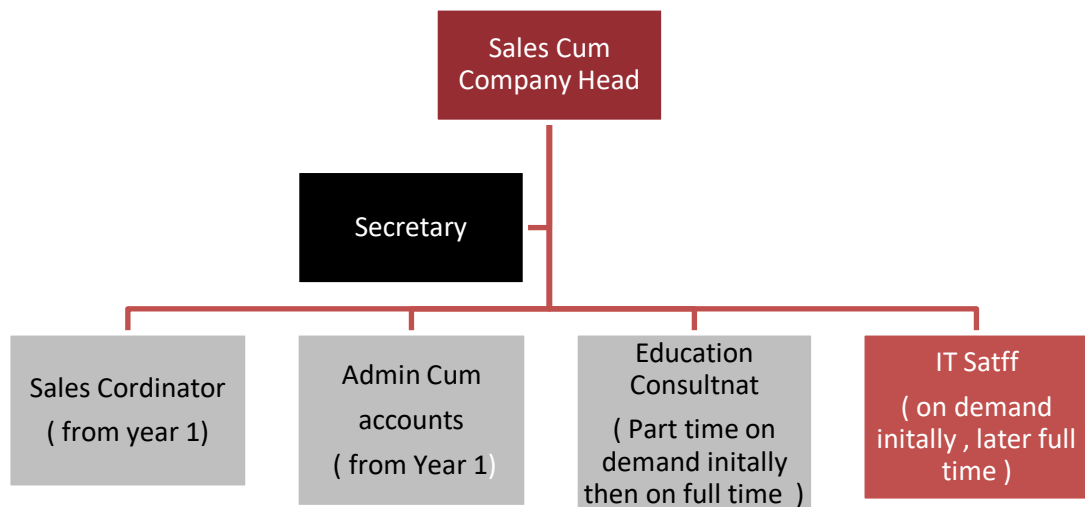
1.3 VISION AND MISSION

- Vision

Mission

-

1.4 STAFF



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1.5 PROMOTERS PROFILE

1.6 PORTRS MODEL

Supplier bargaining power		
Landlords or investors have medium bargaining power.	These investors have medium bargaining power as, the investors can approach other school operators. But since the choice of operators is very limited the bargaining power is limited	
Customers bargaining power		

Parents Bargaining power	Estimated to be very low.	
Inter-Industry competition		
The existing school operators do pose a threat	The current schools would not be able to provide a similar level of differentiated service deliverables.	
The threat of substitute's		
Online schooling could provide a threat to the model	The Model Should provide an online platform for delivery also	
The threat of new entrants		
The possibility of new players entering the market is very limited	However, the proposed model is challenging to replicate and simulate	

LEGEND

Highly Favorable	Moderately Favorable	Neutral	Moderately Unfavorable	Highly Unfavorable

1.1 FINANCIAL SUMMARY

2 EDUCATION MARKET ASSESSMENT

2.1 UAE EDUCATION LANDSCAPE

"UAE is one of the mature education markets in the Middle East region and remains a draw for investors, education providers and students. In the 2018-19 Global Competitiveness Report, UAE's macroeconomic environment was ranked 25th globally (Gaining two positions up from 2017-18) with the country being the largest destination for FDI in the region. The private education market in the Middle East is the fastest-growing in the world with an increasing number of international schools being built, strong population growth and continued economic expansion.

Alpen Capital's GCC Education Industry Report says the number of privately educated students in the region should grow at 3 per cent a year, reaching 13.7 million by 2020.

Population: The UAE's total population is expected to reach 12.1 million by 2023 from 10.7 million in 2019, growing at a CAGR of 2.5%. The K-12 school-age population accounted for ~11.0% of the total population in 2019 and is expected to grow at a CAGR of 0.9% to reach 1.3 million by 2023. A steady rise in school population will augur demand for education.

Increase in Private Schools: The number of private schools in the country increased to 643 in 2019 from 580 in 2018. The rise in the number of private schools is driven by the demand for quality education institutes in the country.

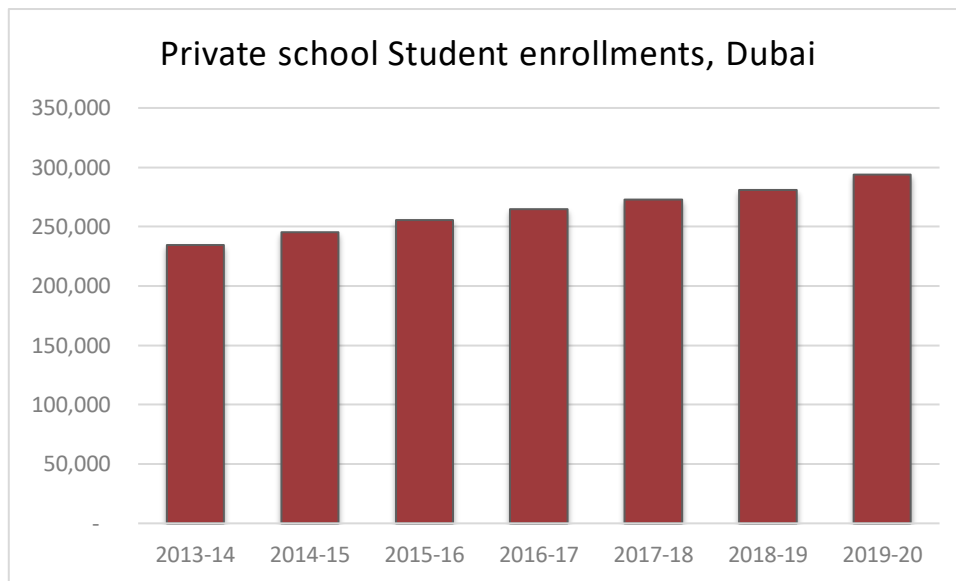
The UAE has historically led the wave of growth in the region's education sector and still represents an attractive market opportunity. Dubai and Abu Dhabi are among the largest and fastest-growing private K-12 education markets in terms of K-12 tuition revenue globally. In the region.

2.2 DUBAI PRIVATE SCHOOL LANDSCAPE

The education market in Dubai is dominated by the private sector. With 210 schools educating over 279,151 students for the 2019-2020 academic year including 32,398 Emiratis. The private sector accounted for almost 90% of

the K-12 students in Dubai with enrolment growth of 2.1 % from 2018-19. The private schools generated revenues of AED 7.5 billion (US\$ 2.0 billion) during the 2017-18 academic year, an increase of AED 700 million from the previous year, with an average annual fee amounting to AED 29,075. By the end of 2019, Dubai has added 3 more schools with now 208 schools. This is in response to investor's interest and to address the growing demand for high-quality education in the coming years. Although cutbacks in education allowances, volatility in the oil prices and subdued economic growth have hindered the performances of private school operators, the overall outlook for private education remains an attractive investment opportunity for more years to come.

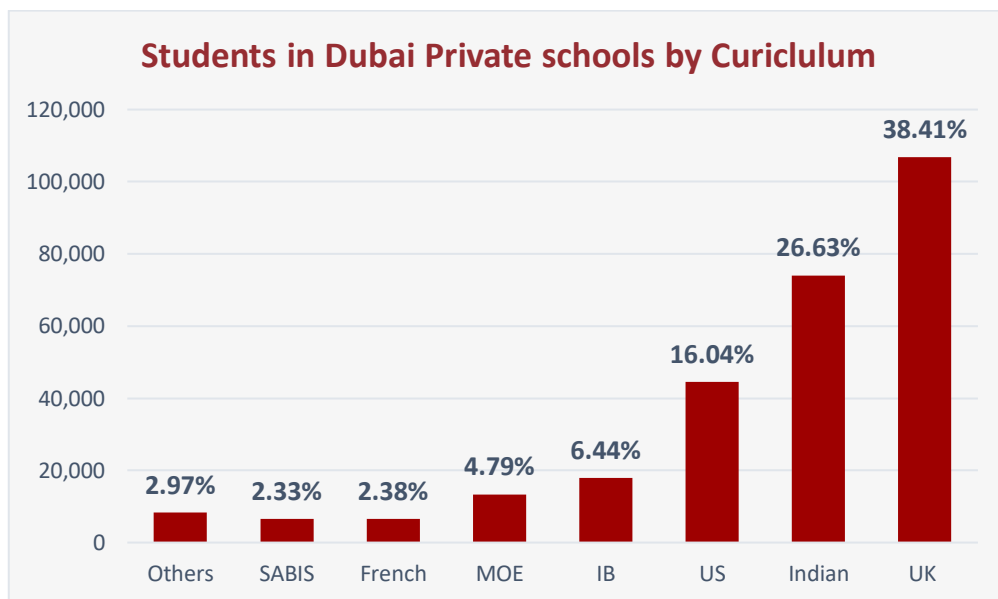
- 30 New schools opened from 2017/18 to 2019/20
- 14% increase in school enrollment in 2019-2020
- 47% of the students are doing 100% Online learning
- 50 Percent of students pay less than 30,000 AE per year



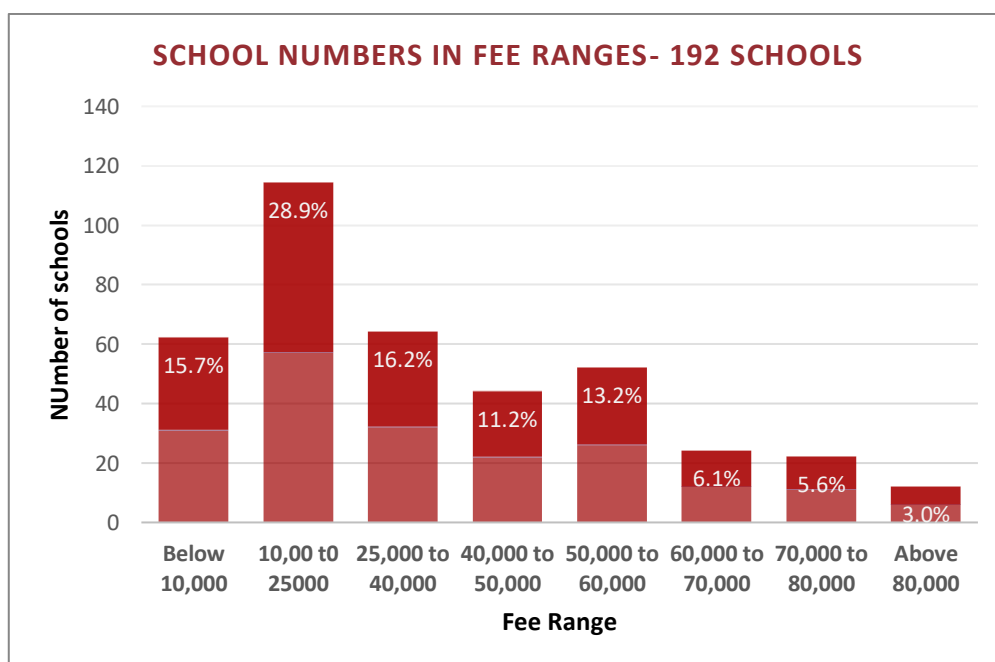
Source: KHDA publishing

Source:

<https://www.pwc.com/m1/en/industries/education/education-country-profile-united-arab-emirates.html>



Source; KHDA Publications



Source; KHDA Publications

2.3 ABU DHABI EDUCATIONAL LANDSCAPE:

Abu Dhabi has had remarkable achievements in the education sector and has spared no effort to ensure the availability of high-quality educational infrastructure of schools, adult education centres, colleges, institutes, universities, and qualified teachers in the government and private sectors. Some of the key influencing factors for the growth in the number of enrolments in Abu Dhabi educational institutes include:

Investment Climate: The government recently introduced new ownership laws to allow 100% foreign investors ownership of companies outside free zones and a 10 -year residence visa option- a move designed to drive more foreign investment into the country and attract long-term residents. More and more private equity companies in the region are growing their education portfolios considering this climate. The education sector ranks second in private equity transactions among all industries in the middle east.

Operating Environment: New license's under ADEK - Ministry of education and Ministry of Community Development, Ghadan 2021, Comprehensive strategy for ASD 2020 - 24.

Attracting Expat Families: The UAE currently ranks 10th in HSBC's 2017 expat explorer survey, climbing two spots from its 2016 ranking. The UAE is now the highest-ranking country in the middle east in terms of expat attitudes and behaviours -a crucial indicator for the attractiveness of a country to expats.

Freelance Visas: To target long-term global freelancers, Abu Dhabi has announced a new type of trade license that will facilitate the worldwide migration and creation of job opportunities and diversify their existing business sector.

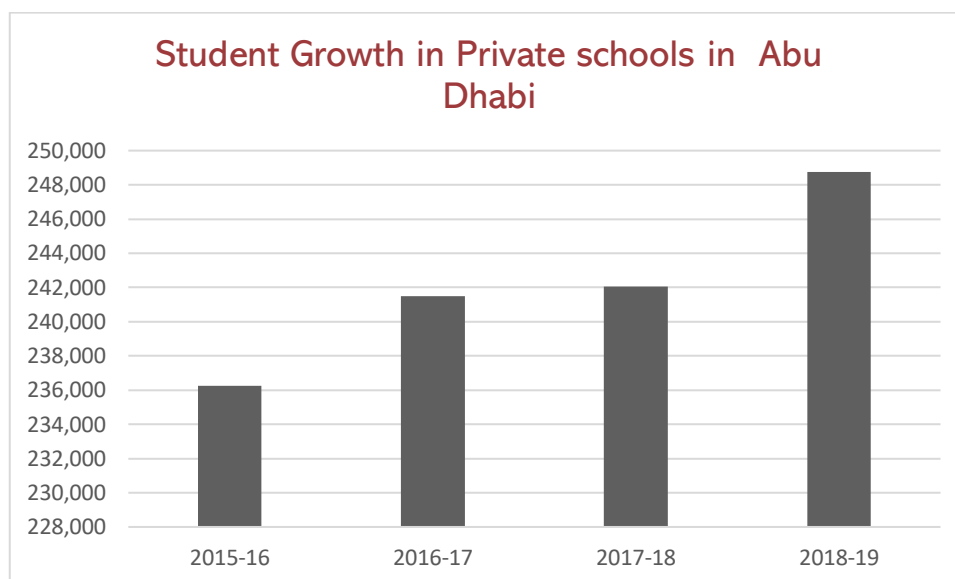


Figure 1 Student growth 2015-2018

Table 1 Student population and schools in Abu Dhabi, published by SCAD, 2020

Government Education	
Schools	251
Classrooms	5,785
Pupils	137,979
Teachers	10,441
Administrators	3,707
Private Education	
Schools	198
Classrooms	10,896
Pupils	248,743
Teachers	18,653
Administrators	6,142
Total Education	
Pupils per teacher	13.3
Pupils per classroom	23.2
Gross enrolment ratio, first cycle (5 years primary education stage)	98.4

Statistics Centre – Abu Dhabi (SCAD). (2020). Statistical Yearbook of Abu Dhabi 2020 (Rep.). Retrieved <https://www.scad.gov.ae/Release Documents/Statistical Yearbook of Abu Dhabi 2020 Annual Yearly en.pdf>

Table 2 Student population and schools in Abu Dhabi 2015-2018 data

2015-2016	2016-2017	2017-2018	2018-2019
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Total Education

Schools	442	441	452	449
Classrooms	17,118	16,712	16,258	16,681
Pupils	336,029	373,586	377,919	386,722
Teachers	23,745	26,953	29,486	29,094
Administrators	10,265	12,145	12,513	9,849

Government Education

Schools	255	250	255	251
Classrooms	5,646	5,707	5,901	5,785
Pupils	129,794	132,098	135,865	137,979
Teachers	11,786	11,430	11,293	10,441
Administrators	3,872	3,973	3,931	3,707

Private Education

Schools	187	191	197	198
Classrooms	11,472	11,005	10,357	10,896
Pupils	236,235	241,488	242,054	248,743
Teachers	11,959	15,523	18,193	18,653
Administrators	6,393	8,172	8,582	6,142

Statistics Centre – Abu Dhabi (SCAD). (2020). Statistical Yearbook of Abu Dhabi 2020 (Rep.). Retrieved <https://www.scad.gov.ae/Release Documents/Statistical Yearbook of Abu Dhabi 2020 Annual Yearly en.pdf>

SUMMARY:

The UAE education business and Dubai education business has been growing rapidly in the past few years. The pace of growth has slowed down. Both the Dubai and Abu Dhabi school education market is growing

3 MARKET OPPORTUNITY

3.1 SCHOOLS

New investors entering education, Most of whom would not have experience in managing schools. In this scenario, they are hesitant to enter the education landscape.

3.1.1 Regulatory push

With KHDA in Dubai, ADEK in Abu Dhabi and SPEA Sharjah raising the bar for the quality of education in the emirate the barrier for entry into the school education space has risen.

- 1.1.1. In the approval process also these regulators prefer that the new school's tie-up with existing brands or education providers to minimize the risk of failure The preference by regulators for branch campus or teams with experience in the market.
- 1.1.2. The pandemic has shaken up the school market, many schools Faced issues on mavin got an online platform, presently there is a a mix of online and off line delivery model. Going ahead it may be a mix of both, in such scenarios some individual operators may find it difficult to handle the operational aspects and would prefer that they hand over operations to a management company.
- 1.1.3. With So much uncertainty regarding the future, school's owner who operate schools with operate with a principle and team may hand over operations to a management company.
- 1.1.4. The technical and financial inability to invest into online learning platform's

3.2 NURSERIES

Opportunities' where retailers like IKEA are searching for operators of Nurseries to manage nurseries in their premises

3.3 SPECIAL EDUCATION (SEN)

The underserved SEN community and need for SEN center's
UAE and Middle east

SUMMARY:

The Quality of education being raised by the regulators provides an opportunity for school operators to manage school for new investors

The issues with the Pandemic may make some school owners rethink their operational model

4 COMPETITIVE LANDSCAPE

4.1 SCHOOL MANAGEMENT COMPANIES IN DUBAI & ABU DHABI

The existing competitors in the market who provide this service

- GEMS education
- Taaleem education
- Al Najah education
- Beam education
- Interstar education
- BDD education
- Athena education
- Fortes Education
- Evolvence Capital
- Emirates International schools

Operating models

	OWN SCHOOLS	OPERATE SCHOOL FOR OTHER	FRANCHISE	OUTSIDE UAE
GEMS EDUCATION	✓	✓		✓
TALEEM EDUCATION	✓			
EVOLVENCE CAPITAL			✓	
AL NAJAH	✓	✓		✓
ALDAR SCHOOLS	✓	✓		
BDD EDUCATION		✓		
ATHENA EDUCATION	✓			
INTERSTAR EDUCATION	✓		✓	

BEAM EDUCATION	✓			
AI DAR EDUCATION	✓	✓		

COMPANY	GROWTH PATH/BUSINESS MODEL
GEMS EDUCATION	Started as a privately own company but Organic Growth initially, now have a holding company structure and have external investors GEMS have their own Construction company which helps with the land procurement and construction
TALEEM EDUCATION	Owned by national bonds. Does manage their won schools
EVOLVENCE CAPITAL	invested into The Repton franchise in one branch franchise and then developed into multiple location and multiple brands
AL NAJAH	Education company for the Private equity Form Al Masah Capital, looking at exiting the business in future
ALDAR SCHOOLS	Education wing of Al Dar, Investments by Aldar
BDD EDUCATION	Only manages one school for other
ATHENA EDUCATION	Recent entrant, Bought some low fee badly performing schools using Debt
INTERSTAR EDUCATION	Owned by MR Kothari who started with the DPS franchise in Sharjah, Now have DPS and Victory Heights Schools
BEAM EDUCATION	Education wing of Al Bukatir group, Organic growth by own investments and own schools
AL DAR EDUCATION	Education wing of AL ADR. Operate own schools as well manage schools for ADNOC and other entities

4.2 THE PROFILE OF THE COMPETITOR'S

4.2.1 SCHOOL MANAGEMENT

Here we have included only those entities which manage school for others or who run franchise schools

4.2.1.1 GEMS EDUCATION

GEMS Education, founded as **Global Education Management Systems (GEMS)**, is an international education company. It is a global advisory and educational management firm, and is the largest operator of kindergarten-to-grade-12 schools in the world, with a network of over 70 schools in over a dozen countries. Founded by Sunny Varkey, GEMS provides pre-school, primary, and secondary education. Through its consultancy arm, GEMS Education Solutions, the company works internationally with public and private sector clients on school improvement initiatives.

Founded and headquartered in Dubai, GEMS has offices in the United Kingdom, the United States, Singapore, India, Saudi Arabia, Qatar, Egypt, Kenya, and the United Arab Emirates.

After creating a network of schools in the Gulf Arab states, in 2000 Varkey established Global Education Management Systems (GEMS), an advisory and educational management firm, in advance of his overseas expansion.

In 2003, he began opening GEMS schools in England, beginning with Sherborne House in Hampshire and Bury Lawn in Milton Keynes. Soon afterwards, he took over Sherfield School in Hampshire, and purchased another 10 schools in England, mainly in the north.

In 2004, the GEMS group opened its first schools in India. Varkey continued to add schools in the subcontinent, and also purchased a controlling interest in the India-based Everonn Education, which the Varkey Group and GEMS manage. GEMS subsequently opened schools in Africa, Southeast Asia, the U.S., and Europe. It is the largest operator of private kindergarten-to-grade-12 schools in the world, and as of 2015 had over 70 schools in over a dozen countries. Its two schools in the U.S. are in Chicago: a pre-school, and the pre-school through elementary school GEMS World Academy-Chicago, which opened in 2014 to eventually extend through grade 12.

BRANDS

GEMS Branded (Wellington, Westminster, Winchester)
Our Own Branded Indian schools

4.2.1.2 TAALEEM EDUCATION

Taaleem's main activities include investment in the development and operation of K-12 schools and other supporting initiatives. The holding company, Madaares Private Joint Stock Company (PJSC), owns 100% of Taaleem PJSC and Taaleem Management LLC (previously known as Beacon Management LLC). The company is governed by a nine-member Board of Directors chaired by prominent Emirati businessman Khalid Al Tayer

Taaleem, formerly known as Beacon Education was founded in Dubai, United Arab Emirates in 2004. Taaleem opened its first three schools and one pre-school in 2005, offering the American and British Curriculum, the International Baccalaureate Programme and International Curriculum for Languages and Creative Arts.

In 2007 National Bonds Corporation, which is 100% owned by The Investment Corporation of Dubai, the investment arm of Dubai government, established Madaares to open and operate high-quality schools in the region. In 2008, National Bonds and Madaares launched Taaleem.

Brands/Schools

- Greenfield Community School.
- Jumeira Baccalaureate School.
- Uptown School.
- Raha International School.
- Al-Mizhar American Academy.
- Dubai British School.
- Dubai British Foundation.

4.2.1.3 **AL NAJAH EDUCATION**

Al Najah is an education management company set up in Dubai in 2011. It presently has schools and nurseries in UAE, Oman and Singapore

Al Najah Education Limited is a specialized education investment platform established and managed by Al Masah Capital Limited, an alternative investment manager, to invest in strategically located and highly profitable educational entities in the MENA and Southeast Asia (MENASEA) region offering significant growth opportunities.

The educational entities include nurseries, day care centres, schools, colleges, universities and training centres. Al Najah partnering with esteemed international educational institutions to introduce high-quality education of various curricula to the MENASEA region through Brownfield projects.

Brands

HORIZON Schools, Dubai, Muscat

4.2.1.4 **BDD EDUCATION**

BBD Education is an education management company and consultancy that supports, advises and guides investors, developers, school operators, school leaders and regulators in the United Kingdom, Middle East and the Far East. In the region, we operate in Egypt, India, Lebanon, Turkey, Qatar, the United Arab Emirates, the Kingdom of Saudi Arabia, Bahrain, Pakistan, China, Indonesia, Singapore, Oman and Kuwait. Our head office is in Motor City, Dubai, with our International office located in the United Kingdom.

BBD Education was founded in 2012 by Professor Ralph Tabberer. He planned to develop the first professional consultancy services for schools in the MENA region. Initial demand came from new investors wishing to plan and open schools; which is always a complex project

4.2.1.5 **AI DAR EDUCATION**

Abu Dhabi's largest and leading education provider. Starting with one school and 250 students in 2007, they have grown into a highly sought after education provider, supporting over 6,500 students across seven academies and one nursery in Abu Dhabi and one in Al Ain.

Aldar Education has made a long-term investment of AED 1 billion into the capital's education sector. These investments include the most advanced teaching technology, creative and sports facilities, as well as partnerships with industry leaders such as Microsoft. Aldar Academies' billion-dirham investment has also seen the organization rapidly expand its influence to new areas of the sector, including mid-tier education, nurseries, and teacher training.

In May 2017, Aldar Education signed an agreement to manage the operations of four ADNOC Schools campuses in Abu Dhabi and across the Al Dhafra Region: Sas Al Nakhl Campus, Ruwais Campus, Madinat Zayed Campus, and Ghayathi Campus. The agreement now sees Aldar Education's expertise reach close to 14,000 students and more than 2,000 staff.

Aldar Education's expertise has seen its seven owned schools.

4.2.2 SCHOOL SET UP & IMPROVEMENT SERVICES

School Set up includes process of helping investors get approval for schools, design and all related activities till the school is fully operational.

School improvement services include services related to improving inspection ranking of the existing schools. These would include activities like

- Inspection Audit
- Quality check of process of schools

Competitors

- BDD Education
- PENTA International

4.2.2.1 PENTA INTERNATIONAL

Although based in the United Kingdom, Penta International does more than half of its work overseas. Penta provide inspection, training and consultancy services throughout the world. For example, Penta International personnel have worked in the Hong Kong, Ireland, Jordan, Malaysia, New Zealand, Oman, Singapore, Swaziland, Switzerland and the United States of America. They have particular interests in the United Arab Emirates and the Gulf region of the Middle East, in Africa, in Europe, in South America and in Asia. Penta provide training, consultancy, management and inspection services throughout the United Kingdom. they are able to provide the very best in training, for example in ICT, in middle manager development and in monitoring processes.

4.2.3 NURSERIES

The nursery market in Dubai and Abu Dhabi is very fragmented with couple of major brands and the rest include many single owner's. With COVID many of the nurseries have closed and it si an opportunity to open new nurseries

Major Brands in Dubai are

- British Orchard
- Chubby Cheeks
- AlDar Nurseries
- Humming Bird

4.2.4 SEN Centre's

Many SEN centers exist in Dubai and Abu Dhabi

The Doris Duan - Young Autism Center
Special Needs Future Development Center
Rashid Center for People of Determination
Awladouna Center for People with Disabilities مركز أولادنا لذوي الإعاقة
Child Early Intervention Medical Centre FZ
Maharat Learning Center
AL IBTISAMA CENTRE FOR PEOPLE WITH DISABILITIES
The Carbone Clinic
Jad's Inclusion
ABLE UK (Advanced Behavioural Learning Environment)
Early Intervention Center
Autism Trust Foundation
Reach Out Dubai
Austin Center For Rehabilitation, Al Nahda
Behaviour Enrichment

Al Najma Centre
Merint Determination Center
Widad Academy
Small Steps Learning Difficulties Center
Dubai Down Syndrome Centre
Wilson Centre for Child Development & Rehabilitation

SUMMARY:
Yes, there is competition in the school a management land scape But there would be space for new entrants.

5 THE REGULATORY FRAMEWORK

The company can register as an education management company in any of the regulatory authorities. Academic city under Tecom has a license for education management companies, The license can also be from the mainland for Education management.

6 CUSTOMERS ENGAGEMENT MODELS

6.1 THE EXISTING SCHOOL MANAGEMENT MODELS

The existing models in the market include

MODEL	CHARACTERISTICS	EXAMPLES
Lease model	<p>In this model in the market, the building is leased out by the landlord and the operator invests in the school management and incurs all the costs involved in the operations.</p> <p>The owner of the building is just a landlord and receives a fixed rent for the building. These kinds of models arise because either the landlord has a building that was supposed to be operated by another company or by himself and the project was abandoned in between or such</p> <p>Typically, new school buildings are not given the permit to build without an operator or an investor ready to invest in operations.</p> <p>But such plans get stalled due to various reason and the operator or the investor would withdraw from the project and the building is leased out</p>	Many of the GEMS schools.
Operator model with co-branding	<p>The engagement in this model is where the Operator runs the school from both academic & administrative functions.</p> <p>Here the school license would belong to the investor and the school would be co-branded under the investor with his own school's name and the management company name. The operator would run the operations for the investor.</p> <p>The operator is responsible for the academic and administrations of the school</p>	GEMS operate the GEMS United sports city School

Operator model under investor Brand	<p>The engagement in this model is where the Operator runs the school from both academic and administrative functions. Here the school license would belong to the investor and the school would be branded under the investor with his own school's name and such The operator would run the operations for the investor.</p> <p>The operator is responsible for the academic and administrations of the school</p>	<p>GEMS Used to Operate the Sheffield school In AL Nahda Dubai</p> <p>GEMS operate the SHK Zayed school In Abu Dhabi</p>
Franchise model with Academic Oversight	<p>School management companies tie up with schools that are popular in other geographies to bring them to UAE. One model comes with the right to use the brand name of the franchiser but with strict oversight about how the academics and student care is administered.</p> <p>The franchiser has control over the academic delivery, how the student development happens, how evaluation is done, how the engagement with parents happens.</p>	<p>Repton in Dubai and Abu Dhabi & Foremarke in Dubai are franchises run by Evolve Capital</p>
Franchise model	<p>The other model in franchising is where the franchiser has given the franchise the right to use the name and comes with policy guidelines and quality parameters to follow but without oversight or strict implementation guidelines nor any audit in place.</p> <p>Other than provide guidelines and policies to follow, strict audit if the delivery is not maintained</p>	<p>Springdale school In Dubai</p> <p>DPS schools in Dubai, Sharjah, Ajman</p>
School Start-up services	<p>The management company helps with the approvals, start-up and establishing the school. These would include help with approvals, design, recruitment, procurement, policies and procedures marketing. Once the school is self-sustaining and can be run by the staff</p>	<p>New Al Salam School in Al Twar</p>

	recruited. The management company may or may not play an advisory role	
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6.2 THE EXISTING CONTRACTING/REVENUE MODELS

1) Lease model	
REVENUE /COST MODEL	Fixed rental
ENGAGEMENT CRITERIA	Price Based on square feet calculation and the quality of construction and would be for 15-to-20-year lease
COMMENTS ON THE MODEL	Huge investment early on. Typically, new school.
2) Operator model with co-branding & Operator model under investor Brand with Fixed percent of revenue	
REVENUE /COST MODEL	<p>Percent of the revenue – The education management company gets a percent of the revenue. related costs are borne by the school owner.</p> <p>The Percent would be 4 to 7 % of the revenue</p> <p>There could be a minimum amount to be paid and a maximum amount to be paid. These scenarios arise if it is a new school and the initial years may have less revenue.</p> <p>Or</p> <p>It could be 3 to 5 % of revenue plus 5 to 10 % of Net profit</p>

	The revenue percent depend on the Fees and total student numbers
ENGAGEMENT CRITERIA	<p>The owner and the management company agree on a budget and the year and the money spend towards staff and all other</p> <p>All the academic and Non-academic activities to be managed by the school management company. The finance may or may not be handled by the investor. Seat on the board</p>
COMMENTS ON THE MODEL	<p>The management company would be responsible for the IT systems and their implementation</p> <p>For the process and policies and its implementation</p> <p>There would be a committed minimum number of years for the operator would be responsible for the management</p>
3) Operator model with co-branding & Operator model under investor Brand with Fixed percent of revenue and fee per student	
REVENUE /COST MODEL	<p>Per cent of the revenue with a fixed fee per student - The education management company gets percent of the revenue. related costs are borne by the school owner.</p> <p>The Percent would be 2 to 5 % of the revenue with a fixed amount per student The fixed fee may be 300 AED to 500 AED.</p>
ENGAGEMENT CRITERIA	Same as previous
COMMENTS ON THE MODEL	The management company would be responsible for the IT systems and their implementation

	<p>For the process and policies and its implementation</p> <p>There would be a committed minimum number of years for the operator would be responsible for the management. Most cases the per student fee part would only kick in once a pre-agreed number of students are registered In the school</p> <p>The management company would handle all aspects of the school expect may be the financials and accounts</p>
4) Franchise model	
REVENUE /COST MODEL	Fixed Annual franchise fee
ENGAGEMNT CRITERIA	The school would not commitment have any outcomes in students' numbers and such. May or may not be engaged in the approval and design process.
COMMENTS ON THE MODEL	Less hassle for the franchiser.
5) Start-up services	
REVENUE /COST MODEL	Payment would be typically fixed amount against deliverables
ENGAGEMNT CRITERIA	Would be based on Mutually agreed responsibilities. Like Approval, design, staff recruitment
COMMENTS ON THE MODEL	The assignment would be for a fixed period and the education management company mostly exist the account

SUMMARY:

Multiple engagement models in the market. The company can adopt any one or a combination

7 ANALYSIS

7.1 POTENTIAL CLIENTS

The potential clients would be either existing schools or new client's

New clients would be Investors who are interested in starting new schools either under their owned brand or as a franchise

Another set of potential schools which could be available to manage would be schools that are not doing well on the KHDA or ADEK ranking

Those school Owners who have Individual schools which have been consistently getting Average or acceptable rating in Dubai would be potential target school.

- The owners of these schools would need to have their school rated better.
- Typically these schools would be individual principal lead schools.
- They would be open to a School Management company take over Responsibility.
- We would need to convince the owner about the benefit of partnering with a school management company.
- Preferably the MOE/US curriculum schools are those which would come up for being managed by external management companies.
- Since the schools which the management company manages to fall in the fee range from 38,000 AED to 44,000 AED, it would be better to take up management of schools within these or similar fee range initially.
- The reason being The education management company is aware of the set of expectations' the parents in these fee ranges have

NAME		YEAR	FEES	RATING		
				2018 -19	2017-18	2016-17
CAPITAL SCHOOL	UK	2015	38,000 to 50,000	Acceptable	Acceptable	Acceptable
New World School Private	MOE	2005	11,000 to 51,000	Acceptable	Acceptable	Acceptable
Al Maaref Private School (LLC)	UK	1987	10,000 to 30,000	Acceptable	Acceptable	Weak
North American International School	US	2007	29,000 to 46,000	Acceptable	Acceptable	Acceptable
Nibras Private school	US	2008	22,800 to 45,000	Acceptable	Acceptable	Acceptable

The above list would be potential schools which the management company can approach for taking up for management.

7.2 THE PARAMETER'S FOR SELECTING NEW INVESTMENTS

The kind of schools it would take up to manage.

PARAMETER	preferred options
CURRICULUM	US, MOE
FEE RANGE	30,000 to 50,000
LOCATION	Dubai & Ab Dhabi
NEW OR EXISTING SCHOOL	Both

7.3 PORTERS MODEL

Supplier bargaining power		
Landlords or investors have medium bargaining power.	These investors have medium bargaining power as, the investors can approach other school operators. But since the choice of operators is very limited the bargaining power is limited	
Customers bargaining power		
Parents Bargaining power	Estimated to be very low.	
Inter-Industry competition		
The existing school operators do pose a threat	The current schools would not be able to provide a similar level of differentiated service deliverables.	
The threat of substitute's		
Online schooling could provide a threat to the model	The Model Should provide an online platform for delivery also	
The threat of new entrants		
The possibility of new players entering the market is very limited	However, the proposed model is challenging to replicate and simulate	

LEGEND

Highly Favorable	Moderately Favorable	Neutral	Moderately Unfavorable	Highly Unfavorable

7.4 RISK ANALYSIS

The Risk	Probability	Mitigation
Market Risk		
The Growth in New schools decreasing		
Consolidation in market	This is very unlikely as existing players would like to have there on business	
Regulatory Risk		
The Regulators wishing to stop this on the model	Unlikely as the regulators are happy with established layers being responsible for managing school	The risk is very minimal
Brand Risk		
Issues with opening a new school	Can lead to a backlash on the brand	Have proper planning of the school opening
Operations risk		
Issues with operations like Overspend Less number of admissions	There is a very good chance of that happening	The project should have very good professional experience in opening's and new projects

8 MARKETING

Marketing strategy-

8.1 SCHOOLS

The marketing strategy would depend on which kind of schools are we targeting

New Schools

The needs of the new investors would be

- Reduce risk when starting a new school. Many uncertainties attached with opening a new school
- Sure, approval from regulators
- Needless of hassles with operations
- With pandemic investors may not be sure of the new education land scale and delivery models

Marketing Approach

The marketing should be around the track record of Management Company in owning and managing the Abu Dhabi international school

Existing Schools

The existing schools would be looking for improvement in ranking
The operations would make sure that the ranking would be able to improve.

8.2 SALES CHANNELS & AND ACTIVITIES

The sales cycle for the management company would be long and take time to convert. It would be ideal to target multiple channels to get leads to existing schools looking for Management Companies Investors who are considering opening new schools or education Institutions.

Need to set up an office in Dubai with a sales manager and support staff

The company needs to have leads that can be generated by

- Tying up consultants who work in the education space. And incentivizing them
- Reach out to regulators and attend functions or events hosted by them to create awareness
- Participate in industry awareness and brand building exercises like Seminars, exhibitions,
- Sponsor Education industry events where potential investors would take part.
- Reaching out to regulators and creating awareness

9 OPERATIONAL DETAILS

9.1 SERVICE OFFERINGS

SERVICES TO BE OFFERED
School Management Service
<ul style="list-style-type: none"> Managing schools for investors either with co-branding or with the investor brand
<ul style="list-style-type: none"> Consulting for School Improvement service
<ul style="list-style-type: none"> Full school Set up service
School Improvement Service
<ul style="list-style-type: none"> Consulting service to improve school inspection ranking
Nursery Operate service
<ul style="list-style-type: none"> Operate Nursery for an Investor
SEN services
<ul style="list-style-type: none"> Sen Services can be offered to school as separate consulting or as additional services for existing schools.

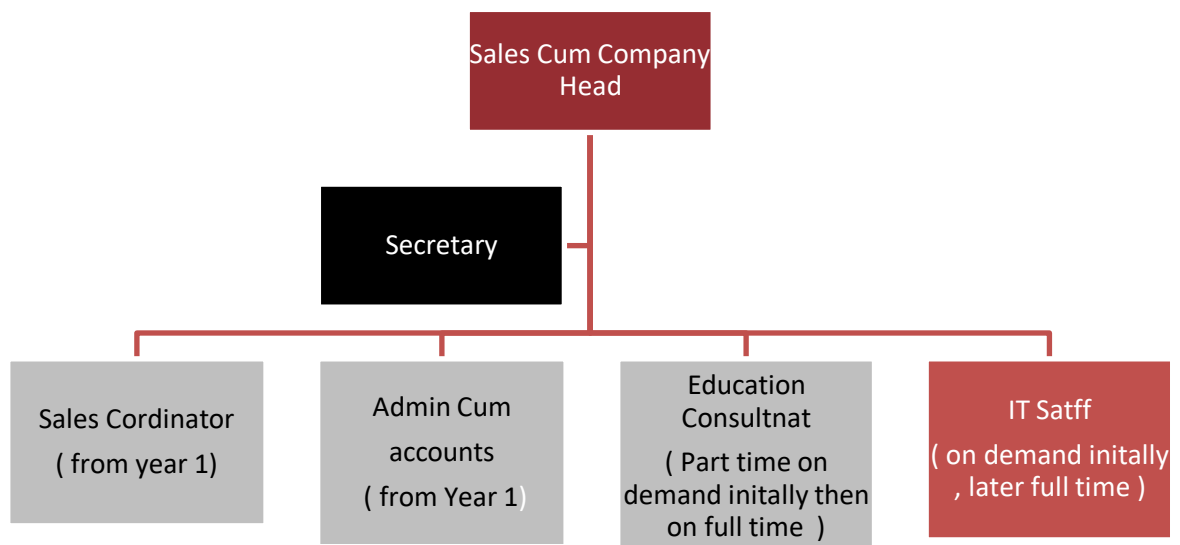
9.2 A HIGH-LEVEL PROJECT ROLLOUT TIMELINE

Activity	Year1				Year 2				Year 3				Year4				Year5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Company and office SetUP																				
Sales and marketing activities																				
First school Sign up							⚙													
First school management take over																				
Second school Sign Up										⚙										
Second school approval process																				
Third school Sign Up														⚙						
Third School Approval & management																				

9.3 CHANNEL PARTNERS

- Consulting companies in education
- Staff recruiting companies
- Investment companies

9.4 STAFFING REQUIREMENTS



10 FINANCIAL ANALYSIS

- Set up costs for licensing and approvals
- Capital expenditure (Total initial Investment required- CAPEX)
- Revenue calculation (5-year calculation of income)
- Operational Expenses (ongoing expenses yearly)
- All Expense including staff, material, marketing etc.
- Projected - 5 Years Cash Flow statements.
- Projected - 5 Years Profit and Loss statement and balance sheet
- The internal rate of return(IRR),

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