START & RUN AN ESL TEACHING BUSINESS

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5 KEY PEOPLE AND THEIR ROLES
   Program Coordinator
   Booking Person
   Tutors
   Marketer
   Accommodation Coordinator
   Office Staff
   Activities Staff

6 LOCATION AND FACILITIES

7 MARKETING
   Word-of-Mouth Advertising
   Promotional Material
   Agents
   Promotions

8 POLICIES AND PROCEDURES

9 MAINTAINING AND BUILDING YOUR CUSTOMER BASE
   Potential Problems That Could Become Nasty
      Wasting time
      Failing to deliver the goods
      Too many changes and complications
      Inappropriate attire
   Little Things That Promote Team Spirit in Your Students
      Newsletters
      Contests
      Get-togethers and outings
      Being open to extras

PART 2 EXERCISES

PART 3 — STARTING AND RUNNING AN ESL SCHOOL

10 EXPLORING YOUR MARKET
   Clarifying Your Market
   Determining Your Target Market
11 YOUR SCHOOL, YOUR PROGRAMES

Big-Picture Planning

Creating a student profile
Determining the purpose of your programs (mission statement)
Clarifying your delivery method
Defining the ways in which your school fills a market niche
Developing a program overview
Establishing a system of evaluation

Program Development

Developing a course outline
Using a textbook series
Creating your own programs
Thinking about program themes

12 SERVICES

Accommodation

Homestay
Apartment rentals

Extracurricular Activities

13 KEY PEOPLE AND THEIR ROLES

Director
Program Coordinator
Teachers
Marketer
Accommodation Coordinator
Office Staff
Activities Staff

Start & run an ESL teaching business
14 LOCATION AND FACILITIES
   Urban versus Rural 103
   Location Guidelines 104

15 MARKETING
   Promotional Material 105
   Agents 106
   Word-of-Mouth Advertising 106
   Promotions 107

16 POLICIES AND PROCEDURES
   Common Issues Warranting a Formal Policy or Procedure 109
   Preparing for Future Policy and Procedure Issues 110

17 MAINTAINING AND BUILDING YOUR CUSTOMER BASE
   Little Problems That Can Turn into Big Problems 112
      Cutting corners 113
      Awkward coffee breaks and lunch breaks 113
      Nagging 114
      Too many holidays 114
      Lack of take-home materials 115
   Little Niceties That Spread Good Vibes 115
      Prizes and gifts 115
      Welcome Day 116
      Excursions 116
      School clubs 118
      Student of the term 118
      Parties 119

PART 3 EXERCISES

PART 4 — SETTING UP YOUR BUSINESS

18 DEVELOPING YOUR BUSINESS PLAN
   Executive Summary 132
   Description of the Industry 132
   Description of the Business 132
19 ASSEMBLING YOUR BUSINESS TEAM

Lawyer 136
Accountant 137
Banker 138
Insurance Agent or Broker 137
Other Individuals Worth Building Relationships With 138

20 GETTING STARTED

What Type of Business Structure Should I Choose? 139
Sole proprietorship 139
Partnership 140
Corporation, or limited liability company (LLC) 141
What Should I Call My Business? 141
Where Should I Work? 142
What Kind of Registration and Licensing Do I Need for My Business? 144
What Equipment and Supplies Do I Need to Get My Business Up and Running? 144
Home-based tutorial service office 144
A school with 20 or more students 147

21 PLANNING AND ORGANIZING YOUR FINANCES

Determining Your Start-up Costs 151
Determining Your Ongoing Monthly Expenses 152
Obtaining Financing 152
Types of financing 152
Where to get financing 152
Keeping Financial Records 153
Setting and Collecting Fees 154
  Setting fees 154
  Collecting fees 155
  Planning for your business expenses 156
Getting Contracts for Government-Funded Language Programs 157

22 EXPLORING YOUR INSURANCE OPTIONS 158
  Types of Insurance 158
  Industry Specific Insurance 159
    Student health insurance 159

23 HANDLING LEGAL ISSUES 161
  Visas 161
    Visas for the US 162
    Visas for Canada 162
  Accreditation Agencies and Industry Associations 163
  Hiring Employees 164

PART 4 EXERCISES 166

CHECKLISTS 43
  1 Tutor self-evaluation 43
  2 Opening an ESL tutorial service 58
  3 Opening an ESL school 120

SAMPLES 10
  1 Typical ESL-school program 10
  2 Profile of students 23
  3 Tutoring mission statement 24
  4 Methodology description 24
  5 Marketing promise 25
  6 Tutoring services schedule 27
  7 AEIOU level assessment 28
  8 Level assessment form 29
  9 Entrance and exit assessment system 30
| 10 | Student-led methods of tutoring conversation | 34 |
| 11 | Handout for Wish Club communication sessions | 35 |
| 12 | Wish Club communication sessions evaluation form | 36 |
| 13 | Programs and services | 37 |
| 14 | Tutorial contract | 38 |
| 15 | Lesson summary (for parents of children in public schools) | 39 |
| 16 | Tutor's schedule | 41 |
| 17 | Profile of students | 73 |
| 18 | Mission statement | 74 |
| 19 | Methodology statement | 74 |
| 20 | Marketing promise | 75 |
| 21 | Morning program overview | 76 |
| 22 | Afternoon program choices | 77 |
| 23 | Afternoon program overview | 78 |
| 24 | Evaluation system | 79 |
| 25 | Course outline for an academic class | 82 |
| 26 | Student evaluation form | 83 |
| 27 | English communication program | 84 |
| 28 | Using art as a program theme | 85 |
| 29 | Homestay application form (for students) | 90 |
| 30 | Homestay application form (for host families) | 93 |
| 31 | Homestay policies | 95 |
| 32 | Program and classroom policies | 111 |
| 33 | Welcome Day schedule | 117 |
Since the early 1980s, North America’s English as a Second Language (ESL) industry has grown by leaps and bounds, and now generates around US$14 billion a year in tuition fees, accommodation, and other related services.

According to an article on the ESL industry in the *Province* (Vancouver) on October 3, 2004, many international students would prefer to study English in the United States because of its economic strength and the easy-to-understand accents of its citizens. Canada, however, is the less expensive choice of the two and is easier to access with regard to visas.

While the future of ESL-related businesses in North America is promising, it is important to understand that the ESL industry is somewhat fickle, as it is tied to the global economy and tourism. The Asian economic crisis in the late 1990s, for example, resulted in a sharp decline in the number of Asian international students coming to North America. Then there was September 11, 2001, and the outbreak of Severe Acute Respiratory Syndrome (SARS), followed by Bovine Spongiform Encephalopathy (BSE, or mad cow disease), all of which affected the number of students coming to the United States and Canada.

The ESL industry is also subject to a great deal of change with regard to visa laws. Business owners need to keep themselves aware of new rules and information, since changes can increase or decrease the number of international students and immigrants allowed to enter North America.
Industry associations are another important influence on the ESL industry. Decisions made by industry associations can affect a school’s hiring practices and ability to market effectively. One of the roles of an association is to establish a clear set of ethical and professional standards for schools to follow. The American Association of Intensive English Programs, for example, requires its member schools to hire instructors with a minimum of a master’s degree in Teaching English as a Second Language (TESL) or a related field, or experience appropriate to their course assignments. Reaping the marketing benefits of belonging to an organization such as this means following their hiring rules, even if you do not subscribe to the logic of those rules. Opting out of association membership means making your own standards, but it also means you may lose credibility in the eyes of students, agents, and government officials who decide which schools are permitted to generate student visa forms and documents.

Whichever choice you make, it is important to stay aware of trends in industry regulations and how the regulations may affect your business.

Finally, there are other trends to keep in mind. The reasons for students choosing to venture overseas differ from country to country, and sometimes even within the same country. It is important to know the goals of the students you wish to reach, and understand that a future batch of students of the same age and from the same country might be looking for a slightly different type of program.

In short, to start and maintain an ESL business in North America, new and experienced business owners alike need to keep abreast of global issues and shifts in people’s reasons for acquiring a second language. They also need to monitor and understand the students themselves. That is, they need to know how many students are out there, where they are from, where they are studying and why they chose to study there, what they are hoping to gain from their overseas experiences, and why they are trying to master English in the first place.

To give you an idea of what your research might uncover, here is a snapshot of the North American ESL market at the time this book was written.

INTERNATIONAL STUDENTS

According to a report on international students published by the Institute of International Education, the United States welcomed more than 565,000 international students in the 2004/2005 school year. (Thousands more entered the country with visitor visas, and many attended English classes at private language institutions.) India is the leading country of origin, followed by China, South Korea, and Japan. These four countries combined contribute 40 percent of the international-student population in the United States. Other countries include Taiwan, Mexico, Turkey, Germany, Thailand, and Indonesia. California continues to host the highest percentage of international students in the United States, followed by New York and Texas.

More than half of the students who come to the United States choose to study at large universities, with business and management being the two most popular fields. However, an increasing number of students are enrolling in pre-academic intensive English programs.
In Canada, the situation is much the same, although on a smaller scale. Approximately 60,000 international students are currently attending universities, private institutes, and colleges in Canada. (In reality, the number is higher, given the great number of short-term students who are attending schools without a visa.)

Almost 70 percent of students settle in two provinces: British Columbia and Ontario. And students from three key nations — South Korea, China, and Japan — make up nearly half the entire number of international students. Other countries of origin include France, India, Mexico, Germany, Taiwan, and Hong Kong.

Regardless of where in North America international students choose to study, their reasons for studying overseas are usually the same:

- To develop their English-speaking skills
- To enhance their academic English performance so they can get higher scores on tests and perhaps gain entrance into a North American college or university

In the end, their goal is to increase their chances of landing a good job in their home country.

**IMMIGRANTS**

In addition to international students, the ESL industry caters to non-English-speaking immigrants. Some immigrants invest heavily in their children’s English education, and many hire private tutors to help their children keep up in public school classes. And some immigrants may hire private tutors for themselves, or seek out conversation classes or speaking clubs for social and educational reasons.

Each year, thousands of adult immigrants in North America attend government-funded ESL programs that are free of charge. These programs are for newcomers who are struggling to pay their rent and bills and do not have money to pay for lessons in basic English.

In the United States, over a million adult learners register in government-sponsored programs every year, representing nearly 40 percent of all adult-education enrollment. And, according to the Center for Adult English Language Acquisition (CAELA), there are long waiting lists for classes. (Find out more about CAELA at www.cal.org/caela.) In 2005, the Office of Vocational and Adult Education agreed there are significant waiting lists, citing three examples:

- At the Queens Library in New York City, two-thirds of the 1,100 people on ESL class waiting lists are not able to get a space in a class in a given year.
- The King County Literacy Coalition in Seattle, Washington, reports that there are 3,000 students on waiting lists for ESL classes. The wait is from six months to a year. At Lake Washington Technical College, the wait for a space in a class is up to six months.
- In San Jose, California, more than 4,000 people were reportedly on waiting lists. (More than 13,500 adults are enrolled in ESL classes in San Jose.)

In Canada, the situation is similar, and has been for some time. According to the National Network for LINC/ELSA/MIIP-ESL Providers, in 2003 there were 766 immigrants on the waiting lists for classes in Calgary. More than 960 others were in line for assessment and referral.
INDUSTRY NEEDS AND TRENDS IN YOUR AREA

Because in many ways the ESL industry hinges on constant change, emerging businesses need to be creative, flexible, and adaptable in order to succeed. The only constant in the ESL world is this: your students are your customers. This means that much of your job as a new business owner will be to understand industry needs and trends in your area.

Finding specific information about the ESL industry in your country and in your area is relatively simple, thanks to the Internet. Every school worth noting has a website, which will provide you with information about your competitors’ programs, prices, and staff. The Internet also gives you access to ESL industry associations, which feature links to member schools and other related businesses, as well as useful industry information that may be relevant to your business’s future. Business- and immigration-related statistics are also available online.

In-person interviews with people in the industry, and even international students themselves, can also help you get a sense of the market needs in your area. But before doing personal interviews, check out a few ESL chat rooms or weblogs to find out what issues and concerns are on students’ minds. Simply doing a search for the term “ESL weblog” on the web, you will find a number of sites where students from all over North America share information on resources and study tips, as well as complaints about common woes — culture shock, loneliness, boredom, and the high cost of living and studying abroad.

Learning as much as you can about what students like, dislike, or find lacking during their overseas stay can help you determine what kind of business is worth investing in, not to mention what features to offer in order to set your business apart from those of your competitors.