English Teaching Business

Business Plan

**Contents**

# Table of Content

## 

## 1**. Executive Summary**

This is a plan for an English teaching business or web site. An open question is to what extent this site will be based on a fee-for-service teaching model (one-on-one coaching, small class teaching, etc), and how much we will try to generate information products that can be sold independently.

This is John Lockwood’s retirement plan.

## **2. Business Focus**

### **2.1 - Mission Statement**

We teach English as a Second Language and English as a Foreign Language. We deliver an engaging proprietary curriculum that encourages active practice, exploration and learning both in and out the classroom. Portions of our curriculum will be exposed using a “fremium” model.  
  
FROM THE TEMPLATE  
This describes your overall objectives and aims as a business - *or* what you want to achieve and how you will achieve it. It’s the kind of thing you have on the wall in the office to remind you everyday why you’re doing this.

For us, our mission statement and Unique Selling Point (USP) are the same thing, so we just used our URP for this. There’s a great step-by-step guide over at Sitepoint that will help you define a USP: [6 Steps to Creating a USP](http://www.google.com/url?q=http%3A%2F%2Fwww.sitepoint.com%2Fblogs%2F2009%2F09%2F12%2Fhow-to-create-unique-selling-proposition%2F&sa=D&sntz=1&usg=AFQjCNGx2G_7vhmo49aIqFAv47Bntrmi9Q)

### [**3.2 - Business Details**](http://www.google.com/url?q=http%3A%2F%2Fwww.sitepoint.com%2Fblogs%2F2009%2F09%2F12%2Fhow-to-create-unique-selling-proposition%2F&sa=D&sntz=1&usg=AFQjCNGx2G_7vhmo49aIqFAv47Bntrmi9Q)

This business is a sole proprietorship. John Lockwood is the owner / founder. A software engineer and polyglot, John speaks Spanish well and plans to also master Russian. So he brings significant experience on how to build successful foreign language skills as an older adult. As part of the startup phase of the business, John will learn more about curriculum development and foreign language teaching strategies by earning his TEFL certification.

### **3.3 - Professional Support**

We hope to draw on Jeff Roberts’s deep experience in ESL teaching, either as a co-founder / partner or simply in an advisory role.

### **3.4 - Personal Profiles**

TO DO

### **3.5 - Operations**

This section details who will be involved in the operations of the business and what role they will have, e.g:

**John Lockwood - Proprietor**

### **3.6 - Operation Cycle**

We used this section to describe the cycle of a typical project, from initial meeting to project completion. This can be helpful for readers of the plan to understand how your business works - they might not be experienced within your industry.

### **3.7 - Payment**

Details of your payment structure. This can include what percentage of payments you will take for deposit and project completion as well as invoice terms.

### **3.8 - Aims & Objectives**

This section lists what you want to achieve with your business and how you will achieve it. We split this into 3 sections

* + **Short Term**
  + Anything you want to achieve within the coming weeks and months (e.g. from now until 3 months).
  + **Medium Term**
  + Anything you want to achieve within the first year of operation. An example could be to target a certain turnover.
  + **Long Term**
  + We saw these as where we would like to see the company in 1-2 years.

## **4. Market Research**

This section is all about researching your customers and competitors and evaluating your prospective business against them. You need to show if there are **customers** and **demand** for your product and service.

### **4.1 - Client Research**

A typical customer is online and therefore has access to a computer or a phone. They may live in the US already or be overseas. Except for Spain, many of our customers are located in a similar time zone. In the US, [broadband usage among Latinos has been increasing](https://www.pewresearch.org/hispanic/2016/07/20/digital-divide-narrows-for-latinos-as-more-spanish-speakers-and-immigrants-go-online/).

A risk (perhaps) is that Latino users are already [bilingual online](https://www.thinkwithgoogle.com/future-of-marketing/management-and-culture/diversity-and-inclusion/new-research-shows-how-to-connect-with-digital-hispanics-online/).

Reasons for learning a language may include:

* To improve job performance, ace an interview, feel more comfortable interviewing or at work, etc.
* To improve performance at school or attend a university.
* To emigrate to the United States.
* Out of curiosity, desire to learn, etc.
* To travel.

---   
  
Here, we talked about where our client base would be founded and identified some problems they might have that our service could solve. It’s also a good idea to try and identify a **typical customer** based on your service and past experience. We found this particularly hard for web design as customers can vary a lot.

Instead of identifying a very specific customer, we identified sectors and markets to target our services and went from there in hope of finding a trend or niche.

### **4.2 - Evidence of Customer Demand**

To convince banks/investors/partners that your business plan is viable, you need to show that there is demand for your product or service. Evidence is key here, such as pre-agreed contracts or testimonials from previous clients you have worked for.

### **4.3 - Competitor And Similar Business Profiling**

Some competitors and their models include:

* Searching for Apprender Inglés en Linea (Google paid ads) turned up:
  + [Preply](https://preply.com/). Headline: *Estudia Inglés Online - Clases de Inglés desde $5/Hr - preply.com*
  + [Skyeng.es](https://skyeng.es/) Headline:  *Aprender Inglés Online - Clases online desde $10.90.* This site is mostly in Spanish (even if seen in English), and is another student/teacher matching site. They boast interactive tools, looks slick. One could also teach here.
* Berlitz. Berlitz offers in person and online instruction. Their online instruction can be done either:
  + Individually via one on one sessions with instructors.
  + In small groups classes.
  + In a self guided way.

From the template:

As well as client research, you’ll need to look into competitors in your local (and, if relevant, national) area. We looked at competitors strengths, weaknesses and pricing, then compared them against ourselves. This was helpful in identifying our main competition in a similar price bracket to ourselves, but also larger companies that might be future competitors.

To do this research you might have to do a bit of digging. You can look at their websites for publicly available information, but details such as their pricing can be difficult to identify. Posing as a potential customer can be an effective way of getting some of their ballpark prices. It might not be totally accurate but it’s a start!

### **4.4 - SWOT Analysis**

The SWOT analysis is where you use your research to identify 4 things:

* + **Strengths**
  + I am able to use and technical resources, can program my own website and tools for students, etc.
  + I am bilingual in English and Spanish, and a lifelong language learner, currently studying Russian. Because I can speak Spanish well enough to explain concepts to beginners, I believe I can attract more students that way.
  + **Weaknesses**
  + I can make more money in the short term writing software for others.
  + My attention may be divided between teaching opportunities, which I might develop independently of my own marketing campaign (e.g. Preply), and writing software.
  + I tend to be a perfectionist in videos I have tried to do in the past, so it’s unclear if a pure fremium model with Youtube as a core lead generator would be sustainable.
  + I am aging, and this is meant to be a business I start in retirement, when most folks are slowing down. This may mean I lack sufficient energy to get the business going.
  + **Opportunities**
  + **Long term, a set of lessons with a subscription (upgrade from Fremium model) would be the most sustainable and hands-off approach, rather than teaching for hire. The same is true for software tools.**
  + Learning Russian may open up other markets for me, but I expect it will be some time before my Russian reaches a level where I could handle anything but the most advanced English speakers.
  + *Example: Through previous freelance work, one of us had links working with educational products which we plan to continue and could be a doorway into that sector.*
  + **Threats**
  + What are the threats to your business plan and what methods will you use to protect your business against them.
  + *Example: The design industry is a competitive industry with success rates for start-up business below 15%. To overcome this, we want to establish ourselves as a unique business, in our brand, our customer service and work quality.*

#### 4.4.1 SWOT Analysis Detail By Business Model

The table below abstracts the various aspects of our business idea, breaking it down into component pieces that could be a business separately. We should also consider the strengths and weaknesses of a hybrid approach vs selecting one of these

|  |  |  |  |
| --- | --- | --- | --- |
|  | Direct English Teaching | Information Product | Software Product |
| Strengths | After TEFL, it allows for immediate income.  It is completely new and therefore exciting per se.  It allows for teaching abroad and other non-online opportunities. | Potentially Scalable.  Long term income, doesn’t need additional hours to earn.  Can serve as a core curriculum to support direct teaching, and consumer of software product. | Can be a good adjunct to an information product to automate content generation, provide additional features.  I have necessary experience to execute on this with little or no further learning. |
| Weaknesses | **Income is low, and does not get significantly higher over time.**  Income is dependent on individual service delivery, and so is not scalable at least as a sole proprietorship.  Income is limited by earning power now in target language. In person teaching jobs do not pay well even in Japan where standard of living is higher. | Up front development time is long.  Hi production time expense for Youtube Premium model especially.  Competition from established players. | To the extent this features an online community, difficult to get started, have to monitor it, etc. Don’t do that. |
| Opportunities | Starvation and hard work. I’m beginning not to see the appeal.  As an adjunct to information products, it may still be useful to include this option as an expensive add-on.  See the BeFluentInRussian offer page for an example:  <https://www.befluentinrussian.com/register>  $49/month features monthly coaching, $19/month does not. |  |  |
| Threats | Race to bottom on rates. |  |  |

## **5. Marketing Plan**

The marketing plan is the section where you talk about how you will position and market your services including your USP, pricing policy and sales strategy.

### **5.1 - Service**

Here, go into detail about the services you plan to offer. It’s important to include enough detail as some people who read the plan might not be experienced in your industry.

We found it useful highlighting particular aspects and principles of our service(s) and relevant examples of previous work.

### **5.2 - Unique Selling Point**

What makes you different from other companies in your sector and why will customers want to use your service? This can be really difficult, but what we found helpful was identifying the simple things that customers want – unique does not have to mean crazy and different. A lot of companies fail their customers with simple problems such as good customer service.

As above, we used the the [6 Steps to Creating a USP](http://www.google.com/url?q=http%3A%2F%2Fwww.sitepoint.com%2Fblogs%2F2009%2F09%2F12%2Fhow-to-create-unique-selling-proposition%2F&sa=D&sntz=1&usg=AFQjCNGx2G_7vhmo49aIqFAv47Bntrmi9Q) article to identify a USP. Using that as a guide we structured it under these headings:

* + **Our target audience**
  + **The problem we solve**
  + **Three benefits of our service**
  + **What we will offer**

### **5.3 - Pricing Policy**

Ah, this old chestnut! This is probably the most asked about question on forums, blogs and Twitter for people looking to start out as a small business or freelancer. In reality, it’s not that difficult to devise once you have some sort of formula or logic behind your price.

We’ll be blogging about our formula for pricing in a couple of weeks, so keep an eye on our blog for that. Here are a few links from my Delicious archives that should help you out in the meantime:

[How 20 designers charge their clients – part 1](http://www.google.com/url?q=http%3A%2F%2Fwww.davidairey.com%2Fhow-designers-charge-their-clients-part-1%2F&sa=D&sntz=1&usg=AFQjCNHhDstS2-uueG_AafuU2r4Mz5MGTQ)

[The Fast, Good and Cheap Pricing Method](http://www.google.com/url?q=http%3A%2F%2Ffreelancefolder.com%2Fthe-fast-good-and-cheap-pricing-method%2F&sa=D&sntz=1&usg=AFQjCNE-VzbgmEFagmehcBMFFAykEQiCLA)

[How Much Should You Charge for a Website?](http://www.google.com/url?q=http%3A%2F%2Fcss-tricks.com%2Fhow-much-should-you-charge-for-a-website%2F&sa=D&sntz=1&usg=AFQjCNGOrn1L7no-cs6G8fXnmFAPeAKgdA)

[10 Resources to Help You Decide What To Charge for Design Work](http://www.google.com/url?q=http%3A%2F%2Fwww.acuitydesigns.net%2F10-resources-to-help-you-decide-what-to-charge-for-design-work%2F&sa=D&sntz=1&usg=AFQjCNF1w60RwjRSwxeuii51osnztZeHzA)

[FreelanceSwitch Hourly Rate Calculator](http://www.google.com/url?q=http%3A%2F%2Ffreelanceswitch.com%2Frates%2F&sa=D&sntz=1&usg=AFQjCNHZ7A-5_BxGwswCTuiHu6CFs0hE8Q)

### [**5.4 - Sales & Marketing Strategy**](http://www.google.com/url?q=http%3A%2F%2Ffreelanceswitch.com%2Frates%2F&sa=D&sntz=1&usg=AFQjCNHZ7A-5_BxGwswCTuiHu6CFs0hE8Q)

How are you going to market your product or service so that potential customers will know about it? Are you going to create any set packages that customers can buy off the shelf or will it all be on a bespoke basis?

For our marketing strategy, we split our plans up into **online** (website, blogging, social networking) and **offline** (mail drops, networking events etc.) strategies.

We didn’t have much of a budget for marketing and had to think of creative ways to market our services. You also have to think of methods that are relevant to your business though – For example, I wouldn’t say flyer or billboard advertising are suitable mediums for a web design agency.

## 6. Technical Details

## **7. Financial Plan**

This section is all about demonstrating your number crunching wizardry.

Have you identified start-up costs to get the business off the ground and forecasted sales for the first two years or so? The money men will want to see your cash-flow forecasts and make sure your books balance. Ultimately, they’ll be determining whether this is a financially viable business or not.

*To accompany this business plan template, there is a* [*financial planning spreadsheet*](https://docs.google.com/previewtemplate?id=0Ak4IcvXFn613dDlVVUFzMmdaNWZHY3B5bS1WdXZTS1E&mode=public) *you can use. You’re free to use the spreadsheet to calculate the financials and then copy and relevant tables and graphs here into the business plan.*

### **6.1 - Start Up Costs**

Illustrate your start-up costs here and demonstrate how you will finance them (you could refer to your cash-flow for this). Startup costs can include:

* Equipment
* Software
* Stationary
* Marketing materials

### **6.2 - Sales Forecasts**

Forecast sales for 1-2 years, or as many years as deemed necessary. This is difficult, but has to be done. It helps to use your knowledge of past clients/experience and then apply this to prospective client projects (e.g. you could generalise projects, such as: basic e-commerce website, branding design package, business card design).

Use your pricing calculations to calculate how many hours you have available in a week/month and how many projects you can fit within these hours. You could use your marketing strategy to illustrate when you expect to see a surge in sales or when you predict there might be a lull (e.g. Christmas period).

### **6.3 - Cash-flow Forecasts**

Your cash-flow is used to demonstrate your income and expenditure for each year, displayed on a month-by-month basis. **Income** can include sales, funding, loans etc. and **Expenditure** shows your outgoings such as rent, stationary and wages.

### **6.4 - Other Financials**

### 6.4.1 Estimated Startup Costs

|  |  |  |
| --- | --- | --- |
| Camtasia Studio Upgrade – Note See Vimeo as an alternative, with a monthly cost? | $150 |  |
|  |  |  |
|  |  |  |
|  |  |  |

### 6.4.2 Some Estimated Monthly Expenses

The following represents first year costs.

|  |  |  |
| --- | --- | --- |
| Amazon RDS. Single AZ, one year term, partial ($50) up front, per month | $4.161 |  |
| Vimeo Pro | $20.00 |  |
|  |  |  |
|  |  |  |

There are other tables you can include in your financial plan such as a profit & loss account for each year and a balance sheet. **Profit & loss** is fairly self-explanatory and a **balance sheet** shows your assets and liabilities.

We got more outside help with these other financial tables/charts than the rest of the business plan. There’s nothing wrong with that and I’d definitely [recommend getting help](http://www.google.com/url?q=http%3A%2F%2Fwww.happycry.co.uk%2Fblog%2Farchives%2Fstarting_a_design_business_get_the_ball_rolling%2F&sa=D&sntz=1&usg=AFQjCNF8z42wveRogzzC5j2P5pFdnVL3RA) with parts you’re uncertain about as well as your start-up plan as a whole.

## 7. Confidentiality Agreement

Yeah, don’t tell anybody.

## **8. Tech Ideas**

Lessons contain:

* Video Lesson
* Audio Examples (Longer, sentences)
* Vocabulary words
* Exercises (type? Listening? fill in? Translate? Etc.?)

Lesson contents (Audio and vocabulary) can be moved to “Mis apuntes”, which contains:

* Learned
* Future
* Active

## **9. Appendix**

The appendix is where you put additional information that is referenced in the business plan. This could be things such as:

* Financial charts / graphics
* CV’s / Resumes
* References
* Images of work
* Partnership Agreements

**Credits:**

This plan is based on the Creative Commons licensed template that is discussed in [this blog post.](http://www.happycry.co.uk/blog/archives/start_a_business_business_plan_template/)