



BUSINESS STRATEGIES IN A COLD CLIMATE

Melanie Tucker, Principal
mtmconsulting ltd

Practical Strategies for Challenging Times
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Agenda

1. Highlight some trends from the **mtm**consulting Independent Education Sector Report 2010.
2. Practical ideas to navigate the rough seas ahead.



1. Trends



“Independent schools will bounce back after the recession but cost control is the key to long term health.”

mtmconsulting Independent Education Sector Report 2010



Pupil Numbers

The target market for independent schools is growing fast as the professional classes expand.

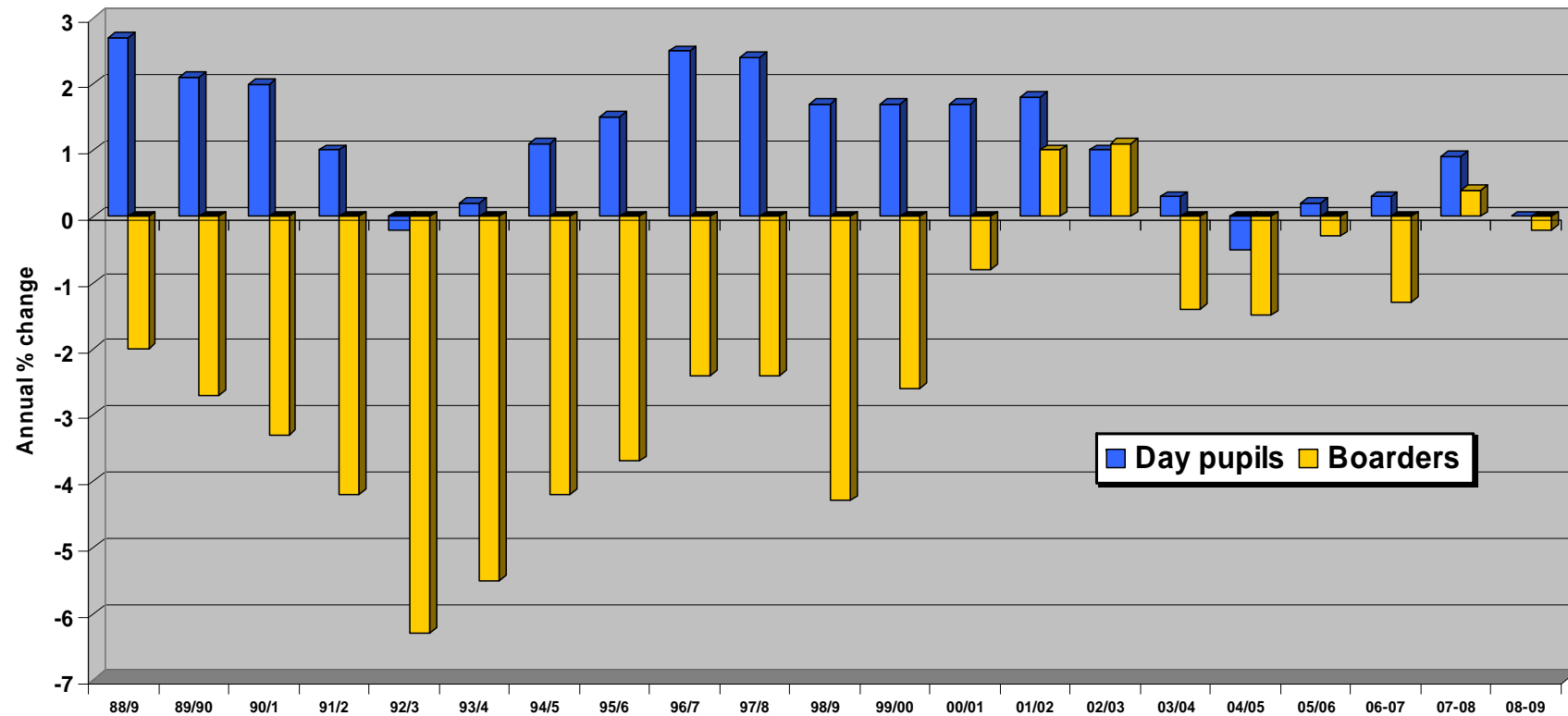
But independent schools have not kept pace with this expansion.



Pupil Numbers

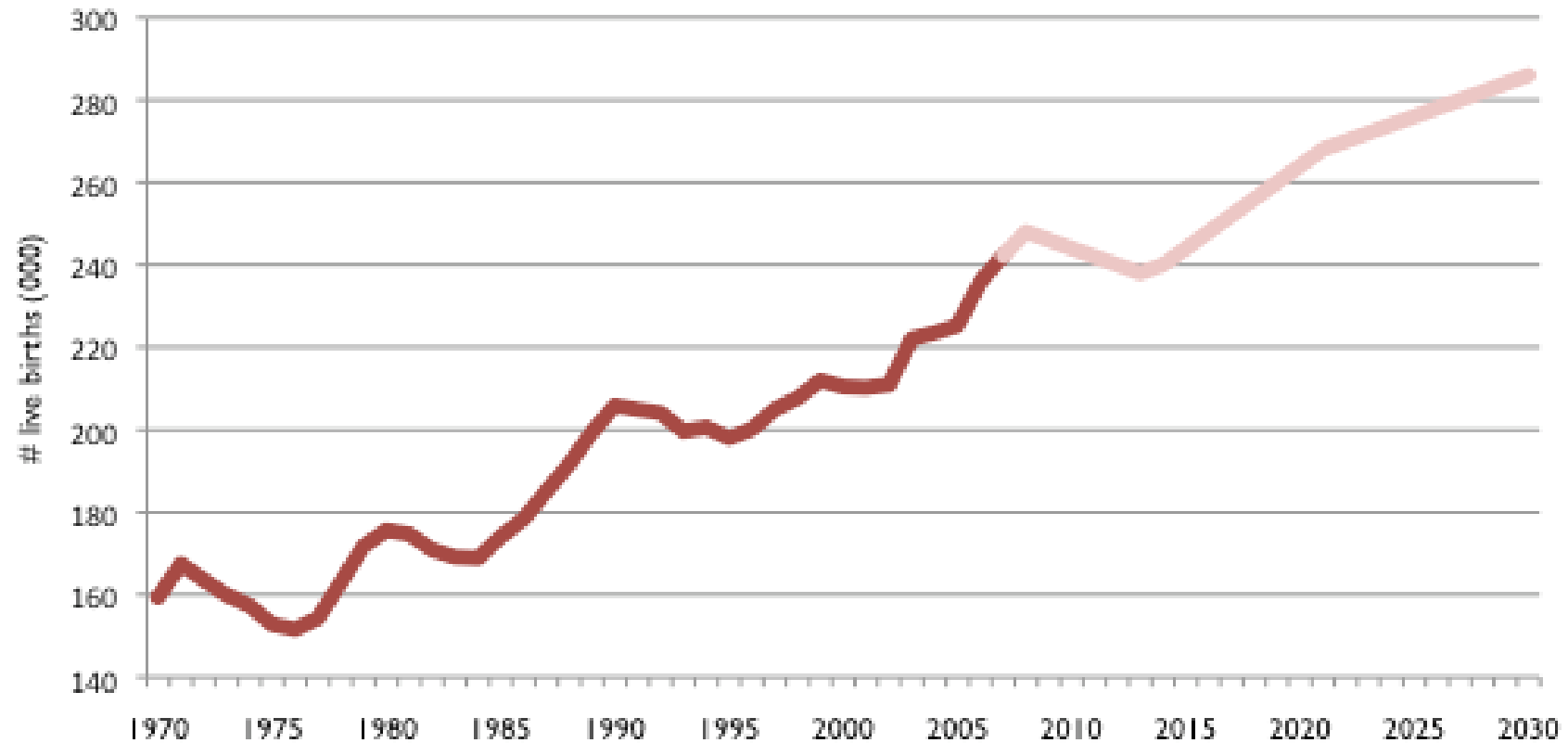
A stagnating Sector?

ANNUAL CHANGE IN DAY/BOARDING NUMBERS 1989-2009





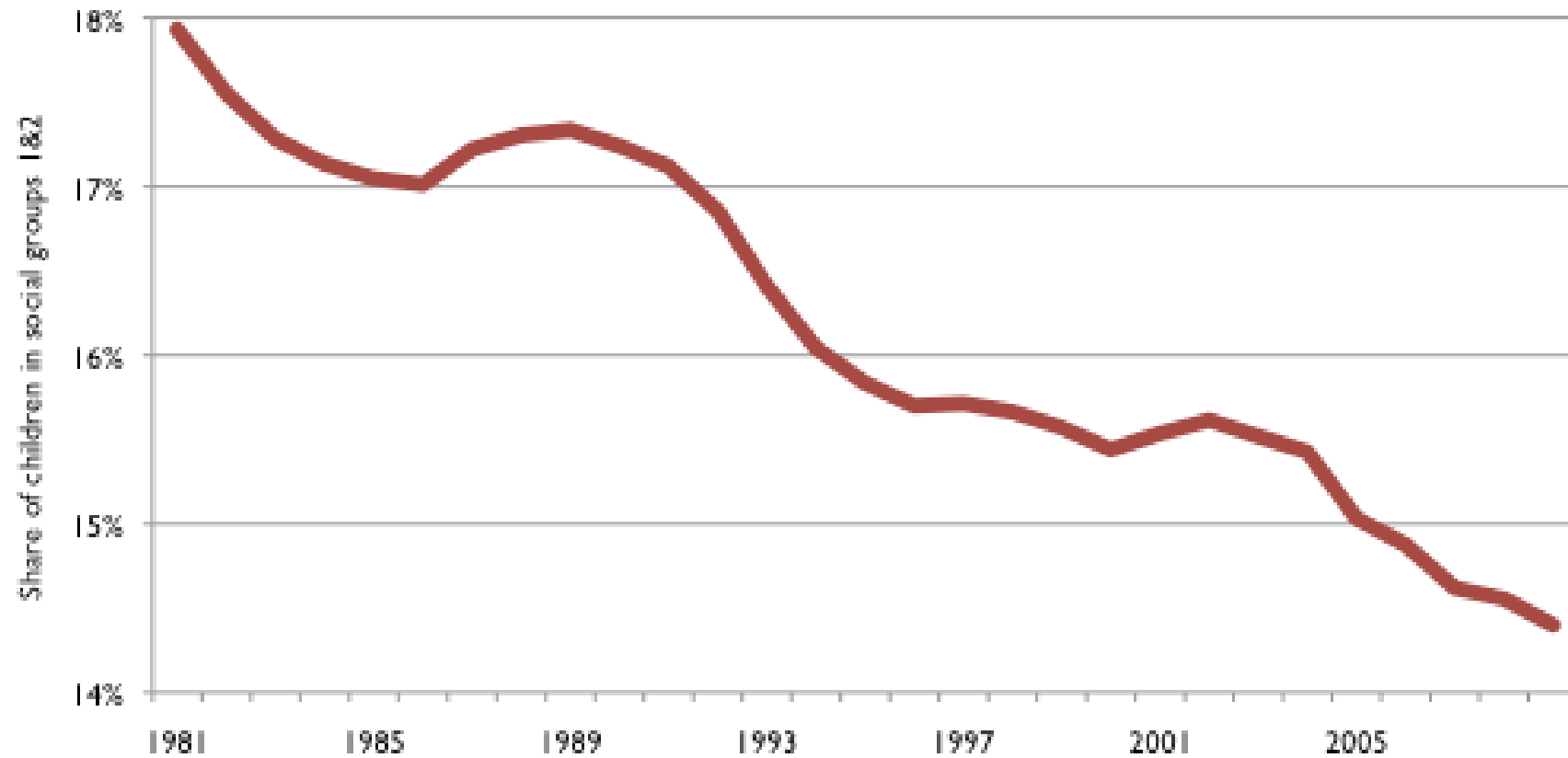
Number of births to social classes 1&2 in England & Wales



1970-2007 is based on Birth Statistics (Series FM1), Office for National Statistics; 2008-2030 is projected.



Independent school rolls as a proportion of social class 1&2 children in England & Wales





Financial trends

Administration and premises costs have risen fast, but teaching costs appear to be out of control.



Financial trends

“In a big storm, even the finest looking trees come down if they have shallow, insecure roots or an excessive weight of leaves”

Vince Cable 'The Storm' 2009



Structural trends

Against static pupil numbers the average school size is starting to decline. The need for economies of scale will drive alliances and membership of groups.



Segment trends

The market is polarising between premier league schools and niche schools, making it more difficult for medium sized, mid range schools.



Political trends

A conservative victory in 2010 will represent a considerable challenge for independent schools.

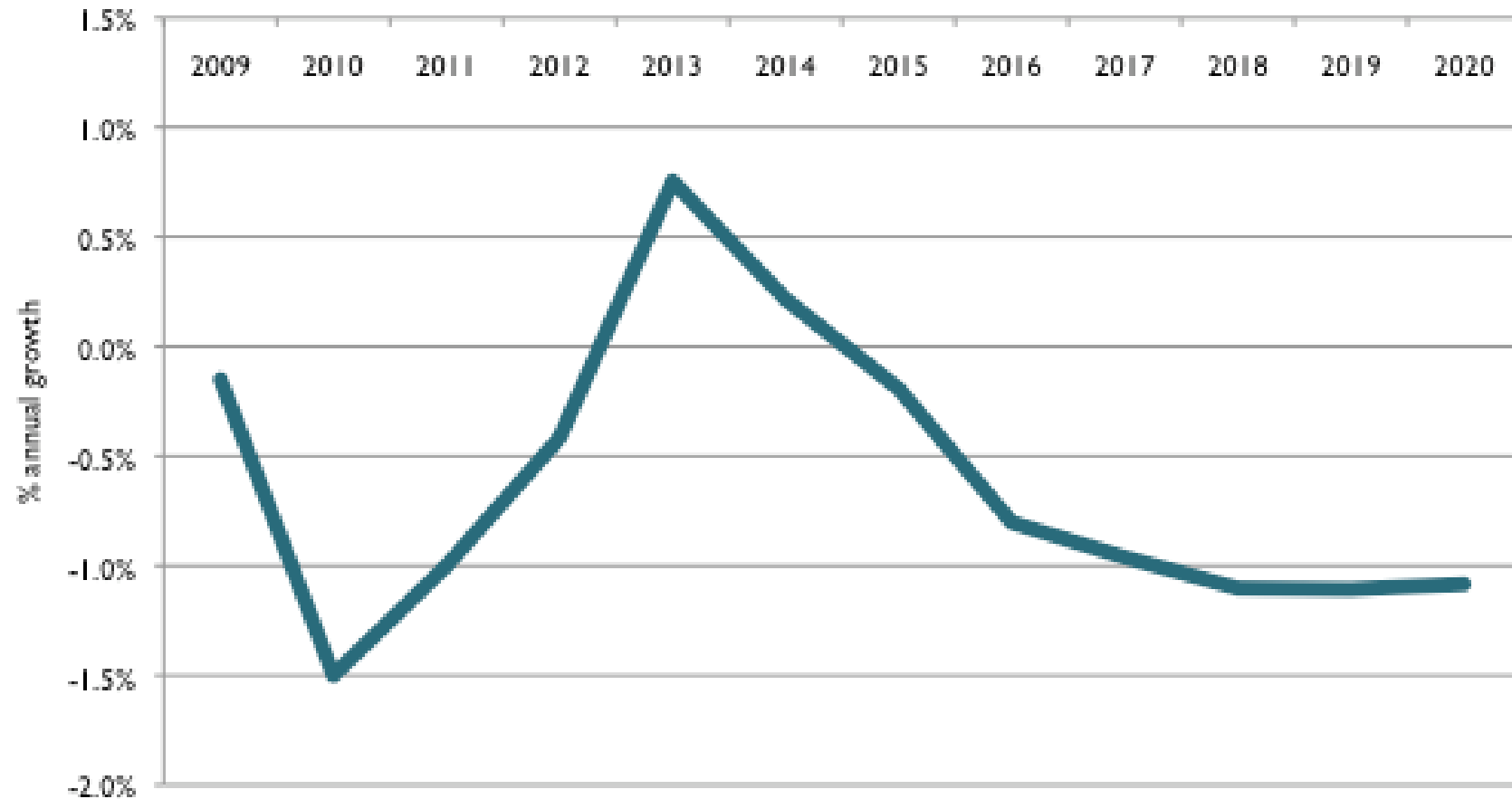


Forecasts

Against the impact of the recession, unrest in the state sector and decreasing affordability we forecast a strong recovery in the next decade, followed by a protracted period of decline – but this is based on an assumption that schools fail to control their costs.



Forecast annual growth of independent rolls in the UK





Scenarios to 2020

Limited funds, increased regulation and higher parental expectations will impact both sectors and change the face of education.

It will mean new ways of doing things in the state sector and present real opportunities for the independent sector with the chance to win 30% more pupils



It's independent education
Jim, but not as we know it.



2. Practical pointers to navigate the rough seas ahead



Get the facts and define the best strategy to guide you through

- Facts at your fingertips
- Monthly reporting in key indicators
- Know where you achieve best surpluses
- Who is achieving sales
- Who is adding value



Be prepared to make those tough decisions

- Subjects that are too expensive
- People who are unproductive
- In good times maybe possible to delay but in bad times much too costly



Now is the time to focus on real marketing

- Don't be tempted to cut the budget
- Spend it more wisely
- Create a marketing strategy to get you to where you need to be



The quality of your communication has a huge impact on your success

- Externally to keep everybody confident
- Internal marketing to parents higher profile to reinforce why its worth paying the fees
- Create great stories – inspire people



Roll your sleeves up and invest in old fashioned selling rather than just taking orders

- People expect enquires to be followed up
- Marketing spend is wasted due to underdeveloped sales
- Ensure sales team understand differentiators
- Invest in professional sales training
- Give sales team time to do their job
- Use feedback from sales team to provide intelligence for decision making
- Under value them at your peril
- Sell – it's a verb; its about action



To sum up - be brilliant at the basics

- Be optimistic and innovative
- Identify and take opportunities
- Use the recession as a stepping stone to greater things
- Difficult times bring out the best in us
- Going back to basic business principles is sensible and can be great fun



And finally

“Optimism has intrinsic value as a source of customer and business confidence, and it should not be blithely dismissed”

Vince Cable The Storm 2009

Avoid Eeyore; embrace Tigger