



Pearson Affordable  
Learning Fund



# The inner workings of affordable private schools

A guide for entrepreneurs  
and investors



Pearson

Arvind Nagarajan | Ralph Tabberer | January 2016



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## About the authors

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### Arvind Nagarajan

Arvind Nagarajan is a director at the Pearson Affordable Learning Fund, a venture fund that invests in early-stage education companies, including several affordable private school chains. Arvind leads investment activity in India and Latin America as well as financial and strategic analysis of other opportunities across the portfolio. He is also an active advisor on Pearson's global schools strategy and has advised and worked with school chains across Asia and Africa. Prior to Pearson, Arvind worked at the Clinton Health Access Initiative on global malaria programs and worked in strategy consulting at Bain & Company. Arvind has an MBA from MIT-Sloan and a BA in Economics and Political Science from Yale.



### Ralph Tabberer

Ralph Tabberer is the chairman and owner of BBD Education, a management services company focused on school start-ups and on the growth of School Groups, primarily across the Middle East and the UK. Previously, Ralph served as the Chief Schools Officer at GEMS Education, the Director General of Schools at the UK Department for Children, Schools and Families, as well as Chief Executive of the Training and Development Agency for Schools. Ralph played a significant role in defining the scope of the effort, developing the framework and providing critical review and revision of the work.



# Introduction



**The Pearson Affordable Learning Fund (PALF) was launched in July 2012 with a mandate to invest in market-based solutions that will improve access to high quality education for poor families across the world. Almost four years later, PALF manages ten investments across Africa and Asia. These investments support low-cost school chains and affordable education companies, serving over 100,000 children.**

Many of the most prominent investments within the fund are in affordable private school chains. PALF currently manages investments in four low-cost school chains in diverse geographies and with different models: Omega Schools in Ghana, APEC Schools in the Philippines, Spark Schools in South Africa, and Lekki Peninsula Schools in Nigeria.<sup>1</sup>

*“PALF seeks to be the world’s leading education investor for efficacy by working with our investments to measure, analyze and improve student outcomes”*

Pearson defines efficacy as a measurable impact on improving someone’s life through learning. PALF seeks to be the world’s leading education investor for efficacy by working with our investments to measure, analyze and improve student outcomes. While PALF investments may differ in their operational and academic approaches, the underlying goal is consistent across all our investments in school chains: each chain should be a world-class professional company with efficacy as the ‘engine’ driving their work and scalability ‘steering’ their decision-making.

With these guiding principles, we can demonstrate the viability of high-quality, affordable, and scalable school chains in our effort to improve the quality of education for lower-income students. Over the last four years, we have learned a great deal about the challenges facing affordable private school chains and some of the successful strategies employed to overcome them. While each of our school chains still has a long road to success ahead of them, their experiences can prove invaluable for entrepreneurs, school operators, and investors choosing to target the affordable education space.

This paper reflects our experiences and offers practical lessons with regards to the workings of affordable private schools. PALF is in continuous dialogue with other educators and, in producing this report, we sought support from BBD Education who is working with school chains in Egypt, Turkey, the Gulf and the Far East. It was valuable to validate our views on the educational,

<sup>1</sup> Pearson invested in the Bridge International Academies in Kenya through Learn Capital prior to the creation of PALF. At various times, PALF has managed Pearson’s relationship with Bridge International.

financial and operational issues on the ground with their perspectives and deep experiences in the sector.

We hope this will move the affordable private school (APS) sector forward in a few concrete ways:

- 1. Helping affordable private school operators identify upcoming challenges ahead of time and to mitigate risks**

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- 2. Helping prospective investors evaluate investment opportunities in school chains by using the framework and questions as a guide**

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- 3. Serve as a conduit for spurring further dialogue on effectively operating low-cost school chains**

This paper aims to bring to life the difficulties in running an effective affordable private school chain. At the same time, we hope that the lessons also provide comfort that despite the difficulties, there is reason for optimism. Our vision at PALF is for every child to have access to an affordable, high-quality education. We hope this paper will aid the growth of effective affordable private school chains on the path to achieving that vision.





# 1

**How to run an affordable  
private school chain:  
Fifteen best practices  
for entrepreneurs**

**Ultimately, entrepreneurs are the bread and butter to successful affordable private school (APS) chains. The challenge of taking a single school model and scaling those systems and processes (or lack thereof) is immense. At PALF and our portfolio companies, we have gotten it wrong just as often as we've gotten it right. But as Henry Ford says, "The only real mistake is the one from which we learn nothing." If we can help other entrepreneurs learn from the challenges we have helped our chains face and overcome, this will help the entire sector move forward more effectively.**

We have learned through years of experience that there are several key practical lessons that affect most affordable private school chains. These best practices, though seemingly obvious, are nonetheless often overlooked. Many of these practices lay the foundation for efficacy: creating a data-driven, student-centric environment that can enable consistent, high-quality learning across a chain. The best practices are split across four categories: teaching and learning within schools, operations of running a school, expansion of the chain, and governance of the chain itself.



## Teaching and learning

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### —1

Define and communicate what student success looks like

### —2

What gets measured gets managed

### —3

Your culture is your brand

### —4

Some teacher turnover is inevitable, but strive to replace unexpected turnover with manageable turnover

### —5

Provide regular, high-quality support to teachers



## Operations

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Don't underestimate the value of independent board members

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Be proactive, not reactive, when engaging with regulatory bodies



# Teaching and learning

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## 1

### Lesson 1

#### Define and communicate what student success looks like

The growing demand for private education amongst low-income populations in emerging markets is largely driven by demand from parents for better outcomes for their children. Parents in these environments tend to prioritize areas that they believe can directly improve their children's lives, which often includes performance in high-stakes exams, in learning English, and in gaining confidence and skills in using technology.

It is vital that school chains actively and frequently communicate with teachers, parents and students about the expected learner outcomes and the commitment required to get there. The idea of measuring learner progress and the expected outcomes must permeate the entire school chain, starting with teachers and staff. Only then will parents buy into the process and value what is provided.



1

A Spark teacher engages with the 'Spark Scholars' as they actively participate

### Case Study: SPARK Schools

The SPARK schools are intensely focused on the clarity of outcomes in the minds of their employees. A culture of learner progress permeates the organization, with the schools taking a rigorous approach to tracking and benchmarking their students' progress. It's not just the approach, it's the mindset: the students start each day by loudly chanting, "I am a SPARK scholar and I am going to university."

In terms of standardized tests, SPARK students take the Grade 3 South African Annual National Assessment (ANA) and the Independent Examinations Board (IEB). They also benchmark against international standards in reading and maths to ensure the students can compete globally. This year, over 90% of students are on track to achieve 1.5 yrs growth in maths, and over 55% of students are on track to achieve 1.5 yrs growth in literacy, as measured by international standards.



**2****Lesson 2****What gets measured gets managed**

All too often, affordable school chains focus their data gathering on the operational side (i.e. tracking costs) rather than on the teaching and learning side and on progress towards student learning outcomes. Underestimating the importance of teaching and learning data is a huge missed opportunity. For most low-cost school chains, the lack of formal qualifications of teachers is buttressed by heavy support in the form of lesson plans, materials, and training. For this support to be successful, it requires a feedback loop generated through data.

Generating data that provides information on student progress can inform evaluations of teachers and materials while helping teachers implement remediation for those students left behind. Formative assessments can be critical to identifying student, classroom, and school-level weaknesses and enable the entire chain to function more effectively. All data need not be quantitative – qualitative data gathered through consistent observations can provide meaningful feedback on the performance of the teachers as well as the quality of the support they receive.

As school chains scale, it is inevitable that challenges in the teaching and learning model will emerge. However it is equally important to understand bright spots that emerge that can be implemented or utilized system-wide. Without good learning data, the chain is scaling with no mechanism to understand these opportunities or challenges as they emerge.

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**3****Lesson 3****Your culture is your brand**

The staff at the schools reflect the brand of the chain to students and parents, so setting the tone culturally is incredibly important. In environments where salaries are constrained, leaders must insist on high personal standards from all managers and teachers, especially with regard to absenteeism and professional conduct.

It is critical to set out rules early, to hold staff accountable for their conduct, and to encourage best behavior through celebration and rewards. Where this is overlooked, behavioral issues can become a cancer infecting the chain and, with every month that passes, it becomes significantly more difficult to root it out. Of course, culture varies significantly across geographies and ethnicities. Therefore, customs and local culture must be accounted for in the way in which these expectations are presented without compromising on key issues of conduct.



3

The Spark morning ritual – teachers lead the morning song with students upon arrival

### Case Study: SPARK Schools

The SPARK schools' blended learning model mandates that about 25% of each student's day be spent with educational computer programs to develop their maths and reading abilities. Managing time effectively is a top priority given this lab rotation model; as a result, SPARK invests heavily in teacher professional development program and culture-building activities to ensure an effective and cohesive school culture. SPARK has developed a weekly teacher training program that amounts to 250 hours of professional development a year. Tutors in the 'Learning Lab' with less professional experience have a training path to become teachers in 1–2 years.

Additionally, significant time during the first week of the term is dedicated to student routines to ensure effective time management. Through these activities, SPARK is able to build a student-centric culture focused on learning outcomes.

## 4

**Lesson 4****Some teacher turnover is inevitable, but strive to replace unpredictable turnover with manageable turnover**

One of the main reasons for the existence and proliferation of affordable private school chains is the teachers they can access. In many developing countries, private schools employ less formally qualified teachers who don't command the high wages of government staff. This benefit comes with a drawback, however; this often results in issues with teacher turnover, especially where teachers are young and keen to explore other opportunities as their knowledge and experience grows.

*“Eliminating teacher turnover is an impractical goal, but mitigating its effects is much more feasible”*

When teachers leave unexpectedly, this creates a host of problems in ensuring consistent learner progress. It creates the need for more recruitment and it introduces transitional periods that can be hard to manage. Given the structure of APS chains, eliminating teacher turnover is an impractical goal, but mitigating its effects is much more feasible.

One potential strategy to mitigate is to hire locally – teachers in closer proximity to the school will not have the additional burden of travel times and commuting costs and have ties to the communities in which they teach. In our experience, this has been a frequent reason for turnover and can be alleviated through a focus on hyper-local hiring strategies focused on the vicinities of schools.

In addition, where possible, the problem of turnover should be met head on by creating a path for teachers to better their careers and opportunities. For example, a partnership with a teacher-training program or college can offer teachers a long-term opportunity to grow their earning potential (inside or outside the school chain). Or, performance-based incentives can also be tied to duration of employment. Whatever the means, by recognizing the issue, a school chain can start to create more manageable turnover where teachers leave more cyclically (i.e. at the end of a school year and with advance notice), instead of whenever a better employment opportunity emerges.

## 5

### Lesson 5

#### Provide regular, high-quality support to teachers

Another aspect of having less experienced or informally qualified teachers is that they require greater support in the classroom. The academic team within the head office cannot simply provide textbooks and depend on teachers to handle lesson planning and delivery. Instead, the central team must provide very detailed guides for individual lessons to support teachers' efforts in the classroom.

The nature of this support must be reliable in order to be effective. If teachers don't know what they will receive and at what time, they cannot effectively build routines to improve their own planning and teaching. Therefore, setting up specific timetables and accountability for the support provided will allow teachers to plan their time effectively and focus on the children in the classroom and their learning needs.

#### Case Study: APEC Schools

APEC Schools have a central content team who create lesson guides for all teachers. Two members of this six person content team create the curricula – mapping the content against the requirements of the Filipino national curriculum and global best practices, identifying clear standards and objectives and defining the assessment. The rest of the team take these curriculum maps and create lesson guides.

APEC lesson guides are important because at APEC, one subject is taught per day and the focus is on depth, not breadth. The guides need to be especially detailed because APEC teachers, called learning facilitators (LFs), are recruited on a 'Teach For America'-like model: most are young, high performing recent graduates without teaching experience. Lesson guides are prepared centrally and sent to LFs a week before they need to be taught. LFs can email any questions they may have or ask the master teacher assigned to their school.

At the end of each week, after lessons have been taught, the LFs complete a staff survey which includes questions about the week's lessons. Answers are reviewed by the content team and subsequent lessons can be adapted to take this feedback into account.



# Operations

## 6

### Lesson 6

#### Create an 'offseason' and 'on season' enrollment strategy

Affordable private school chains run on tight margins and require near-full schools to achieve profitability. In the environments where many of these chains operate, there are also significant competitive pressures from government schools and other private schools. Parents also have the option of not enrolling a child at all, creating further pressure on schools. To be effective in filling available seats, schools must think about two aspects of their enrollment: the 'offseason' (the general elements to building their brand within the community) and the 'on season' (the time period where they focus on driving new enrollment).

*“Maintaining a stellar reputation for the school is critical”*

Most APS chains are located within tight-knit communities – therefore, maintaining a stellar reputation for the school is critical. This is where an 'offseason' strategy comes in, ensuring the school presents itself in a positive manner consistently. A strategy can mean simple initiatives like ensuring a school manager or principal is at the gate to greet students and parents at the start of every day and at closing time. This gesture indicates an open and professional environment that parents find comforting. At the end of the day, small actions to develop a presence within the community are important to maintain a quality brand within schooling communities.

Amidst the complexities of operating a school chain, driving enrollment often becomes a low priority until the period just before a school opening. This is a mistake that can severely hinder the profitability of school chains. The 'on season' must be initiated well before the start of the school year and be treated as an 'all hands on deck' exercise. Enrollment targets are difficult to meet, but a multi-pronged effort that includes door-to-door canvassing, public events, and targeted marketing can be successful. There should be a pipeline to track progress and it should be clear how families progress through the pipeline to enroll their children.





6

At APEC, the teacher facilitates the discussion as the student shares-out following an activity

### Case Study: APEC Schools

APEC Schools recruited staff and parents to win the 'ground war' to enroll new students. Teachers and principals at the new schools were recruited several months before their formal training and attached to the marketing team. A culture of accountability was created by a weekly dashboard emailed to all staff tracking enrolment progress. Additional staff on short term contracts, some with aspirations to be a full-time teacher, were assigned to each new school to go door-to-door in neighborhoods. Parents were encouraged to join in marketing efforts – if referrals resulted in an enrolled student they received a fee discount. With the widespread use of smartphones in the Philippines, APEC used Facebook extensively, posting announcements featuring current students and parents.

APEC also engaged in the 'air war' – they didn't spend heavily on TV or radio advertising, but found opportunities for earned media like being featured on a news programme. Using these approaches, APEC increased their enrolment significantly over the last two years: starting with 1 school and 100 students to 12 schools and 1,340 students to 23 schools and 3,280 students.



## 7

### Lesson 7

#### Systems are imperative, especially for fees and HR

Running an affordable private school chain is a complex business built around people. Head offices have to coordinate the teaching and learning materials and training, the distribution of supplies, the building and maintenance of assets, and the hiring of good local management, all of which benefit from strong systems.

There are two areas where strong systems are particularly valuable – in the handling of payments and in managing HR.

A strong payment handling system reduces the burden on the head office and mitigates potential risks. It is not necessary to have digital or cashless payment, but a local process and system for handling and retrieving outstanding payments must be in place as this is a common challenge across APS chains.

Additionally, with the frequency of hiring and the autonomy that individual schools must have in their operation, there has to be an underlying HR system to prevent the chain from fragmenting in terms of staff contracts and expectations. A strong system puts in place template contracts, salary scales and remuneration rules, as well as disciplinary procedures, to provide a basis for individual schools to operate. With strong systems in place, individual schools can act accurately at greater speed and this frees capacity at the head office to tackle other issues.

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## 8

### Lesson 8

#### Good people aren't waiting for you ... you have to go get them

Finding the requisite talent to run an effective affordable private school chain is one of the major challenges. Managerial talent can be scarce in many developing countries, and the supply shortage means talented people are in high demand. They may command higher salaries in more traditional jobs. The type of professional talent required to run a successful school chain in developing countries is not necessarily looking for employment in schools – these professionals need to be actively recruited.

In the midst of the fire fighting that inevitably occurs in running an APS chain, prioritizing human capital can seem like an un-focused use of time and money. This could not be more wrong – recruitment and retention need to be the active concern of the management team and the Board or chains will find it hard to build the capabilities they need within the business.



7

Children play in the school yard at Omega Schools in Ghana

### Case Study: Omega schools

With a pay-as-you-learn model that seeks to mirror the earning patterns of low-income families in Ghana, managing payment is a complex task. At Omega, students use cashless daily payment vouchers sold within their communities that allows for seamless handling of money centrally at the head office. The process isn't perfect, especially in dealing with student absences, but it creates a process that greatly reduces time spent on cash collection and accounting at the school level.

During its rapid expansion, Omega faced challenges hiring teachers, especially during the school year. Each teacher's salary was individually determined, creating a significant burden on central HR. In 2014, Omega created a standardized pay system and template contracts that drastically reduced their load and allowed a greater portion of the hiring process to be handled at individual schools.

## 9

**Lesson 9****The center needs to be lean, efficient and strike a delicate balance between firmness and flexibility**

In order to be a high quality school chain, there must be consistency across the chain. While each individual school should have its own 'personality', the group must have a strong 'DNA' that the center must establish. In order to effectively create this, the center must establish a vision that permeates the organization and be fully prescriptive in terms of the execution at each school.

The vision must control what is non-negotiable at all schools – the elements necessary to maintain a strong culture, a high-quality educational environment, and an efficient and profitable operation. This vision manifests in several practical ways, including specific directives to teachers in terms of lesson plans and tight processes around payment collection and HR. On the other hand, the center must leave schools the flexibility to maintain an individual identity in areas such as the formation of extracurricular activities or classroom decorations. This balance may take time to strike, but it is critical to the long-term success of a chain especially as it expands.

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## 10

**Lesson 10****Low cost does not mean low quality**

Naturally, low-cost school chains build an extremely strong culture that pursues "low-cost" in all matters. While more experienced team members can distinguish between low cost and low quality, other staff sometimes cannot. This can manifest in many ways – from shoddy desks, chairs, or building structures that do not last, to shortcuts in terms of the quantity or quality of supplies. Even basic maintenance is frequently overlooked in an attempt to save cost.

Consequently, a focus on lowering costs can actually drive up charges in the long run. This penny wise, pound foolish mentality must be replaced with a value for money mindset. This can be a challenging idea to embed as it requires forward thinking and considerable judgment, but that doesn't mean the attempt should not be made. In most businesses, property maintenance is crucial and is better managed as a regular investment rather than an occasional rescue item. With proper checks and systems in place to curtail excessive spending, efforts to improve the effectiveness of expenditures can vastly improve the school operations, while saving money in the long run.

**11****Lesson 11****When it comes to financial tracking, cash is king**

This will not be news to any business, but the importance of cash in affordable private school chains is especially critical. First, the difficulties collecting payment from some students can create gaps in revenue. Second, scaling up a school model is usually capital-intensive; a lot of cash is required to expand a school chain and care has to be taken not to deplete cash that is needed, for important recurring expenses like the monthly payroll.

With that in mind, you would think that cash flow would be the number one financial metric that management keeps in mind. Unfortunately, that is often not the case and it is not uncommon to find that chains experience short-term crises and working capital issues. Profiling payments and outflows, backed up by real-time visibility over the cash situation, on a monthly basis, is a great first step for the leadership team of a school chain. This can help anticipate potential shortfalls or challenges well in advance.



## Expansion

### 12

#### Lesson 12

#### Scale is not the answer – margin is!

This is one of the most common misconceptions amongst the entrepreneurs who lead school chains. Many entrepreneurs look to scale as the way to achieving significant profitability, citing the extremely low margins at the school level and the slow rise of head office costs relative to the expansion of the chain.

In the experiences of PALF, the opposite is true. Schools themselves can be quite profitable as a standalone operation by removing administrative costs and running efficiently. On the other hand, head office costs almost always rise a lot faster than expected, sometimes very nearly in proportion to the expansion of the school chain. This is because running a school chain gets increasingly complex with expansion – there are more people and relationships to manage, and this requires more talent and capacity to handle centrally. An operation serving up to four schools can be run almost like a single-school operation; once you have ten or more schools, the need for serious systems and processes requires an overhaul of the head office operation. And at 20+, with school chains that are expanding geographically, there is a need to think about logistics and potentially creating managerial hubs that can drastically affect costs.

School chains must think of scale as an amplifier of the unit economics, and not as a corrective measure. Individual schools should be able to achieve ~40% operating margins at capacity, leaving a surplus that can support head office costs. In cases where the school-level unit economics are too low, scale tends to exacerbate the operational challenges and more effort (and greater cost) is required to get the chain in order financially.

## 13

**Lesson 13****When it comes to real estate, it's about location, location, location**

All too often, lofty expansion goals for school chains leads to compromising on location. Teams responsible for building schools are forced to settle for land far from a main road, in more remote areas, close to other schools or unsavory for other reasons (e.g. next to landfill). When this happens, it does not matter how good the teaching and learning, marketing and enrollment, or day-to-day operations are – the new school will find it harder to succeed financially. It's important to clarify this doesn't mean school chains must avoid more rural or less densely-populated areas. In those areas, however, even greater care must be taken when it comes to location to ensure a sufficient catchment area.

*“School chains must emphasize the need for a suitable location for the building or opening of a new school”*

School chains must emphasize the need for a suitable location for the building or opening of a new school. It helps to produce a handbook with detailed guidance and to undertake a measure of market research into catchment areas. Due to the capital-intensive nature of school chains, location mistakes are very difficult to correct.

When thinking about location, the structure of the expansion should also be considered. There are infinite options to consider when opening a new school, from owning the land or just the building to lease arrangements of various types and lengths. Depending on the planned purpose of the school and future expansion plans, the preferred ownership arrangement will change. No matter what the form, a process must be in place to ensure that expansion is not hampered by poor locations or ownership structures.





## Governance

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**14****Lesson 14****Don't underestimate the value of independent board members**

A strong independent board member can be a crucial asset in the governance of a school chain. When businesses operate successfully, the role of governance structures (and an independent board member) can help ensure that strategic vision does not waver. When there are challenges in the business, however, an independent board member can become truly invaluable.

If the member brings local business knowledge along with operational expertise, they can help balance the interests of investors and management in a productive manner. Especially during times of crisis, a respected independent can help focus on problems and identify priorities; they can ensure that corrective action is prioritized and followed through.

**15****Lesson 15****Be proactive, not reactive, when engaging with regulatory bodies**

It is impossible to run a low-cost private school chain without dealing with the government and associated regulatory bodies. The debate surrounding the role of private schooling in low-cost schooling means that chains must ensure that they have a cohesive strategy for engaging with regulatory bodies. When viewing portfolio companies' relationship with regulatory bodies, the PALF team has seen greater success when a proactive approach is taken. It may appear easy to operate in the shadows and respond to regulatory inquiries, but this puts the school chain in a reactive mode and can lead to skepticism from authorities.

On the other hand, establishing working relationships with key contacts at necessary regulatory bodies creates a positive environment and one in which a goal of quality education can be shared. That way, not only can regulatory issues be understood and dealt with before they become too unwieldy, companies can begin to advocate for outcome-friendly policies and have a seat at the table as stakeholders gather. While there will may be short-term friction with some government stakeholders, deferring the discussion will only exacerbate these problems.



# 2

**How to assess an affordable  
private school chain:  
A framework for evaluating  
and improving affordable  
private schools**

**Schools are inherently complex enterprises. While many schools seemingly have the same ingredients superficially when it comes to infrastructure, uniforms, or technology, this is just the tip of the iceberg when it comes to their real potential for helping students be successful. Especially in low-cost settings in emerging markets, it can be difficult to assess whether a school has the ingredients for scaling successfully. This section offers guidance through a series of questions that can be used in a variety of contexts, from evaluating potential investments or greenfield opportunities to actively managing or working with a school chain on their areas of strength and weakness.**

*“Efficacy is the underlying foundation for the approach any school must take with regards to the teaching and learning as well as the operating model”*

Efficacy is the underlying foundation for the approach any school must take with regards to the teaching and learning as well as the operating model. Throughout the series of questions, there is a need for defining student-centric goals, capturing relevant data, and analyzing and acting on the information through robust processes. As we stated earlier, the desired outcome for any school chain is to be a world-class professional company with efficacy as the ‘engine’ driving their work and scalability ‘steering’ their decision-making.

The framework presented here provides a basis for evaluating, and engaging with, affordable private school chains. By understanding the similarities and differences amongst different school chains through this lens, we can systematically improve our understanding of the sector and identify truly distinctive innovations. It allows us to focus our dialogue on important issues that aid or constrain growth. Despite the differences between chains, PALF has found that their success, and their route to scale, is built upon four pillars:

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### **1. The teaching and learning model**

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### **2. The business operating model**

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### **3. The expansion model**

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### **4. The governance model**

Under each heading, we've developed a set of issues and questions that are designed to create a close conversation between stakeholders and school chains. The intention is then to forge a common outlook on priorities that should be addressed in strengthening operations, efficacy and expansion.

The issues and questions are based on what we have seen of high-functioning school chains in low-cost environments. The questions are designed in each area to point stakeholders towards the key issues that need to be understood and clarified. Some questions reflect an expectation of high-performing APS while others merely broach important subjects to encourage dialogue and a deeper understanding.

No school chain we work with has a satisfactory answer to all the questions – rather, these questions serve as a basis for understanding the chain's strengths and weaknesses. This helps us to explore the true dynamics of each affordable school chain and helps identify each chain's unique priorities. Readers may utilize the questions as a guide to assess a school and/or school chain. It may also be used as a way to take notes or make comments where further exploration may be necessary.

## Teaching and learning

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### The chain empowers learners and provides quality teaching

**High expectations for all learners permeates organization**

Do teachers and staff set high academic and behavioral expectations?



Do they work to get students to internalize those expectations?

Does everyone believe that all students can succeed?

**All learners are provided with the teaching, tools and resources to achieve**

Is the teaching consistently of good quality and pace?



Does the school have appropriate resources?

Are materials, activities and practice examples well prepared and ready for students to use?

Are time and space used well?

Is digital learning an appropriate part of the offering and is it well managed?

**Two-way feedback provided in all teaching and learning**

Do students and parents receive accurate and regular feedback?



Are students and parents asked to provide feedback to the teachers in the classroom?

**School takes an explicit approach to student engagement, student voice and peer support**

Does the school engage strongly with the students, give them responsibility and a voice?



Does the school involve them in peer support?

Does the school help students learn how to manage and moderate their own learning?

**The chain supports teachers to succeed and holds them accountable**

**Appropriate teachers are recruited, inducted and deployed**

Are teachers selected and inducted to ensure fit and readiness-to-teach? (qualifications, language, classroom ability)



Are there sufficient teachers of the quality required?

Are expectations clear and are workloads manageable?

**Teachers are supported in their professional development and in optimizing the classroom**

How are teachers supported?



What resources, professional development or training are in place?

Is management support in place?

What structures are in place to support PD like weekly or daily planning time or PD days at the beginning of the year?



**Teachers are accountable for their attendance, engagement and performance**

Are the expectations of teachers clear and achievable?



How are teachers managed and appraised?

How is under-performance tackled?

Can good teachers progress?

Are teachers treated equitably in their wages and workload?

What are rates of turnover and absenteeism of teaching and management staff; is it being tackled?

**The chain fosters an environment that is conducive to efficacy and deeper learning**

**There is clarity of purpose in ensuring student success**

Is the curriculum clear and well organized?



Are learning outcomes clear and are they well communicated to everyone?

**Successful outcomes are pursued and progress is properly assessed using data**

Are students fully prepared for final examinations/assessments?



Are regular assessments and data used to check progress?

Do students and parents get useful information about their progress?

Is the integrity of all assessments assured?

Is the data on student outcomes informing all levels of teaching and management?

.....

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**Opportunities are taken to enhance and enrich the learning and environment**

What extra-curricular activities are offered?



.....

What additional support is available for language learning and for more extended study, where students show interest and ability?

.....

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**Families are involved and engaged in learners' continuous improvement**

How are parents involved and engaged?



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Do parents receive communication and advice on how to help?

.....

Are regular surveys done of parental as well as student satisfaction?

.....

# Operations

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## The chain maintains healthy operating margins at the school level

**Targets for steady-state, school-level operating margins are set and actively tracked**

Do individual school units have a clear and sustainable financial framework that ensures surpluses?



What financial monitoring and reporting takes place, how frequently, by whom and with what follow-through?

.....

**Schools achieve break-even within first three years of operations**

Do new school models have ramp-ups, financial plans and cost controls that ensure expansion plans succeed?



How are responsibilities for enrollments distributed and is that effective?

.....

What cost controls are in place and how are they monitored?

.....

**Collection of payments is monitored, with process to tackle arrears/bad debts**

How are fees collected?



How are outstanding fees and debts addressed?


.....

What percentage of payments are collected on time?   
Within three months?

.....


**The Head Office operates effectively**

**Head Office provides services on time, reliably and to quality standards required**  
*[Also, see Governance]*


- What services are provided by Head Office and are they reliable?
-  .....
- How are budgets for Head Office managed? How well are they controlled?
- .....
- Are finances for Head Office and sites discretely managed to better identify issues?
- .....

**The Head Office handles management and provision of resources and services efficiently**

**HR and staff services are dependable, fair and effective**

- How is hiring of staff handled?
-  .....
- Is there an organization chart, delegated authority and employment-terms/salary scales/rules?
- .....
- How is performance management (and discipline) addressed and is it consistent?
- .....
- Is there a staff handbook and a management handbook?
- .....

**Processes are in place to ensure upkeep of school assets, services and materials**

- How are facilities managed and maintained?
-  .....
- What key services are provided (e.g. security, transport) and are they dependable?
- .....
- Does the education in the schools proceed without unnecessary disturbance, delay or interruption?
- .....

**Procurement of materials follows protocols and ensures timeliness and value for money**

Who manages procurement?



How are site needs assessed and met?

Do items arrive on time?

How are suppliers handled and paid?

Are there checks and anti-fraud controls in place?

**The chain creates a safe and healthy environment**

**Processes are in place to create safe and healthy environment in the schools**

Are safeguarding checks run on staff?



Are the children safe from inappropriate adult or peer behavior?

Is the environment safe and risk-free?

Are there health programs in place – for example, to ensure de-worming?

How are safety and health checks organized and follow-through managed?

Are school meals provided, by whom and how well? Are they nutritious?

Is there sufficient good water?



# Expansion

## The chain has a replicable blueprint for expansion

**Steps for expansion clearly outlined along with responsibilities**

Who is responsible for expansion and for key operations (marketing, enrollment, business development, new sites)?



What is the growth strategy and how are decisions made?

What are the next year and the 3-year plan?

What is the location strategy?

**Plans are in place for contractor and regulator relationship management and for quality assurance**

How are approvals secured and managed?



How is quality assurance managed, both centrally and locally?

What contract dependencies exist? How are they managed?

**Suitable environments for expansion determined through competitive analysis**

What market planning and testing has been done?



What is the competition and their respective features and benefits?

What is the organizations' distinctive approach? Why will it work?

**Relationships between head office, schools, academic and operational staff are clearly defined**

What management, delegation and reporting structures are envisaged for the future?



How will the organization prepare for greater scale?

How will future responsibilities be mapped and tested?

**The chain designs and delivers solutions with cost per student in mind**

**The cost of provision for each product and service is meticulously tracked**

Are arrangements in place to cost new services or expanded provision?



How will they be monitored and how will variations be handled?

What data arrangements are in place to track costs?

What local, national or international benchmarks are used to assess costs?

**The chain has a strategy behind expansion**

**Marketing and enrollment plans are well defined and consistently tracked against targets**

What forms of marketing accompany creation of a new school?



How is school catchment area defined and targeted?

What is the process for driving enrollment in new schools?

How is success measured and tracked?

**Timeline for expansion is constantly tracked and refined**

How will the expansion project be coordinated and managed?



What timelines have been identified, for example for opening new sites?

What plans have been made, e.g. for ramp ups and on time builds?

What is outsourced and what is provided in-house?

**The chain finances growth optimally**

**Financing strategy for expansion is clearly defined**

How is expansion financed – Cash? Equity? Franchise model?



What partnerships / investors are envisaged and how will they be managed?

**Financing decisions are made with capital allocation in mind**

Is land and building to be owned, rented or leased? Why?



What will be greenfield development, what brownfield and what M&A?

Will new builds be modular or tailored? All finished at outset?

What financial ramp ups are planned?

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**Plans are in place to ensure working capital buffer for shocks/delays**

What are the cash flow projections?



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Has a sensitivity analysis been undertaken?

.....  
What risks are identified? How is risk managed?

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## Governance

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### The chain ensures distributed responsibility and accountability

**Board is active, objective and holds management accountable for performance**

Which decisions does board make and which ones do management make?



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How are decisions made?

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Does the board provide strategic vision and a practical operating model and plan?

.....

Does the board seek independent views on the organization's performance?

.....

**Board and management ensure transparency of decisions and budgetary visibility**

How are decisions made?



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How well are they communicated?

.....

How are budgets created and approved and determined?

.....

What is the quarterly or monthly reporting?

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What financial controls are in place?

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Are anti-bribery, anti-fraud and anti-corruption measures in place?

.....

**Site management is clearly prescribed and communicated and it works effectively to ensure quality**

How are responsibilities distributed and how are they monitored?



Do the decision makers feel empowered?

Do they know what is expected?

Do they feel able to deliver a quality service?

### The chain ensures everyone acts professionally in all they do

**Customers and suppliers are dealt with honestly and fairly**

Is customer satisfaction measured?



Are checks made on the customer experience?

Are good relationships established with reliable suppliers?

Are complaints and redress procedures in place and reliable?

**Regulations are met and interactions with the authorities documented transparently**

How are regulatory relationships handled?



Are regulatory risks understood and mitigated?

Are positive relationships with the regulators maintained?

Can the organization influence the regulatory operational environment?



**Employees are paid fairly and on time**

Is pay determined on meritocratic grounds?



Are procedures in place and reliable?

Are complaints and review procedures in place that allow independent, confidential scrutiny?

**The chain has a culture of high expectations and the tools to achieve them**

**Roles and responsibilities are clearly defined and communicated to all staff**

Are job specifications clear and well understood?



Are there regular consultations and meetings?

Are there KPIs that are well managed?

Is there a comprehensive quality assurance program in place?

**Management creates an environment where educational quality matters, where people are respected and where all employees have the opportunity to achieve**

What's the relationship between the academic leads and the business and financial leaders?



How are employees consulted and included?

How are they promoted or let go? Is progress and reward determined on meritocratic grounds?

Is staff satisfaction tested?

Are there agreed standards of staff conduct?

## Conclusion

In summary, running a successful affordable private school chain is challenging, but not impossible. The discussion covers much more than the teaching and learning – that is intentional as all these efforts link strongly to the efficacy of the chain itself. Governance, operations and expansion are all necessary (though not sufficient) components to delivering high quality learning to the millions of students in desperate need of a good education.

Through the collective efforts of great entrepreneurs and operators in this space, we are starting to build a knowledge base around what works and what doesn't. The intention here has been to start to synthesize and spread the insights from our collective experience. We hope others will disseminate and continue to build on this knowledge base. Through our combined efforts, at the end of the day, it will be the millions of students learning in APS classrooms around the world who benefit.



**Learn more at**  
**[affordable-learning.com](https://affordable-learning.com)**

Pearson Affordable Learning Fund  
330 Hudson Street  
New York, NY 10013

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