Brainstorming Notes:



© 2005 Home Tutoring Business

# Know Your Competition

Chapter 5

There are several types of tutoring businesses in the marketplace today. The most common ones (and your competition) are described in this section.

### Tutoring Centers

The most popular types of tutoring businesses are tutoring centers. There are several in the marketplace that are national franchises that everyone recognizes such as Sylvan Learning Center and Huntington Learning Center. Others are Kumon (big on the West Coast) and probably several other centers in certain geographical areas in the United States. Tutoring Centers cater to the masses. They are usually large buildings located near shopping plazas and other places that parents, especially moms, frequently drive by or stop to do their grocery shopping or errands.

Although Tutoring Centers often advertise "one-on-one tutoring available" these sessions are usually short in duration and not their primary business. Most of their tutoring is in groups of four or five children with a tutor spending about twenty minutes with each student. Learning centers hire tutors for about half of what you will be paying your tutors and their turnover is high. Therefore, a student may begin a twenty week session and have three different tutors before they are finished. They tutor strictly from a set curriculum that is NOT the school's curriculum. Learning centers also require that a student take an elaborate educational assessment test before laying out a plan for tutoring that requires a parent to sign a long-term contract

© 2005 Home Tutoring Business

Brainstorming Notes:



© 2005 Home Tutoring Business



for many tutoring hours. The testing fees range from $150-$300 per student and the contracts are usually for a minimum of twenty hours of tutoring. Their hourly rates will vary based on location, but you will find they generally charge about what you will be charging per hour. Parents must drive their children to the center and their hours are limited. Many tutoring centers guarantee results. Keep in mind that they guarantee results based on their curriculum only!! If a student raises their grade in math, for example, using the center's curriculum, there is no guarantee they will raise their grade in school. Many of my clients have tried the learning center approach. They came to my company because they wanted tutoring directly from the school's curriculum and wanted homework support.

Brilliant Tip

A distinct advantage you will have when talking to potential clients is that you do not require a long-term contract. Many of your competitors do packages that require the client to pay in full for twelve weeks or more in order to get their package rate. I have never offered a package rate because my clients like the ability to pay monthly. I have always charged a flat rate and have not run into resistance. I ask for payment in advance, however, I remain flexible and sensitive to the needs of the family. I won't lose a sale if it is a matter of a client requesting different payment options. Advance payment is necessary until they establish a track record with me. Then, if the client is doing several hours a week, I will allow them to pay after the fact.

### SAT Prep Companies

SAT test preparation companies are very popular and offer strictly test prep in a classroom setting. Some test prep organizations will tutor in-home in small groups, but usually they conduct classes at their office. They are effective but expensive ($700-$1200) for a six or eight week session. My company offers test prep for SAT, SATII, ACT testing, however, and this kind of tutoring accounts for only a small percentage of my business. Many times I will refer a client to an SAT test prep company since my tutors focus more on specific subjects and many do not enjoy tutoring in test prep.

### On-line tutoring

On-line tutoring has become popular since the age of the internet. Many universities offer on-line tutoring, as well as small start-up tutoring companies. Their rates are usually $50-$75 per hour. The

© 2005 Home Tutoring Business

Brainstorming Notes:



© 2005 Home Tutoring Business



drawback to on-line tutoring is the impersonal nature of the tutoring. The student has to have access to a home computer and know how to use it. It is difficult to teach organization and study skills on-line and my experience has been that the parents I work with prefer a personal, face-to-face relationship with a tutor.

### Individual Tutors

Individual tutors are available in every community. Some will place an inexpensive, one line ad in the Yellow Pages or have a presence on the internet with a one-page website. Individuals are limited in the number of students they can tutor and usually specialize in only one subject such as math, foreign language or language arts. Their rates will usually be higher than your rates. My clients often use a private tutor before calling me. The feedback I get is that the tutor moved, their schedule changed and the tutor couldn't accommodate them or they didn't want to drive to someone else's home anymore. If I am in desperate need for a tutor and I don't currently have one for a specific subject that one of my clients needs, I will call the private tutors and ask them if they want to contract with me to gain another client. I have contracted with some excellent tutors this way and provided them with more work than they were getting on their own.

### In-home Tutoring Services

In-home tutoring services are growing in popularity, however, they are in the minority in most communities. When I bought my franchise in 1998, I was the only in-home tutoring service in all of the Boston area. When I sold my business four years later, there still were not any companies doing in-

It is extremely important that you "shop" your competition on a regular basis. I call about every three months and ask for current rates. This assures me that I am not out of line with my rate structure. My rates have always been somewhat less than private tutors and learning centers. My rates are a bit higher than the other three in-home tutoring companies in my area. You don't want to be the lowest or the highest.

© 2005 Home Tutoring Business

Brainstorming Notes:



© 2005 Home Tutoring Business



home tutoring. When I opened Bright Apple Tutoring Service in 2002, I was the only company outside of the greater metropolitan area of Los Angeles offering one-on-one private tutoring. Three years later there are three other in-home tutoring services—all franchises, including the company from which I bought my franchise back in 1998. My business has only grown since competition has moved into the area!

Don't be threatened by numerous listings in your local Yellow Pages. We give you ad copy for the most successful type of ad to run that will attract the most calls. Competition is always a good thing because potential clients will compare services and you will have the superior product for a number of reasons.

© 2005 Home Tutoring Business