

# Earn an A+ with an Education Franchise

By Rogelio Martinez

When we hear “tutoring job,” we often picture an underpaid, but hardworking person trying to make some side income while finishing their studies. Guess what? We’re wrong.

In the U.S., tutoring is a \$7-billion-a-year industry, according to the education research company *EduVentures*. That is more than what all the casinos on the Las Vegas Strip generate on an annual basis. *The Daily Telegraph* newspaper in the UK recently published an article about “super tutors”, earning up to £1,000 (about \$1,600) per hour.

CNN aired a program on celebrity tutors, who were making over \$1 million in yearly earnings. Spending on tutors is growing at more than 5% a year, according to Steve Pines, executive director of the Education Industry Association.

Let me declare an interest here... for over four years, I have been helping develop a tutoring franchise called Tutor Doctor. I’ve studied the Latin American market extensively and I’d like to share with you what I’ve learned. Right now it’s completely fragmented and typically served by non-trained tutors with no methodology; learning centers such as Sylvan or Huntington Learning Centers are almost non-existent so there is virtually no competition. Yet there has been explosive growth in both the middle class and young populations, so I see real opportunity here.

*Tutor Doctor* was created in Toronto, Canada in 2000. Instead of having learning centers, Tutor Doctor visits students at home, tutoring on a one-to-one basis. It serves all subjects and for all ages, including school-aged kids, executives, and seniors.

Franchisees recruit and co-ordinate tutors in a specified area. You don’t have to have a background in education to set up the business. When you sign up, you are given a protected territory, business management software, and tutor recruitment and management techniques.

You’ll receive continuous business development and training programs, and a proven business model that allows even those without any education-related experience to successfully run this franchise, which is ranked 30th in *Entrepreneur* magazine’s Franchise 500 Fastest-Growing list.

One of the tutoring segments in highest demand in Latin America serves students going abroad, largely to the U.S.

Governments across the continent are using some of their newfound wealth to increase the numbers further through generous scholarship programs. Those students need training for university entry exams, such as SAT, GRE, TOEFL, MCAT, GMAT, and Oxbridge, among others. They can have the money, or the scholarship, but without passing the entry exam, they are going nowhere.

Science and math are in high demand, as well. Countries such as Brazil, Chile, and El Salvador have offered, or are planning to offer, new incentives to get their students into foreign programs. The 75,000 scholarships offered by the Brazilian government (as well as an additional 25,000 slated to come from the private sector) are exclusive to fields of national interest such as science, technology, and engineering.

Another issue is foreign language proficiency. More than half of those winning the first scholarships from the Becas Chile program needed to take language lessons before going abroad. Brazil, too, has acknowledged it must invest in tutoring because not enough students are fluent in languages other than Portuguese.

In Latin America, Tutor Doctor already operates in Mexico, Trinidad, Guatemala, Panama, Colombia, Ecuador, Peru, and Chile and is opening soon in Brazil. It is looking for new franchisees all across Latin America and

most other regions around the world. Let’s check the numbers:

Total Investment: **From \$49,700**  
Franchise Fee: **\$39,700**  
Ongoing Royalty Fee: **8%**  
Branding Fund: **2%**

In countries with higher purchasing power, such as Chile, Tutor Doctor expects you’ll get full return on your investment in approximately 12 months. In other countries in the region, return on investment is expected between 16 and 20 months from start-up. Net profit before taxes is about 30%. Tutor Doctor expects the typical charge for the tutoring service in Latin America to be between \$20 and \$40 per hour, depending on the country.

One thing is for sure, children will keep coming, schools will keep filling, and the world will continue to be more competitive. A tutoring franchise may be the business that cannot only provide you with the income to build your lifestyle, but also be a way to give back to your adopted home.

**Editor’s Note:** Rogelio Martinez has developed more than 400 franchise units in 30 countries across five continents. He is a board member of the International Committee of the International *Franchise Association* and vice-president of international franchising with *Tutor Doctor*. An MBA graduate from the University of Montreal, Rogelio now lives with his family in Costa Rica. You can contact him at [rmartinez@tutordocor.com](mailto:rmartinez@tutordocor.com) or you can hear him speak at the *Fund Your Life Overseas Conference* in Phoenix, Arizona this month.



## Setting Up a Bricks-and-Mortar Tutor Center

Unlike Tutor Doctor, which is a one-to-one tutoring service, *Kumon* is a center-based tutoring franchise. And it’s a fantastic success story in the franchise industry in general. The company, number 22 on *Entrepreneur* magazine’s Franchise 500 Fastest-Growing list, began more than 50 years ago and, today, operates more than 25,000 Math Learning Centers in 48 countries on six continents. It has developed a unique training methodology that allows students to develop advanced math and reading skills by empowering them to become self-learners. The required total investment for this franchise includes training, renovation and adaptation of the learning center, equipment, material, and the franchise fee.

How much money can you make with a Kumon franchise? It varies. In Mexico, Kumon claims the return on investment is achieved in 18 months. In the U.K., the official Kumon

website claims that if a franchisee is running an established center with a stable student base of more than 100 students, you could expect to earn from £30,000 (about \$47,000) to over £100,000 (about \$160,000) after royalties and operating costs. Kumon is currently looking for new franchisees worldwide. In Latin America, pricing is about \$50 per student per month, plus enrollment fee of about \$30. But it varies depending on the country.

The total investment for a Kumon franchise, compared to some of the other center-based competitors like Sylvan Learning Center, Huntington, or Kip McGrath, is quite affordable. It can run from as low as \$66,506. Take a look at its numbers:

Total Investment: **\$66,506 - \$140,618**  
Franchise Fee: **\$1,000**  
Ongoing Royalty Fee: **45%**  
Marketing Fund: **n/a**