

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash can.

# BUSINESS REPORT

Date: **17th May 2024**

Business Reference: **36313**

About the Business:

**Extra lessons to aid education**

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# Extra lessons to aid education



Sector: **Services**

Asking Price:

R **250,000**

Monthly Profit:

R **22,474**

Asset Value:

R **200,000**

Stock Value:

R **0**

Yearly Net Profit :

R **269,689**



# Business Report

## Fully describe the business's activities?

When a student is first introduced to us, we diagnose the issue by carrying out math, Afrikaans, and English assessments. These assessments help us identify the student's strengths and weaknesses, so we can build an individual lesson plan and set a goal and timeframe to get there.

It's important to set both short-term and long-term goals so the student and parent/ guardian experience a continuous achievement journey.

Our curriculum or proven system has been developed over 45 years. It is designed to help each student progress in their learning and move closer to their goal.

The Kip curriculum is:

- Carefully graded – The work gets harder every week, helping students progress
- Delivered via supplied lesson plans – This keeps weekly teacher prep to a minimum

Once a student is in our system, the teacher can proactively make adjustments to suit the student's learning needs in the session. Unlike in school, the teacher can work at the student's pace.

### Core services

- a. Mathematics – Includes remedial work and Kip Maths Expert for enrichment.
- b. Reading - Offered for children who are non-readers to children who have minor problems.
- c. The programme also caters for children with specific learning disabilities (such as dyslexia). It is also suited to adult literacy courses.
- d. English – Offered to remediate any problems in grammar, spelling, comprehension, reading and phonics.
- e. Afrikaans – Offered to remediate any problems in grammar, spelling, comprehension, vocabulary and reading.

### Additional services

- a. Study Skills course – Offered to help children structure their learning and discover how they learn and how to do it properly.
- b. English as a Second Language course – Offered to those second language speakers who need help to understand and use English correctly. For instance adults with English as a second language working in South Africa.
- c. Little Learners course – Offered to enrich and prepare Grade R learners for Grade One.
- d. Get Ready for School course – Offered to enrich and prepare 4-year-olds to learn to read and use numbers accurately. We have used this as an ongoing programme instead of a short course.

By focusing on our Kip Kids and following our 'best in the world' tutoring method and business model, we can drive more profits and, in turn, help more students achieve their highest potential.

While it's the small efforts every day that help us turn our flywheel, the big push comes from the work we do with the students. When we put 100 per cent into every moment of every lesson, we can help our students reach their goals, achieve our vision and change lives.

## How does the business operate on a daily basis?

Classes occur from 3 pm to 450pm Monday to Friday and Saturday it is from 8 am to 1240pm. Admin works from 10 am to 6 pm.

## What Advertising/Marketing is carried out?

Social Media: The franchise maintains our FB page but as a franchisee, we add our local flavour/news to it. My FB is linked to Instagram. I also post to advertising WHATSAPP groups. The centre has GOOGLE MY BUSINESS.

Networking to expose the franchise to different parental groups.

Liaising with principals and teachers - showing them the progress of the children in their classes to ensure that we receive referrals from each local school.

Sponsoring report envelopes each term to expose the business.

The Internet: Our webpage on [www.kipmcgrath.co.za](http://www.kipmcgrath.co.za)

My Expertise: Offering my expertise to schools, moms groups or networking groups.

Print media: Distributing pamphlets, and adverts in select publications such as Mum's Mail, ZA Town and Southlands Sun.

Directories: The centre is on various directory platforms. Eg: [www.schooandcollegelistings.com](http://www.schooandcollegelistings.com) and the FNB directory.

Potential avenues I have pursued in the past :

Publicity and sponsorships of local school functions to maintain a high profile in local circles.

Publishing articles: Via Mum's Mail and [www.momsmatter.co.za](http://www.momsmatter.co.za)

The franchise assists with GOOGLE ADWORDS.

There is a marketing department in the UK to assist with marketing.

## What competition exists?

freelancing teachers, schools offer extra lessons, other franchises

## How could the profitability of the business be improved?

By the owner teaching 40 students him/herself. This will increase revenue by R16000 per month. I currently do not teach here, but I do teach 40 students at my other franchise.

## Give a breakdown of staff/ functions/ length of service?

Teachers: All part-time teachers must be QUALIFIED teachers.

T1 - 3 sessions. Started in 2016

T2 - 3 sessions. Started in 2019

T3 - 3 Sessions. Started in Sep 2023

T4 - 3 sessions. Started in 2021.

T5 - 2 sessions. Started in 2022.

Admin:

A1 – works about 16 hours a week during sessions. He does physical admin work. Started Feb 2023.

A2 – works Monday to Friday 10 am to 6 pm. She does admin work for 2 franchises. Started in June 2023 but had been in the business for 5 years before that.

### Do any have management potential?

Yes 1 teacher does.

### How involved is the Owner in running the business?

Only a weekly in-person attendance and some remote management.

### When does the current lease end?

31 December 2024

There are tenants subleased by the franchisee. They are on a month-to-month lease with an escalation of 10% every 1 November. No deposit. The tenants are a Kip teacher and one Kip admin.

### What are the trading hours?

Lessons are 3 pm and 4h30pm Monday to Friday and 8 am to 12h40pm on Saturdays.  
Admin works 10 am to 6 pm Monday to Friday and 7h30am to 12h40pm Saturdays.

### What are the main assets of the business?

Computers, furniture and fittings

## Strengths?

It is part of a FRANCHISE system:

All materials have been tried and tested.

Training, support and advice are given through all stages.

Advertising and marketing methods are tested and taught.

Business and Educational principles are taught.

The franchise is affordable to any teacher who owns a home.

The curriculum and software are researched and developed continuously.

There is a definite NEED:

- i. There is a desperate need for professional extra classes in Mathematics and English.
- ii. During continued unemployment, emphasis is placed on good education.
- iii. There is a fear of declining educational standards due to class sizes and funding.
- iv. Many African children find the English in their schools too difficult to handle. Others need English to be able to attend a better school.

Children's RESULTS IMPROVE at school. That is reading ages, comprehension ages, spelling ages, maths levels and a general upliftment in their other unrelated subjects.

Our WHOLISTIC APPROACH. We refer to specialists and remedial schools if there is a need.

Our POSITIVE APPROACH. We work on every child's attitude and ego so that they can feel better about themselves and want to work positively.

Proven results

Small engaging sessions

Adjustable tailored programmes

Quality goal-led lessons.

Student devoted teachers

Face-to-face online programmes

South Africa has a head office in the UK. We have support through a Business Manager – BD. We have termly individual meetings and annual regional meetings. They support Business Development meetings scheduled throughout the month. We have a JIRA Ticket system so we can communicate effectively with Head Office.

The franchisee gets:

- a. Training in the Kip McGrath teaching methods;
- b. use of the materials; administration; business management and advertising (materials include tutorials, academic and software).
- c. Ongoing support in educational and business aspects of running the centres.
- d. Assistance in the advertising of each franchised centre.
- e. Provision of ongoing supplies of education materials of Kip McGrath Education Centres (SA) as supplied by the franchisor.
- f. Operations manuals, educational materials, textbooks, computer programmes.
- g. Assistance in the establishment of the centre.
- h. Regular Business manager meetings to offer advice and assistance in the ongoing development of the franchise.
- i. Further training if necessary

We have monthly KZN forum meetings where franchisees support and empower each other. There are bi-annual Kip McGrath conferences but currently only in the UK and Australia.

## Weaknesses?

The DISPOSABLE INCOME:

1. In the current economic climate many parents will not be able to afford the help their children need.
2. Parents believe that the school should provide all the educational needs for their child and thus they need not pay for extra lessons.

RESTRICTIONS OF PROGRAMMES:

1. The English programme at a high school level is not conducive for enrichment purposes. The introduction of the Essay Writing program has not solved this problem holistically. Thus, supplementation is needed from the Centre Director.

## Opportunities?

There is a desperate need for professional extra classes in Mathematics and English.

1. During continued unemployment, emphasis is placed on good education.
2. There is a fear of declining educational standards due to class sizes and funding.
3. Many African children find the English in their schools too difficult to handle. Others need English to be able to attend a better school.

Study Skills courses can be conducted in schools. This has been done pre-Covid at my other franchise is an income earner.

NBT courses for matriculants. An area that needs to be explored.

Adopting a school in need.

## Threats?

AI technology

Changes to curriculum with short lead times

The risk of highly valued, key teaching staff moving on to other centres/academies.

parental preference – an increase in 'parent power' has allowed parents more freedom of choice over their child's education.

## What is the reason for the sale?

I want to concentrate on one centre and grow it to its true potential.