



Beyond fundraising: franchising and other international partnerships

Karen Li

Chief Executive
Driving Force

Nick Pettingale

Director of External Relations
Ellesmere College

Chair: Sean Davey

#IDPE19

A night-time photograph of the Shanghai skyline, featuring the Oriental Pearl Tower and the Shanghai Tower, with city lights reflecting on the water.

Beyond Fundraising

Franchising and other International Partnerships

Nick Pettingale and Karen Li
Chairman: Sean Davey

Is the Independent School 'Business Model' Broken?

- 46 independent schools closed in the last couple of years
- ISC research states that private schools had a 5.4% yearly increase in management and administration costs last year
- This year school fees rose on average by 3.7% – over the past ten years a rise of 42% – Salaries over same period 0% to 3.2% [average 12% rise over past 10 years]



Is the Independent School Business Model Broken?

Is fundraising able to generate long-term sustainable income streams?

What are the 'smart' schools doing?

The Market for International Education

- \$4.9 billion spent each year on education worldwide
- A person with a university education will earn 55% more than someone without
- Governments benefit from higher earnings in tax collected and social contribution
- A person with a university education will live 8 years longer than someone without
- However, the spend per person in the UK is \$3,400 and in China it is \$500
Citibank London



Early Years Partnerships

- Inward Investment – building you a 0 – 5 years Kindergarten
- Bi-lingual Development – adding to your existing provision
- Teaching aids through technology
- Nursery Teacher Training

Sister School Partnerships

- Teacher Exchange and Training
- Taster weeks
- Student Exchange
- Drama, Music and Sports Tour

Summer Schools

- Lettings Income
- Intro to the school – enjoy the facilities, a taste of the school
- Extra involvement/income for teachers

Teacher Training

Massive shortage of trained teachers and International School Heads

- Opportunity for teacher recruitment and training programme
- 2018 China required 36,000 teachers
By 2028 that number will be 100,000 plus

International Franchising

- Indonesia, the proportion of students enrolled in premium international schools who were local children doubled in three years, from 25% in 2015 to 51% last year
- Vietnam local enrolments rose from 46% of the international school population to 72%
- China 57% of students at international schools are Chinese
- India 67% are Indian nationals

Forbes

International Franchising

- United Arab Emirates, 643,000 children attend international schools
- China the figure is 372,000
- Malaysia 97,000 children are enrolled
- Dubai alone boasts 306 international schools, while there are 169 in Shanghai and 141 in Beijing.

Forbes

International Franchising

- Focus on China:
30 new schools have agreements already in the pipeline for 2019 – 2021

Growth within China's international school market in the last 5 years



Find out all the facts about international school development potential in the ISC Research Market Intelligence Report for China – now featuring January 2019 trends, data and intelligence

Number of schools increased by

35.3%

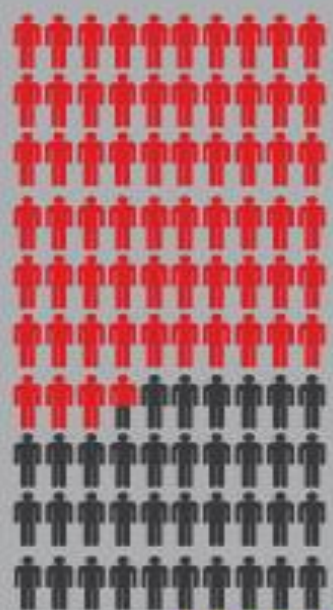
CAGR
6.2%

2014:
629
international schools

2019:
857
international schools
including international
Chinese-owned
private schools

CHINA

Growth in Number of Students Attending International Schools in China



Student enrolment has grown by 63.6% in 5 years

CAGR
10.3%



Find out all the facts about international school development potential in the ISC Research Market Intelligence Report for China – now featuring 2019 trends, data and intelligence

www.iscresearch.com

Students enrolled in international programmes

2014:
219,000

2019:
372,000

CHINA

66%

of students are enrolled in international Chinese-owned private schools

iSc

Types of Schools in China

- **International Schools** for students with foreign passports running an international curriculum
 - Attractive to Provincial Government – attracts International Business and high net worth individuals
 - Adds kudos and prestige
 - Easy teacher/student exchange programme
 - Lessons taught in English
 - Mirror of the UK school

International Chinese Private Schools in China



A new option for chinese families

Leading cities in China for all types of international education (including iCPS):

Chengdu:
25 schools



Guangzhou:
47 schools



Shenzhen:
55 schools



Beijing:
141 schools



Shanghai:
169 schools



International schools established throughout China and more developing

563



Students
(primarily Chinese locals)
now enrolled in iCPS

245,500



All 2018-2019 academic year data from ISC Research



www.iscresearch.com

Types of Schools in China

- International Schools for students with foreign passports with international curriculum
- **Private Schools** – Chinese curriculum compulsory until 15 years old
 - The immediate focus of the Chinese Government
 - Some subjects taught in English
 - International curriculum after 15
 - GaoKao and A-Level options

Types of Schools in China

- International Schools for students with foreign passports with international curriculum
- Private Schools – Chinese curriculum compulsory until 15 years old
- Chinese / International Partnerships – an international stream within a Chinese School – little happening here

Understanding what China wants?

Karen Li

- CEO of Driving Force Ltd
UK:China Edu&Sci Park Operator
- GP of ZANDH Investment, Wuhan,
Established by Alibaba Group in 2015
- CEO of National Academy of Science and Art
Technology Transfer



The Challenges in China

- **New policies of private education**
 - Training service providers
 - Non-profit early years
 - App and online toolkits
 - Chinese literature courses for Year 1 to Year 9
 - New licenses for private schools
- **New regulations of private education**
 - Recruitment balance
 - ‘NO’ for international departments
 - Preference for non-profit license applicants

Understanding what China wants?

- **Qualified Teachers**
GCSE, A-Level, IB teachers
Maths, physics, chemistry, economics, stem/steam
Reasonable salary + accommodation and travel refunds
1 term contracts at least
- **Industry Park Development**
2 compulsory sectors: schools and hospitals
Accommodation income covers compulsory sectors

Understanding what China wants?

- Education Properties in the UK

Reasonable distance from major cities with easy transport
200–500 students, 50 acres, boarding schools
1000m to 3000m GBP investment

Case Studies

- **UK School Buyers**
 - Hangzhou Ivy League International School
 - Beijing No. 4 High School
 - Chengdu Construction Holdings
 - Individual investors
- **Industry Park Affiliated Schools**
 - Rongqiao Group, Bridge Capital
 - Jinan Steel Group, Greenland Group

Case Studies

- **Driving Force Teacher Recruitment Centre (London)**

Recruit teachers for 10% private schools, around 80 schools.
200 teachers needed every semester nationwide

hr@nasa-global.com

Which 'work place' skills will be the most important?

2018 Deloitte Millennial Survey

- | | |
|--------------------------------|--|
| 1. Interpersonal skills | 9. Global mindset |
| 2. Confidence and motivation | 10. Managing priorities |
| 3. Strong ethics and integrity | 11. Developing others |
| 4. Critical thinking | 12. Smart information consumption |
| 5. Innovation and creativity | 13. Responsible digital and social media behaviour |
| 6. Resilience | 14. Cyber security and compliance |
| 7. Emotional intelligence | 15. Specific subject expertise |
| 8. Entrepreneurial spirit | |

The Opportunities

- Giving your school brand international profile
- Sustainable income stream
- Teacher CPD
- Number of high net worth families increasing
- China knows what the world of work requires...

The Opportunities – Education Cities

