

Chain of Affordable Private Schools In South Africa

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Current Landscape and Context

The present educational landscape within the South African context is a complex one. Although the country boasts some exceptional schooling establishments; these continue to remain out of reach to the majority of the population. Currently majority of the population have no option but to send their children to underperforming public schools.

When considering the most recent results of students that have just finished their final year of school, Matriculants of 2011, the number of quality mathematics and physical science passes, will not allow South Africa to meet its development goal of creating 5 million jobs by 2020. The matric exemption rate (minimum university entrance requirements) for 2011 was 24.3%. However, according to Shireen Motala, Professor of Research and Innovation at the University of Johannesburg, the exemption rate needs to be closer to 35% in an effort to build the human capital required to drive economic growth. Currently the pool of available and emerging educated students ready for higher education falls short of meeting the economic needs of the country. This status quo of education in South Africa is echoed throughout Africa.

Concerned parents are now “talking with their feet” and have to make sacrifices to send their children to private schooling. Even though world-class schools have emerged in South Africa; there are currently no school systems present that provide a successful model that can be replicated on a large scale at a low cost for majority of the population. This gives rise to the business case for quality schooling that is accessible to the majority of South Africans.

Aim

To introduce a chain of affordable private schools (APS), that provides quality education to majority of the South Africans, which will create a workable blueprint for South African education. This seeks to ultimately contribute to the success of the country as a holistic entity.

Affordable Private Schools

This chain of APS intends on transforming education, by providing access to affordable, quality education. These schools will thus equip communities with the skills required for the upliftment of their standard of living and the ability to forge a better future.

The model has the following key features:

- *Pre-primary and primary level:* Initially, the chain of APS will be pre-primary and primary schools and later expand into secondary schools. As a solution to the crisis in education in South Africa, a holistic schooling system is needed that ensures a solid education foundation.
- *The APS organisation will be run as a private organisation:* This enables scalability, a focus on quality and – most importantly given the current South African backdrop – allows for control, transparency and accountability.
- *Longer term investor value:* In addition, the private model will attract long-term investors as opposed to short-term donors.
- *Self-sustaining entities:* The schools will be self-sustaining organisations, achieved through self-generated income such as the payment of school fees.
- *Blended learning model:* To ensure that the schools retain the core project values of being *affordable and accessible*, a unique learning model will be implemented. This pioneering approach uses financial innovation and specialised technology, in the form of online learning and traditional classroom teaching, to create an optimal schooling model that focuses on delivering quality education at minimal costs. The current successful hybrid model, Rocketship Education, in the USA will form as the roadmap for this

project – being researched, learnt, adapted and piloted in South Africa in 2012.

- *Social returns:* Not only will this business generate long-term financial returns, but its social returns will form an integral part of a more holistic solution to overcoming South Africa's socioeconomic hurdles.

Benefits of the Project in South Africa

It is estimated that if the South African schooling system achieved an education quality level akin to that of other middle income countries, the **GDP would increase by R550 billion** or be 23% higher than the current level¹. This example illustrates the magnitude of the impact that literacy levels have on the greater development of South Africa.

Team

Stacey Brewer

Co-Founder

Stacey believes that education plays an integral part in the success of a country and she feels that, within South Africa, it is the educational sector that needs the most attention.

After completing her BSc at Rhodes University, she went on to win a scholarship for the entrepreneurship MBA at the Gordon Institute of Business Science – where her thesis focused on a sustainable financial model for low fee private schools in South Africa.

Stacey was recently awarded a bursary from the C200 organisation – an American organisation which fosters woman's leadership in business and creates access to professional and personal networks. She is highly experienced in project management, with her most significant, large-scale project being the management of the FIFA Headquarters for both the Confederation Cup and the Football World Cup. The valuable hands on experience and learnings Stacey gained on the project, coupled with the extensive educational tools and knowledge base acquired via her

¹ This estimation is based on research conducted at the University of Stellenbosch by Gustafsson, M., Van Der Berg, S., Shepherd, D. and Burger, C., who conducted a study in 2009 on 'The costs of illiteracy in South Africa'.

degree and MBA, will ensure that her valuable knowledge is used for the development and sustainability of this business.

Stacey believes that improving the quality of schooling that is accessible to majority of the South Africans, is key to transforming the low esteem of education in South Africa. If we want to live in a prosperous and thriving South Africa, it needs to start with education.

Ryan Harrison

Chief Technology Officer

After gaining his Bachelor of Social Science degree in Informational Systems and Organisational Psychology, as well as a Post Graduate Diploma in Media Management at Rhodes University; Ryan travelled abroad to Canada where he worked as a Business Information Systems Analyst at the British Columbia Transmission Corporation. Here he was responsible for driving and managing key IT projects, generating open and collaborative outsourcing relationships, streamlining business processes to reduce overheads and maximise capacity as well as was responsible for IT companywide IT expenditure, account management and forecasting for IT initiatives. Subsequently Ryan returned to South Africa to attain an MBA degree from the Gordon Institute of Business Science; where his most notable achievements were graduation with Cum laude, as well as being awarded the Lephatsi Investment award for Leadership and the Smollan Holdings award for Marketing Practice and Technology in recognition of excellence in these respective fields.

Passionate about South Africa and small business development in the country after completion of the MBA, Ryan took on the role as Principal Strategy Consultant at Fifth and Union – a New York funded Alternative Retail Space and Arts Incubator. Here Ryan led a team responsible for the development and implementation of a medium term, purpose-driven business model focusing on sustainable emerging market focused strategies including international joint venture strategy and operational strategies. Ryan's knowledge and experience in the IT field, underpinned by his flair for innovative thinking and entrepreneurial spirit, make him a team asset and a valuable addition to any start-up initiative.

Achievements in 2011

- MBA Thesis: A sustainable financial model for low fee private schools
- India Trip: Met with Indian School Finance Company, Gray Matters Capital and several affordable private schools
- C200 Scholarship to India
- Business Plan development

Plans for 2012

- Completed a trip to USA to learn best practises of Rocketship Education.
- The unique blended learning model will be adapted to South Africa and piloted in June/July and September school holidays to refine the model.
- Launch the first school in 2013