

Allendale Language School

learning, they may be offered to receive a prorated refund for the classes not completed so that they can put that money towards an alternate learning method. Having a student leave a class early is preferable to seeing the student fail to succeed and not wish to repeat the class.

Although the surveys will collect qualitative information, they will also ask students to rate their satisfaction with their learning, the materials, and the teacher on a numerical scale so that the numbers can be totaled and averaged. Teachers who fall below average will be pinpointed to receive additional training and asked to observe lessons by teachers with above average satisfaction levels. The results of satisfaction surveys will be entered into a database by the company customer service representative so that this kind of analysis can be done.

11.0 Marketing Calendar

On a daily basis, Monday to Friday, the CEO of Allendale Business School will devote 8 - 9 AM to review of and implementation of marketing activities. During 2010, the first year of this plan's implementation, additional time beyond this hour per day will be required to manage the activities described on the Milestones chart. After this year of redevelopment, the monthly marketing themes on the Monthly chart will be used to focus each month's marketing. At least 10 hours per month should be spent on the month's marketing theme.

On a weekly basis, the CEO will review a lead and conversion report created by the sales representative to identify what marketing activities are leading to success.

After the third year, there may be a need to hire a Marketing Director to continue the company's marketing growth as the company moves into new markets. At that point this management will be taken on by the Marketing Director, and the CEO will further limit the time she spends on marketing management.

11.1 Monthly

Months	Marketing Theme
1	Website
2	Advertising
3	Customer Referral Program
4	Customer Satisfaction Surveys and Analysis
5	Newsletters
6	Seminars
7	PR efforts
8	Business Referral Program
9	Marketing Training
10	Facebook Page
11	Testimonials
12	Annual Reviews and Planning

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Table: Milestones

Milestones					
Advertising	Start Date	End Date	Budget	Manager	Implemented By
New Flyer Campaign	4/1/2010	5/31/2010	\$1,000	CEO	Marketing firm
Brand Relaunch Print Ads	5/1/2010	5/31/2010	\$2,000	CEO	Marketing firm
Online Ad Campaign Revise	3/1/2010	5/1/2010	\$0	CEO	Sales Rep
Total Advertising Budget			\$3,000		
Referral Programs	Start Date	End Date	Budget	Manager	Implemented By
Design Marketing Kits	5/1/2010	5/15/2010	\$2,000	CEO	Marketing firm
Print Marketing Kits	5/15/2010	5/31/2010	\$1,000	CEO	Marketing firm
Identify Business Targets	5/1/2010	5/15/2010	\$250	CEO	Sales Rep
Send Direct Mail to Businesses	6/1/2010	6/15/2010	\$500	CEO	Sales Rep
Set Appointments with Businesses	6/15/2010	7/15/2010	\$0	CEO	Sales Rep
Total Referral Programs Budget			\$3,750		
Branding	Start Date	End Date	Budget	Manager	Implemented By
Logo and Brand Development	1/1/2010	3/1/2010	\$2,000	CEO	Marketing firm
Slogan Development	2/1/2010	3/1/2010	\$500	CEO	Marketing firm
Marketing Material Redesign	3/1/2010	5/1/2010	\$1,000	CEO	Marketing firm
Marketing Material Reprint	5/1/2010	5/31/2010	\$2,000	CEO	Marketing firm
Create Teacher Jackets	5/1/2010	5/31/2010	\$1,000	CEO	Marketing firm
Total Branding Budget			\$6,500		
Web Development	Start Date	End Date	Budget	Manager	Implemented By
Website Form Redesign and Launch	5/1/2010	5/31/2010	\$10,000	CEO	Marketing firm
Facebook Page Design	6/1/2010	6/30/2010	\$0	CEO	Sales Rep
Total Web Development Budget			\$10,000		
Customer Satisfaction	Start Date	End Date	Budget	Manager	Implemented By
Write Satisfaction Surveys	2/1/2010	3/1/2010	\$0	CEO	Customer Service Rep
Develop Database	3/1/2010	5/1/2010	\$5,000	CEO	Programmer
Administer First Survey	7/1/2010	7/7/2010	\$100	Customer Service Rep	Teachers
Analyze Survey Data	7/7/2010	7/15/2010	\$0	Customer Service Rep	Customer Service Rep
Total Customer Satisfaction Budget			\$5,100		
Totals			\$28,350		

12.0 Critical Numbers

The Allendale Language School must monitor its sales, unit costs, expenses, and key marketing metrics closely to determine if marketing is having the proper effect and the company is on target with its goal of 25% growth per year over the next three years. The growth in sales will be driven by an increase in leads (in part from a large increase in the number of referrals from students and businesses, as well as from good PR mentions and the persuasive effect of testimonials) and an increase in lead conversion rate (brought about by a better website and a more systematic sales approach with the company sales representative).

Marketing metrics will be tracked through Salesforce.com, making use of its Web-to-lead function and dashboard reporting. Expenses and sales will be tracked in QuickBooks, both through automatic entry from credit card transactions on the internet and manual entry of some sales and expenses by the company sales representative and bookkeeper. The CEO will look at reports from these programs on at least a weekly basis.

Allendale Language School

12.1 Sales Forecast

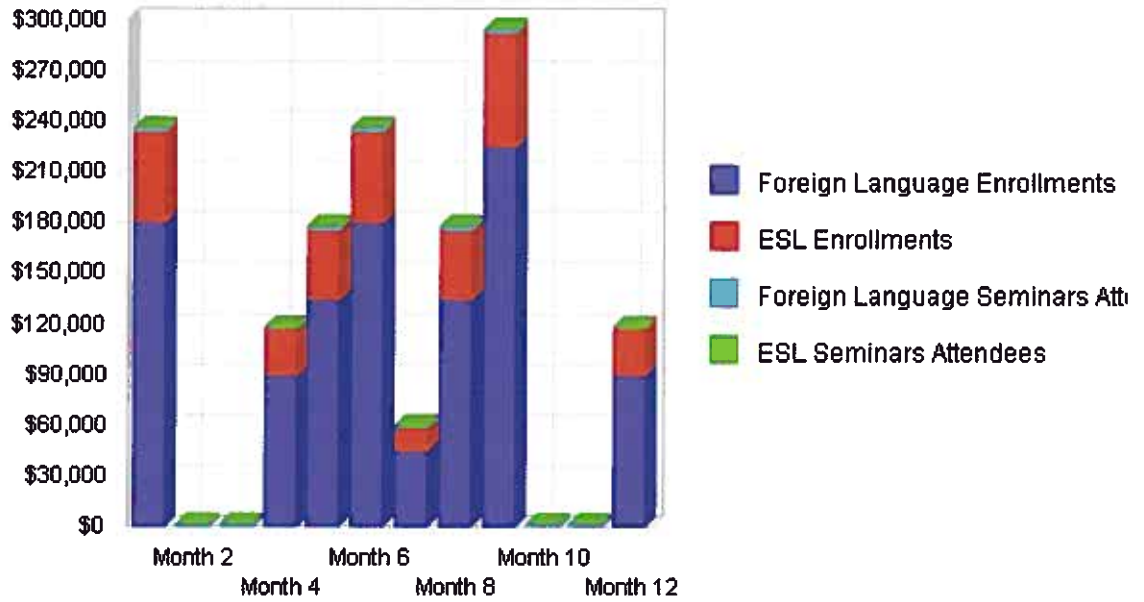
Sales are projected to increase by 25% per year based on the systematic marketing activities, the untapped market in the Allendale area, and the availability of teaching talent. Foreign language classes are more numerous than ESL and make up twice as many enrollments. Seminars are primarily promotional events which offer an overview.

Table: Sales Forecast

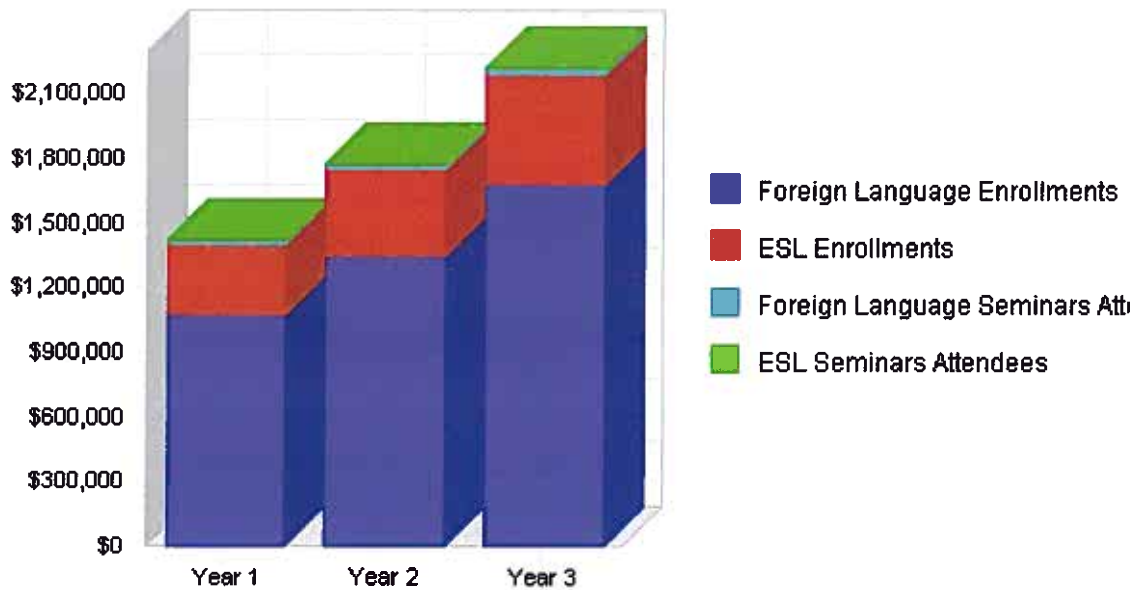
Sales Forecast			
	Year 1	Year 2	Year 3
Unit Sales			
Foreign Language Enrollments	1,200	1,500	1,875
ESL Enrollments	600	750	938
Foreign Language Seminars Attendees	850	1,063	1,328
ESL Seminars Attendees	638	797	996
Total Unit Sales	3,288	4,109	5,137
Unit Prices			
	Year 1	Year 2	Year 3
Foreign Language Enrollments	\$900.00	\$900.00	\$900.00
ESL Enrollments	\$540.00	\$540.00	\$540.00
Foreign Language Seminars Attendees	\$20.00	\$20.00	\$20.00
ESL Seminars Attendees	\$10.00	\$10.00	\$10.00
Sales			
Foreign Language Enrollments	\$1,080,000	\$1,350,000	\$1,687,500
ESL Enrollments	\$324,000	\$405,000	\$506,250
Foreign Language Seminars Attendees	\$17,000	\$21,250	\$26,563
ESL Seminars Attendees	\$6,375	\$7,969	\$9,961
Total Sales	\$1,427,375	\$1,784,219	\$2,230,273
Direct Unit Costs			
	Year 1	Year 2	Year 3
Foreign Language Enrollments	\$90.00	\$90.00	\$90.00
ESL Enrollments	\$81.00	\$81.00	\$81.00
Foreign Language Seminars Attendees	\$10.00	\$10.00	\$10.00
ESL Seminars Attendees	\$7.50	\$7.50	\$7.50
Direct Cost of Sales			
Foreign Language Enrollments	\$108,000	\$135,000	\$168,750
ESL Enrollments	\$48,600	\$60,750	\$75,938
Foreign Language Seminars Attendees	\$8,500	\$10,625	\$13,261
ESL Seminars Attendees	\$4,781	\$5,977	\$7,471
Subtotal Direct Cost of Sales	\$169,881	\$212,352	\$265,439

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Sales Monthly



Sales by Year



Allendale Language School

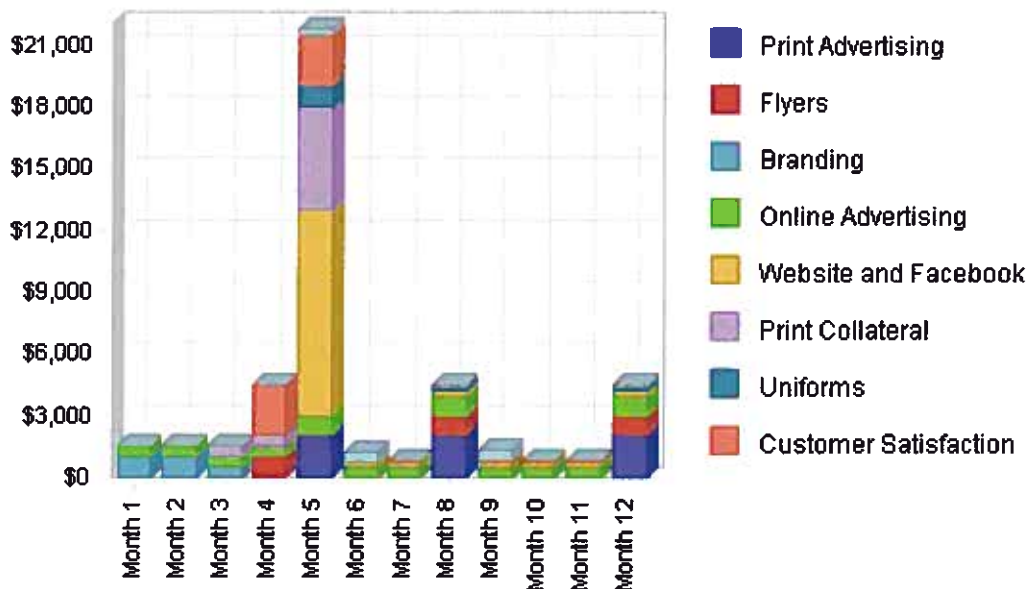
12.2 Marketing Expense Budget

The marketing expense budget includes the cost of achieving all initial plan milestones and the ongoing operational cost of marketing activities over the next three years. Marketing expenses are somewhat seasonal, as there is a push to advertise each new season of classes in the month preceding the start of that season (December, May, and August). Some costs are spread through the year, such as satisfaction surveys, which will be administered every four weeks once they start. Expenses for 2010 will include some one-time rebranding and website redevelopment costs which will not have to be repeated in 2011 and 2012.

Table: Marketing Expense Budget

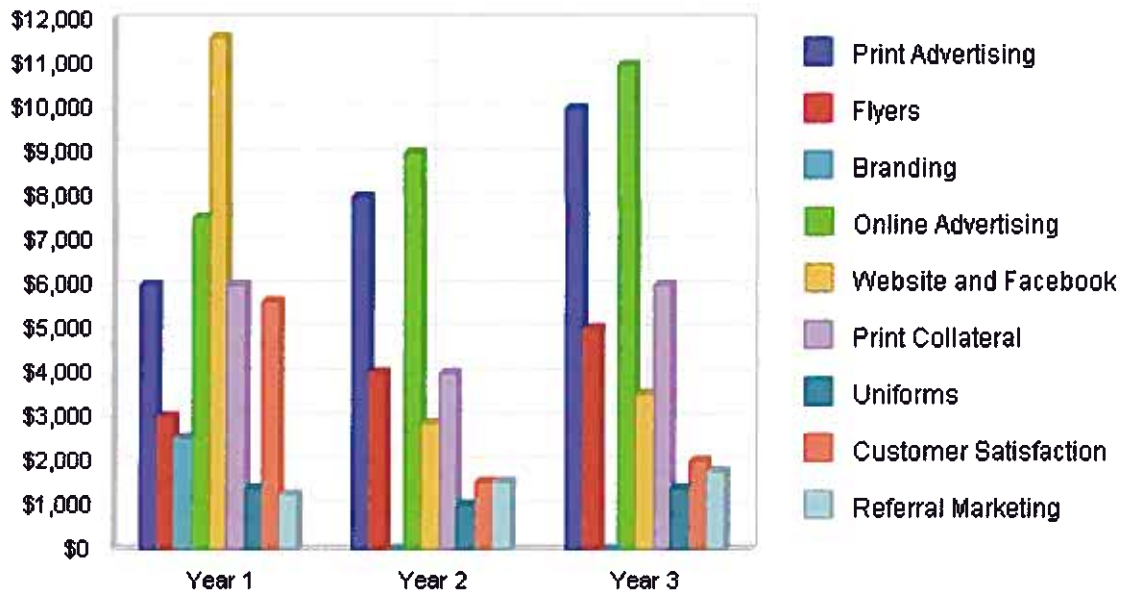
Marketing Expense Budget	Year 1	Year 2	Year 3
Print Advertising	\$6,000	\$8,000	\$10,000
Flyers	\$3,000	\$4,000	\$5,000
Branding	\$2,500	\$0	\$0
Online Advertising	\$7,500	\$9,000	\$11,000
Website and Facebook	\$11,600	\$2,880	\$3,500
Print Collateral	\$6,000	\$4,000	\$6,000
Uniforms	\$1,400	\$1,000	\$1,400
Customer Satisfaction	\$5,600	\$1,500	\$2,000
Referral Marketing	\$1,250	\$1,500	\$1,750
Total Sales and Marketing Expenses	\$44,850	\$31,880	\$40,650
Percent of Sales	3.14%	1.79%	1.82%

Monthly Expense Budget



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Annual Expense Budget



12.3 Key Marketing Metrics

Leads must be generated in great volume to yield sales as the school receives a high number of leads (including referrals, website inquiries, seminar attendees, and calls) which do not convert. The conversion rate is currently 20% but expected to rise to 25% over the next three years with the improvement in the school's reputation and Web resources.

The average customer yields .15 transactions per month (1.8 per year), as a number of customers will take two classes in a year and some will take three. This is expected to rise in the coming years.

The average \$/customer is based on the weighted class enrollment average between the foreign language and ESL classes.

Referrals are currently 20% of leads and this is expected to increase as a percentage of total leads over the next year and in the following two years. Referrals will include both customer referrals and professional referrals from businesses.

PR mentions will increase as the company builds a reputation in Allendale and begins to send more press releases about its work.

We expect to garner strong testimonials from 5% of customers. This rate isn't expected to increase, but the nature of the testimonials will change as the school begins to seek video testimonials instead of written testimonials.

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Table: Key Marketing Metrics

Key Marketing Metrics	Year 1	Year 2	Year 3
Revenue	\$1,427,375	\$1,784,219	\$2,230,273
Leads	9,000	10,227	11,252
Leads Converted	20.00%	22.00%	25.00%
Avg. Transactions/Customer	0.15	0.20	0.25
Avg. \$/Customer	\$780	\$780	\$780
Referrals	2,734	3,580	3,938
PR Mentions	27	60	75
Testimonials	90	113	141
Other	0	0	0

13.0 Marketing Training Game

Marketing training is an important component of the initial and continued training of every Allendale Language School teacher.

Initial training occurs over a one month period (in December, May, and August, just prior to the beginning of each new class "season") and includes training in the Allendale Language School method and textbooks, as well as observation of current teachers in the classroom.

Marketing training occurring during this time period includes 10 hours of sessions with the CEO, covering the following:

- The customer guarantee
- Customer survey process
- Customer referral program
- Current advertising and promotional efforts
- The teacher's responsibility to market (business cards, attire, etc.)
- Company brand promise
- Website and Web resources

Ongoing training for teachers includes attendance of at least one prospect information seminar per year and one workshop per quarter lead by the CEO or a master teacher for his or her language. These workshops will review teaching techniques as well as spend at least half an hour reviewing the company's marketing activities, with a focus on new developments.

Appendix

Table: Sales Forecast

Sales Forecast												
Unit Sales	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Foreign Language Enrollments	200	0	0	100	150	200	50	150	250	0	0	100
ESL Enrollments	100	0	0	50	75	100	25	75	125	0	0	50
Foreign Language Seminars Attendees	100	50	50	50	100	100	50	100	100	50	50	50
ESL Seminars Attendees	75	38	38	38	75	75	38	75	75	38	38	38
Total Unit Sales	475	88	88	238	400	475	163	400	550	88	88	238
Unit Prices	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Foreign Language Enrollments	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00
ESL Enrollments	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00	\$540.00
Foreign Language Seminars Attendees	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
ESL Seminars Attendees	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Sales	\$180,000	\$0	\$0	\$90,000	\$135,000	\$180,000	\$45,000	\$135,000	\$225,000	\$0	\$0	\$90,000
Foreign Language Enrollments	\$54,000	\$0	\$0	\$27,000	\$40,500	\$54,000	\$13,500	\$40,500	\$67,500	\$0	\$0	\$27,000
Foreign Language Seminars Attendees	\$2,000	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	\$1,000	\$2,000	\$2,000	\$1,000	\$1,000	\$1,000
ESL Seminars Attendees	\$750	\$375	\$375	\$375	\$750	\$750	\$375	\$750	\$750	\$375	\$375	\$375
Total Sales	\$236,750	\$1,375	\$1,375	\$118,375	\$178,250	\$236,750	\$59,875	\$178,250	\$295,250	\$1,375	\$1,375	\$118,375
Direct Unit Costs	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Foreign Language Enrollments	10.00%	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
ESL Enrollments	15.00%	\$81.00	\$81.00	\$81.00	\$81.00	\$81.00	\$81.00	\$81.00	\$81.00	\$81.00	\$81.00	\$81.00
Foreign Language Seminars Attendees	50.00%	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
ESL Seminars Attendees	75.00%	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
Direct Cost of Sales	\$18,000	\$0	\$0	\$9,000	\$13,500	\$18,000	\$4,500	\$13,500	\$22,500	\$0	\$0	\$9,000
Foreign Language Enrollments	\$8,100	\$0	\$0	\$4,050	\$6,075	\$8,100	\$2,025	\$6,075	\$10,125	\$0	\$0	\$4,050
Foreign Language Seminars Attendees	\$1,000	\$500	\$500	\$500	\$1,000	\$1,000	\$500	\$1,000	\$1,000	\$500	\$500	\$500
ESL Seminars Attendees	\$563	\$281	\$281	\$281	\$563	\$563	\$281	\$563	\$563	\$281	\$281	\$281
Subtotal Direct Cost of Sales	\$27,663	\$781	\$781	\$13,831	\$21,138	\$27,663	\$7,306	\$21,138	\$34,188	\$781	\$781	\$13,831

Appendix

Table: Marketing Expense Budget

Marketing Expense Budget	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Print Advertising	\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$2,000	\$0	\$0	\$0	\$2,000
Flyers	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$1,000
Branding	\$1,000	\$1,000	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Online Advertising	\$500	\$500	\$500	\$500	\$1,000	\$500	\$500	\$1,000	\$500	\$500	\$500	\$1,000
Website and Facebook	\$50	\$50	\$50	\$50	\$10,000	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Print Collateral	\$0	\$0	\$500	\$500	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uniforms	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$200	\$0	\$0	\$0	\$200
Customer Satisfaction	\$0	\$0	\$0	\$2,500	\$2,500	\$0	\$100	\$100	\$100	\$100	\$100	\$100
Referral Marketing	\$0	\$0	\$0	\$0	\$250	\$500	\$0	\$0	\$500	\$0	\$0	\$0
Total Sales and Marketing Expenses	\$1,550	\$1,550	\$1,550	\$4,550	\$21,750	\$1,200	\$800	\$4,500	\$1,300	\$800	\$800	\$4,500
Percent of Sales	0.65%	112.73%	112.73%	3.84%	12.20%	0.51%	1.34%	2.52%	0.44%	58.18%	58.18%	3.80%

Appendix

Table: Key Marketing Metrics

Key Marketing Metrics												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$236,750	\$1,375	\$1,375	\$118,375	\$178,250	\$236,750	\$59,875	\$178,250	\$295,250	\$1,375	\$1,375	\$118,375
Leads	375	375	525	750	750	750	750	750	750	975	1,125	1,125
Leads Converted	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Avg. Transactions/Customer	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Avg. \$/Customer	\$780	\$780	\$780	\$780	\$780	\$780	\$780	\$780	\$780	\$780	\$780	\$780
Referrals	75	75	105	150	225	225	225	263	263	341	394	394
PR Mentions	1	1	1	1	2	2	2	3	3	3	4	4
Testimonials	4	4	5	8	8	8	8	8	8	10	11	11
Other	0	0	0	0	0	0	0	0	0	0	0	0