



## **5 Ways to Increase Your Career School Profits**

By Michael Temple

Imagine your accountant calls and tells you that you have missed your revenue goals for the first quarter. Imagine this accountant tells you that unless you can find a way to increase your income you won't have enough cash to meet expenses next month. What steps can you take today to make sure you never get this phone call?

Many businesses tend to rely on one or two sources of income. Other businesses draw more than 80% of their business from 1 or 2 major customers or accounts. Career schools are like these businesses. They tend to focus on recruiting new students as the only source of revenue growth.

For career schools bringing in new students and finding more creative ways to achieve that objective is the key focus. What happens if some of these students you bring in drop out of your program? Are you tired of paying for classroom space that isn't being utilized? Ask the question what else can we be doing to keep income coming in and utilize our unused classroom space?

In my experience many career schools will define their mission in precise terms. Many schools will say "we teach nursing" or "we teach electronics". Try stepping back and defining your mission as "we convey knowledge and information to help people achieve their goals." This statement is very broad and allows for a large interpretation of what you are capable of delivering.

When you define your mission statement in broad terms you will often find that many doors will open for you. Your ability to create multiple profit centers in your school can be explored. You will find that you can develop new methods of creating business and enhancing revenues. Here are a few key ways to expand your career school in the upcoming year:

1. **Educate your business community:** Presumably most career schools are preparing individuals with skills to work for local businesses and institutions. How many of you spend a percentage of your recruiting time talking to these businesses about your programs? The business community can offer a lot of information on how you can improve your programs to meet their ever changing needs. By developing a relationship with these businesses they will become familiar with your programs and offerings, they may begin to seek you out when they need to hire new personnel. Career schools should be working hand in hand with the business community. When a local business is thinking of hiring an individual or needs to refer a current employee to a school for further training you want them to think of you and not your competitor. They will do this when they know your school and programs. You should be holding seminars, sending sales reps to meet these business leaders, and sending them a newsletter regularly about what you do and what you have to offer. The key to this strategy is building a relationship with these businesses and institutions.

2. **Develop a sales system:** To reach out to these businesses you need to develop a sales system. A system is a method or technique that you have in place to contact these businesses on a regular basis. You should set up a calendar that you refer to when marketing or educating these businesses. You want to send mailings, newsletters, and information about your school in a systematic fashion, i.e. once every two weeks, month, or quarter. You should be physically meeting with these businesses once per year or even more often if you can manage it. These visits should occur at regular intervals. Hold seminars where you invite these businesses to come and learn more about what you offer and possibly meet some of your successful graduates. Perhaps you hold a seminar every year. The key ingredient to a sales system is regular, planned, and systematic contact. Setting up a sales system is a lot of work and there are several pieces that go into a successful system that will be discussed in future articles.
3. **Develop private training opportunities:** In the above steps you are building a relationship with local businesses about your programs and offerings. Once that system is in place you can start using those relationships to increase your revenue even further. These businesses will always have a need to keep their current employees trained on the latest techniques and work processes. Many of these businesses will have unique systems and needs that your school as a “provider of information and knowledge” would be ideal to fill. You can develop personalized and private training seminars and programs based on information you learn from working with these businesses. For example, if you offer training to nurses the local hospital may pay you to develop a private training program for their nurses to teach a course in crisis management. If you offer electrical training you may find that local companies will pay you to offer a private training program to their electricians in setting up computer networks in new houses as they are built. The key is to learn about the needs of your local businesses and develop training programs that fill these needs. These contracts can be offered on an as needed basis or annually. Your recruiters and sales reps can be out developing relationships with businesses and identifying these opportunities for you right now.
4. **Expand your bookstore:** Many career schools offer a bookstore that is one step up from a broom closet with books stacked on shelves. When a student signs up for a program someone retrieves the textbooks needed for a class and gives them to the student. If you can identify with this then you are selling your bookstore short. There are hundreds of books and other materials that your bookstore can offer that may not be part of the standard curriculum, but could benefit your students. For example, if you offer training in real estate or financial services you can offer books on sales training, computer training, and books on investing in real estate. You could also offer tools of the trade such as financial calculators, planners, and software packages. If you teach building trades you could offer hand tools, either directly or through a catalog. You could offer supplemental books on sales training and setting up a business. Many tradesmen know the trade, but don't know how to sell themselves or run a business. You could expand the physical area of your bookstore and display your merchandise in a nice open area that is pleasant to shop in. You could take it a step further by having your instructors use some of these books or equipment in the classroom and recommend them to students, who can then find the products in your bookstore. You could even go the final step and put your bookstore on the Internet and sell your items through an e-commerce site.

5. **Develop custom training materials:** As a “provider of information and knowledge” you are an ideal source of new information. You could tap the knowledge of your instructors and current curriculum to develop new custom training materials for current students and local businesses. For example, if you offer training in social services you may write a custom training pack of new employment laws and techniques to sell to your current students and the local businesses who need to keep up with these current trends. You could develop custom training materials as part of a private training contract and sell both materials and the training program. If you offer training in real estate sales you could offer custom materials on investing in real estate in your local market for licensed agents. The key is to understand the knowledge and expertise you currently possess and create another channel to deliver this knowledge to your local business community and current students. You may even offer these materials through a web site. A student could log in to a protected part of your web site and download the materials, which would save you printing and distribution costs.

Combining these strategies with your current marketing programs will develop and enhance your brand image. This brand image translates into brand equity. You can then “spend” some of this equity by putting your name behind or on new products and services. Businesses will come to trust these services and offerings because they know about you and your programs.

A business that can define what they do in broad terms opens up several possibilities to create new business and new revenues. It will allow you to develop incremental income streams from things you already do, but haven't packaged it right. As you implement these techniques you will find even more opportunities will present themselves. Thinking outside the box may be just the thing your business uses this year to create a very prosperous year.

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