



TRUNG INSTITUTE FOR EXCELLENCE IN ENGLISH FLUENCY

PRESENTED BY TYLER VAN SICKLE

INTRODUCTION TO VIETNAM



CURRENT EDUCATION REQUIREMENTS

- New government regulations require Vietnamese citizens to pass an English Fluency Test to receive their High School diploma
- Public school does not provide adequate English education for most to pass
- Many seek the skills at private English teaching institutions



LONG THANH

- Long Thanh Airport Completion 2020
- Expected to become a center of commerce in Southern Vietnam
- Virtually no competition



THE TRUNG INSTITUTE

- The Trung Institute will provide supplementary English education to High School Students
- Major selling points:
 - Higher quality education
 - American Teaching staff
 - American Accent
 - Comparatively inexpensive



LOCATION

- We have already acquired a 400 square meter plot of land in Long Thanh
 - The land is next to an existing High School
 - The building will be two stories with the ability to add a third in the future
- The Teacher's living quarters will be behind the school on the same land



TIMELINE

- The land has already been procured
- Currently talking to faculty within the CWU education department about the potential of recruiting teachers from CWU
- 2015 curriculum development in preparation for accreditation
- 2016 permits acquired and University recruitment process will be worked on
- 2017 construction, teacher recruitment, accreditation will be completed, and marketing
- 2018 teacher training program and school opening

TEACHER RECRUITMENT

Teachers will be contracted for 1 year with the option of renewal

Teacher Compensation Package

	Per Teacher	All Teachers (Month)	All Teachers (Year)
Round Trip Flight	\$ 1,000.00	\$ 5,000.00	\$ 5,000.00
Room and Board	\$ 225.36	\$ 1,126.80	\$ 13,521.60
Visa	\$ 100.00	\$ 500.00	\$ 500.00
Salary	\$ 800.00	\$ 4,000.00	\$ 48,000.00
Tax	\$ 160.00	\$ 800.00	\$ 9,600.00
Excursion	\$ 0.00	\$ 100.00	\$ 1,200.00
Total cost to TIEEF	\$ 2,285.36	\$ 11,526.80	\$ 77,821.60

TUITION PACKAGE

Goods and Services	Price
School Year Tuition	\$ 3,420.00
Uniform	\$ 100.00
Total Package	\$ 3,520.00
Summer Tuition	\$ 1,638.00
Total with summer	\$ 5,158.00

PROFIT GROWTH

End of year one	\$12,918 USD
End of year two	\$114,824 USD

We should break even in the first year and make a profit in the second

MISSION STATEMENT:

“ The Trung Institute for Excellence in English Fluency will prepare Vietnamese students to take the Higher Graduation Examination (HGE) as well as position them to be able to take advantage of the ever growing international marketplace by providing superior education in English as a Second Language. “

QUESTIONS?



CURRICULUM

- The Curriculum will be developed by Mrs. Truong the ESL Department head of an Oregon school district
- The curriculum will have two primary goals:
 1. To prepare students to take and pass the English proficiency exam in order to graduate high school
 2. To prepare students for the growing business environment of Vietnam

LOCAL PARTNERS

- The Trung Family are our local sponsors
- It is virtually impossible to start business in Vietnam without the sponsorship of a local group
- The Trungs own a great deal of land and are responsible for the new international airport's construction in Long Thanh
- The head of the family is a well known and respected military General , who is interested in English Education and economic development
- We also have a family member who works in land development for the government
- They are extremely supportive of the project and have approval from the whole family

GROWTH AND EXPANSION PLANS

- We will look to build our second school in district 4 of Ho Chi Minh City, a fast growing, middle class, industrial and manufacturing area.
- We will increase the number of teachers we hire each year, promote a veteran teacher to perform administrative duties in the new school
- Construction of our second school is planned for our third year of operations

CULTURE SHOCK

- Culture shock occurs when a person finds themselves in an unfamiliar setting for 3 months or more and have difficulty adjusting to new foods, time zones, languages, customs, or isolation.
- We are mitigating this through a planned training process to prepare teachers
- By providing room and board within the school we can create an environment that is similar to their homes
- By establishing a supportive atmosphere for the teacher, allowing them to serve as a support for each other, reducing the sense of isolation
- Tyler Van Sickle plans to use his degree in Psychology to help establish this system

LAUNCH TEAM: MS. THU TRUNG, ABD

- Ms. Trung is currently the principal of an Oregon Elementary School.
- In the next year she will be moving up to an administrative position within the Portland school district.
- She is also currently working on her PhD in Education.
- She will serve as the Principal figure head of the new school after its construction and opening. Trung is also the primary financial investor of the project and will serve as the figurehead for the business.

LAUNCH TEAM: MR. TYLER VAN SICKLE

- Tyler Van Sickle will graduate Central Washington University in 2015 with a BA in Psychology and BS in Business Administration with a specialization in Management. Also plans to attend PSU's international business program..
- Extensive experience in leadership and administrative roles
- Will serve as the primary business strategist and accountant for the school
- Experience abroad in Thailand

LAUNCH TEAM: MR. MICAH THOMAS

- Micah Thomas will graduate from PSU in 2016 with a degree in Civil Engineering.
- He will be contracted to oversee and manage the construction of the school facilities before it opens.
 - This job is crucial because construction companies in Vietnam are known for cutting every corner possible, leading most buildings having short lifespans. Thomas will ensure that the building is constructed well and will last for years.
- Thomas will continue to build additional schools after the success of the first.

ACCREDITATION PROCESS

- After the curriculum is prepared it must be approved by Ministry of Education and Training
- They will examine the curriculum to make sure it aligns with their national ideals
- This process is being coordinated by our TESL Specialist, Mrs. Truong and a member of the Trung family in Vietnam
- This process could take time and will be started early on

PERSONNEL

- Myself
- Principal
- 4-5 teachers
- 2 Secretaries
- 1-2 Security Guards
- 3 apartment staff
- 1 maintenance person

CONSTRUCTION COSTS

- Property Cost
\$530-630 USD per m²
- Permit/Process:
\$841.52 USD
- Hourly Cost of Labor for Entire Crew (Including overhead): \$33-43 USD
- Estimated Total Cost: ~\$40,000

Materials: General

- **Concrete** 30 mpa (m³) (1,500m³ job) 55 USD
- **Reinforcement bar** 16mm (tonne) (120 tonne job) \$849 USD
- **Concrete block** (400 x 200) per 1,000 (>10,000 block job) \$281 USD
- **Standard brick** per 1,000 71 USD
- **Structural steel beams** (tonne) (>100 tonne job) \$989 USD
- **Glass pane** 6mm (m²) 13 USD
- **Softwood timber** for framing 100mm x 50mm (m) \$2 USD
- **Plasterboard** 13mm (m²) \$2 USD
- **Emulsion paint** (litre) \$2 USD
- **Copper pipe** 15mm (m) (>1,000m job) 19 USD
- **Copper cable** (m) (3C + E, 2.5mm PVC) (>100,000m job) \$2 USD

EXISTING COMPETITOR ANALYSIS

- Viet Sang
 - Only English school in Long Thanh
 - They only teach Kindergarten and adults so they do not compete for business with the Trung Institute
 - They are a very low quality school
 - No American teachers
 - Few Native English speakers
 - No qualified teachers

LOCAL SCHOOLS MOVING IN

Three kinds of competition:

1. Low quality, non-native speakers

- not enough resources to expand, not a threat if they do

2. High end, private academy:

- little interest in expansion

3. Mid-range school: native English speakers,

- probably not enough resources to expand.
- These schools often struggle to maintain enough teachers and probably cannot afford to divide their faculty.
- We will already have the momentum in the area to give us the edge. We will be marketed as a higher quality education with a competitive price.

AMERICAN COMPETITION

- The process of setting up any kind of business within Vietnam from the outside is nearly impossible without local support
- In the amount of time it would take for competition to follow us into the market, we will have already setup a considerable hold over the area
- The attraction for new entrants in the area will diminish from lowered demand
- The accumulative effect of marketing and your presence in the market on your brand development in the eyes of residents and businesses in the Long Thanh area will make it hard to enter the market

Trung Institute															
Projected Cash Flow Statement - Year One															
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance			20,000	31,985	24,950	24,866	28,750	32,635	33,483	40,369	47,254	47,149	54,947	62,745	
Cash Inflows															
	Income from Sales		44,220	24,300	35,220	35,220	35,220	38,220	38,220	38,220	40,133	39,133	39,133	39,133	446,371
	Accounts Receivable		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows			44,220	24,300	35,220	35,220	35,220	38,220	38,220	38,220	40,133	39,133	39,133	39,133	446,371
Cash Outflows															
	Investing Activities														
		Cost of Sales	900	-	-	-	-	-	-	-	100	-	-	-	1,000
	Operating Activities														
		Salaries and Wage	20,764	20,764	20,764	20,764	20,764	20,764	20,764	20,764	20,764	20,764	20,764	20,764	249,166
		Fixed Business Exp	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	91,414
		Taxes	-	-	3,969	-	-	6,037	-	-	8,803	-	-	9,159	27,969
	Financing Activities														-
		Loan Payments	2,953	2,953	2,953	2,953	2,953	2,953	2,953	2,953	2,953	2,953	2,953	2,953	35,439
Total Cash Outflows			32,235	31,335	35,304	31,335	31,335	37,372	31,335	31,335	40,238	31,335	31,335	40,494	404,987
Cash Flow			11,985	(7,035)	(84)	3,885	3,885	848	6,885	6,885	(105)	7,798	7,798	(1,361)	41,384
Operating Cash Balance			31,985	24,950	24,866	28,750	32,635	33,483	40,369	47,254	47,149	54,947	62,745	61,384	
Ending Cash Balance			31,985	24,950	24,866	28,750	32,635	33,483	40,369	47,254	47,149	54,947	62,745	61,384	

Trung Institute				Fixed Business Expenses			
Projected Income Statement							
		Totals					
Income							
	Tuition		297,411		446,116		
	School uniform		10,000		10,000		
	Tuition (minus week of Tet)		24,300		36,450		
	Summer School Tuition		114,660		126,126		
Total Income			446,371		618,692		
Cost of Sales							
	School uniform		1,000		1,000		
Total Cost of Sales			1,000		1,000		
Gross Margin			445,371		617,692		
Salaries and Wages							
	Owner's Compensation		72,000		75,600		
	Salaries		108,000		113,400		
	Full-Time Employees		48,048		50,450		
	Part-Time Employees		3,411		3,582		
	Payroll Taxes and Benefits		17,707		18,592		
Total Salary and Wages			249,166		261,624		
	Advertising					12,000	12,600
	Bank & Merchant Fees					1,200	1,260
	Contract Labor					1,668	1,751
	Conferences & Seminars					1,200	1,260
	Customer Discounts and Refunds					3,000	3,150
	Miscellaneous					13,522	14,198
	Insurance (Liability and Property)					1,200	1,260
	Licenses/Fees/Permits					1,200	1,260
	Legal and Professional Fees					1,200	1,260
	Office Expenses & Supplies					1,200	1,260
	Postage and Delivery					480	504
	Rent of Vehicles and Equipment					360	378
	Sales & Marketing					3,600	3,780
	Taxes-Other					9,600	10,080
	Telephone and Communications					384	403
	Travel					10,800	11,340
	Utilities					28,800	30,240
Total Fixed Business Expenses						91,414	95,984
Other Expenses							
	Amortized Start-up Expenses					39,024	39,024
	Depreciation					9,857	9,857
	Interest						
	Commercial Loan					11,220	9,818
	Commercial Mortgage					3,803	3,719
	Taxes					27,969	82,841
Total Other Expenses						91,874	145,260
Net Income						12,918	114,824

Trung Institute							
Balance Sheet - Year One							
				<u>Base Period</u>		<u>End of Year One</u>	
Assets							
Current Assets							
		Cash		20,000		61,384	
		Prepaid Expenses		93,072		62,048	
		Other Current		24,000		16,000	
	Total Current Assets			137,072		139,432	
Fixed Assets							
		Buildings		60,000		60,000	
		Equipment		20,000		20,000	
		Furniture and Fixtures		20,000		20,000	
	Total Fixed Assets			100,000		100,000	
	Less: Accumulated Depreciation			-		9,857	
Total Assets				<u>237,072</u>		<u>229,574</u>	

Liabilities and Owner's Equity							
Liabilities							
		Loan Payable		169,072		149,671	
		Mortgage Payable		48,000		46,985	
	Total Liabilities			217,072		196,657	
Owner's Equity							
		Common Stock		20,000		20,000	
		Retained Earnings		-		12,918	
	Total Owner's Equity			20,000		32,918	
Total Liabilities and Owner's Equity				<u>237,072</u>		<u>229,574</u>	