

Business Record

Goddard School expresses interest in expanding to Central Iowa

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The markets have been identified. Now wanted: franchise owners.

The Goddard School for Early Childhood Development would like to open up to three franchises in Central Iowa and sees the potential for schools that could house more than 100 children each.

Officials have identified the cities of Ames, Ankeny and Waukee and their surrounding communities as target areas in which to open schools. Goddard, which is based in suburban Philadelphia, is the nation's largest early child-care franchise system, and its schools are open to children ranging from 6 months to 6 years old.

"Having said that, because we're a franchised organization, we don't start the process until we have interest by prospective franchisees," said Tony Padulo, vice president of development at Goddard Systems Inc. "Today we do not have anybody currently interested in developing with us. We certainly hope if we do have the interest it is definitely a market that we want to develop in."

Padulo said Goddard doesn't specifically reach out to potential franchise owners, but instead waits for them to show interest and reach out to Goddard.

Owners go through an extensive training program, meaning ideal owners would not necessarily have an educational background, but rather a business ownership background. Padulo emphasizes that although owners receive support from Goddard, they are ultimately in charge of the entire operation, from funding it to running it to answering questions from parents.

The investment can range from about \$700,000 if owners are leasing the franchise to \$3.5 million to buy it outright, including purchasing land and paying for construction of the facility. The average revenue for a school that has been open at least 18 months is \$1.2 million, and the income before interest, taxes, depreciation and amortization is \$200,000, Padulo said.

Locations for schools are chosen primarily by looking at population density, median family income and the number of children within the target age range. In addition to the three cities in Central Iowa, Goddard would like to open schools in the Iowa City and Davenport areas.

Once an owner is accepted by Goddard, it typically takes 12 to 24 months to open a school.