

FOLLOWING THEIR CLIENTELE

Goddard Schools head for America's cities

Excerpt from "City Beautiful?: The New ROI: Return on Inclusion" by Eddy Goldberg | March 2, 2009

Opening a franchise in an under-served market doesn't mean operating in atough neighborhood. In 2007, after 19 years of building all of its 300-plus franchised units in suburban settings, The Goddard School opened its first city location, in Columbus, Ohio--but not in an impoverished area. Under-served is under-served.

"This is new for us. Our schools have traditionally been in suburban environments, pretty much ringing a city. That's been our M.O.," says Joe Schumacher, Goddard's COO. "Inside the company, he says, "Common knowledge was we were a suburban school and would always be one. No one questioned that." So why the change?

"We started looking at our growth plan for the long-term future," he says. "How many Goddard schools can there be in the country, and are we necessarily suburban-bound? We concluded that we weren't."

Customer demand and shifting demographics were important factors in the decision. "We got feedback from parents and others who either lived in or commuted to metropolitan areas and wanted a quality program, but couldn't find it."

For a growing number of parents raising families today, the lure of the suburbs has given way to the culture, history, and professional opportunities found in America's cities. "From everything we've read and researched, there's definitely a trend back to the cities," says Schumacher. Part of this movement, he says, may have begun in Dallas in 1998 with the 75-acre, Feb3 billion Victory Park development of Ross Perot, Jr.

What's different for Goddard about operating in a city? "Amazingly not much, at least so far," he says. "We thought it would be tremendously different." There are, of course some obvious differences. One is parking, not a problem in the brand's typical 1.5-acre suburban campus.

Another is security. "We pride ourselves on state-of-the-art security," says Schumacher. In the suburbs, anyone coming onto the school grounds belongs there. In a city, he says, "You have a lots more people walking or driving by who have nothing to do with the school."

One surprise in Columbus, he says, was privacy. With the school on the first and second floors of a metropolitan office building, people strolling by could--and did--look inside--including what Schumacher called some "unsavory" characters. Goddard quickly remedied that by blocking the view from the street.

The physical layout is also different in city settings. "Once you go inside, it's a typical Goddard school," though not a cookie-cutter version.

In 2008, Goddard opened its second city location, in Wilmington, Del. "We've been fortunate so far in both sites to have a fenced-in outdoor play area as part of the facility, as well as a substantial indoor play area."

A few other differences--positive ones--in the city locations. Parents tend to visit more since they often work nearby. "We have an open-door policy. They can come by any time they want and stay as long as they want." And parents who commute into the city now can spend more time with their kids en route. "We seem to have a higher percentage of infants initially in our two city schools than in our urban schools."

The cost of the two city locations is "about the same range as a suburban school," he says. And hiring is no problem. "So far, we have an ample supply of qualified folks. We think there are a lot of teachers who live in cities and commute to the suburbs," he says.

"Great things are happening in lots of cities, and with the economy now we're jazzed because we think we're going to get some great deals--even in Manhattan."