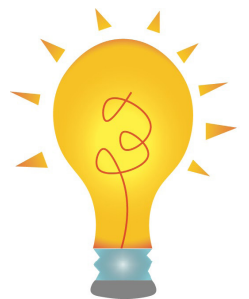


Market Analysis Guide



Introduction

We are passionate about making a positive difference in the lives of young people who are enrolled in K-12 schools. Because you are here, we assume that you share this passion with us. We believe that some children learn best in a charter school setting, where innovative teachers, parents, administrators and other school leaders come together to meet unique learning needs that are not available elsewhere in the community. If you are thinking about starting a charter school in your community and you are aligned with our commitment to improve student learning outcomes in Utah's public schools we would love to have an opportunity to work with you. We are deeply passionate about helping school leaders create and sustain a culture that supports student learning within every facet and function of their school.

When we visit with early-stage founders of public charter schools we inevitably perceive a passion for making a positive difference in children's lives. Many founders recognize that the traditional public schools in their community do not fit the learning needs of every child—and they believe a public charter school can provide a learning experience more tailored to individual student achievement. However, the passion for helping children learn is often extinguished when early-stage founders discover the complex process necessary to become an authorized charter school. This is where Clear Learning Partners is focused on making a positive difference. We are committed to helping you, as a charter school founder, walk the path from conceptualization of your dream to start a charter school—to realizing that dream through school authorization. We are also committed to helping new charter schools create on-going alignment between business operations and commitments to learning excellence as school leaders and teachers move beyond the authorization experience.



Conducting a thorough market analysis is the first stage in a process of determining whether a real need exists for the kind of innovation that charter school founders envision. The market analysis is where founders test assumptions about the viability of a new charter school in their community. Every good idea starts with a hunch that there is an opportunity gap in the market. A well-constructed market analysis tests initial hunches and creates a strong analytical framework for pivoting toward strategic and operational models where real value for students and families can be created in the targeted market space.

What is Market Analysis?

Market analysis is ultimately a strategic planning tool. Careful and comprehensive market research provides a useful reference point for identifying strategic opportunity and it provides context for executing on an organizational strategy. Virtually all approaches to market research are designed to be a means of collecting, analyzing, and using information to make well-informed decisions.

This market research document provides charter school founders with a reference point and structure for beginning the first stage of the authorization process—one that challenges founders to seriously engage with all of the assumptions that led them to think they could create a viable and sustainable educational institution that serves the learning needs of children.



Introduction

Why is Market Analysis Important?

Well-structured and thoughtful market research can:

- Help inform founders about the type of schools that are most needed in a targeted community;
- Student and family demographics that are most likely to use a charter school option if it is available;
- Identify learning programs that are most likely to be successful in meeting children's targeted learning needs;
- Become informed about barriers that might prevent children from accessing school programs. These may include things like affordability, transportation, perceptions about quality, and so forth;
- Broaden a perspective about learning programs that already exist in the community and how those might be seen as being competitive with what the founders envision as their unique contribution to the set of educational opportunities in the community.

Market research is designed to identify objective facts that characterize the structure of the targeted market. These facts should help bring structure and focus to opportunities that founders perceive for improving learning outcomes. After all, that is why schools exist in our communities—we want to help children learn and expand the set of opportunities available to them throughout their adult life.

Decisions about starting new schools are frequently guided by people's instinct and so-called "common knowledge" about a community's characteristics and needs. Even if people's initial thoughts about educational choice are correct, in the absence of solid data it can be difficult to justify decisions about schools or changes to existing schools. Market research is an essential tool for founders to explore



the kind of schools that will both attract students and keep students enrolled year after year. Market research serves an important role in generating feedback from a variety of stakeholders as charter schools are created or as part of a broader commitment to continuous improvement.

Who Will Find This Learning Guide to Market Analysis Helpful?

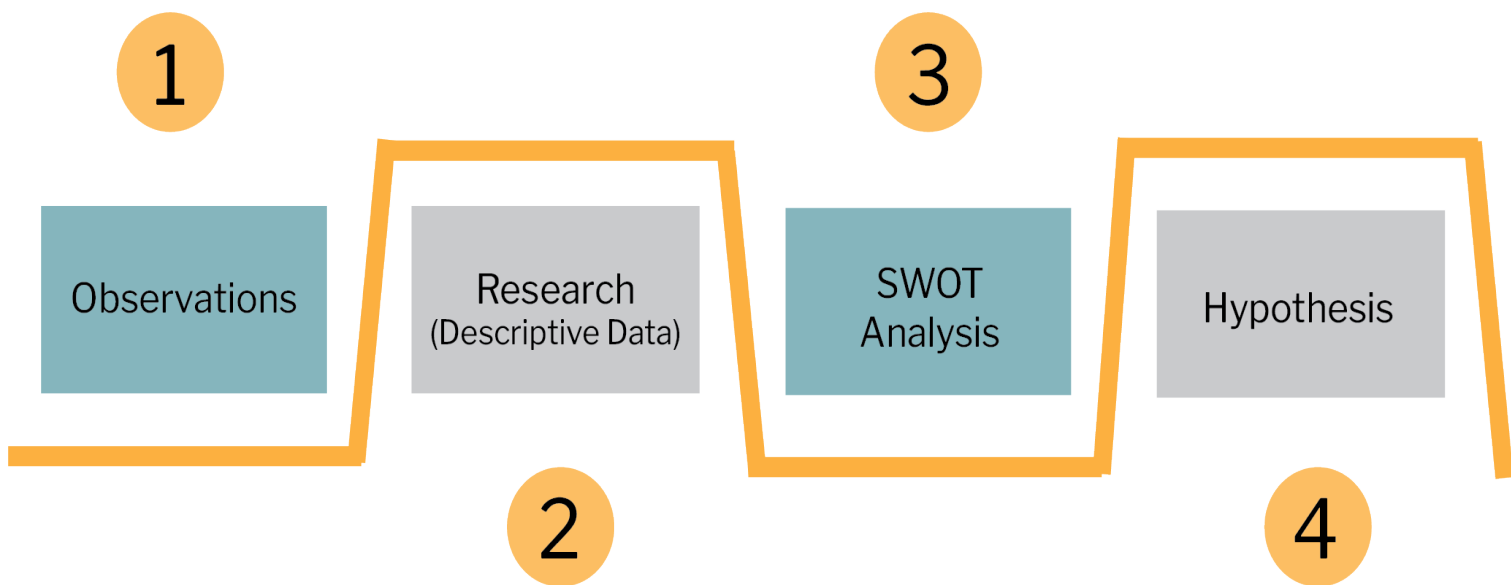
Our goal is to help charter school founders who are first and foremost interested in improving student learning outcomes. The market analysis learning guide is designed to help founders build a framework for creating a charter school that reflects an authentic and sustainable commitment to learning excellence within their community. The tools and models we present can be adapted for use in a wide range of settings regardless of the unique characteristics associated with a specific community.

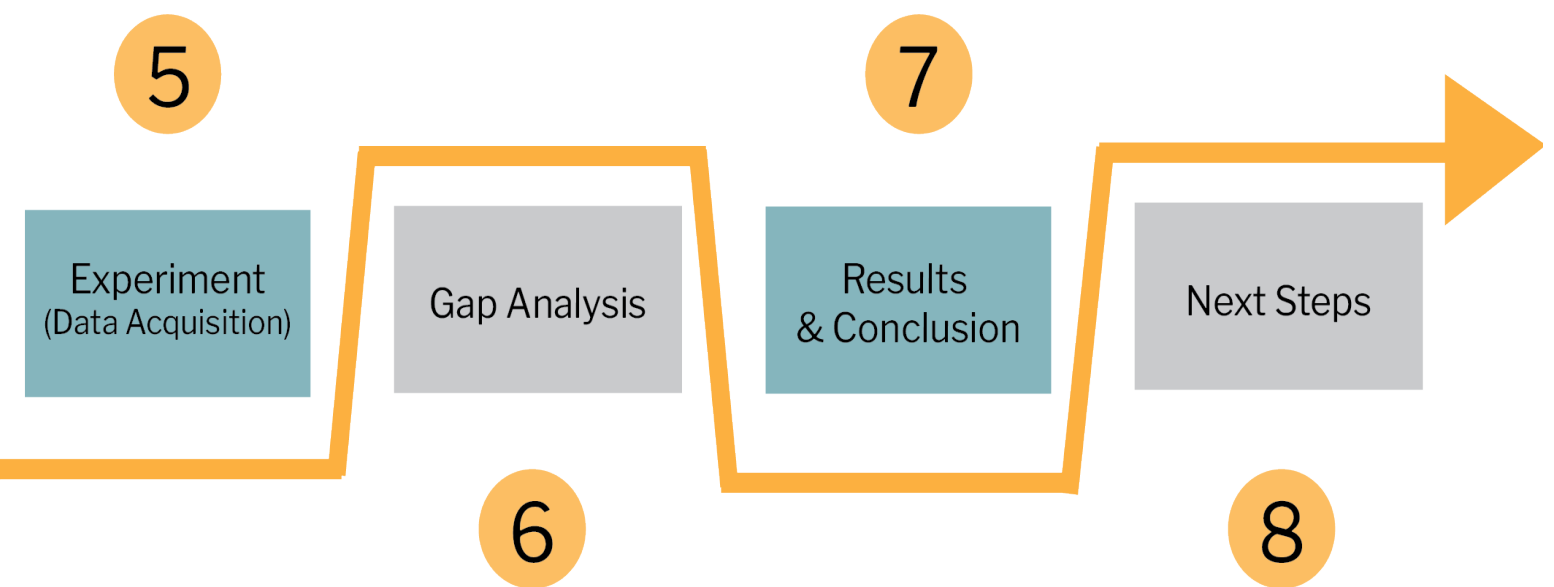
This learning is divided into three sections. The first section introduces the market analysis methodology that we use throughout this document. The second section, subdivided into 8 topic areas, provides an overview of market analysis tools that are designed to help school leaders, including school founders, develop a working knowledge of market research and how it can better inform strategic and tactical decisions. The third section works through some of the practical challenges of developing a market analysis document—along with suggested references for data collection and analysis.



Methodology

This document serves as a framework to assist you in conducting a market analysis that is relevant to your charter school. As you apply the tools presented in this instructional guide, you should gain confidence in gathering relevant data and learning how to interpret information in a way that objectively informs the strengths and weaknesses of your plan.





Overview

1 *Observation*

Step one is to select a geographic location and note observations happening in the market. When observing the market, look for gaps that you can fill, strengths that you can mirror, or areas that aren't yet touched. For example, say that you observe low student reading levels in your chosen location. Questions may start forming from that observation that will lead you into Step two; research.

2 *Research*

When conducting your research, using an online database will be helpful in identifying existing data related to your observations. In doing research, you will be able to back up your actions taken in later steps and prove to charter school authorizers that you understand the market. Additionally, setting up focus groups or interviews with a potential target market will allow you to understand your audience from a first-person perspective.



3 *SWOT Analysis*

SWOT analysis is a strategic planning technique that provides assessment in identifying your core (S)trengths, (W)eaknesses, (O)pportunities, and (T)hreats with respect to your competition. SWOT Analysis brings fact-based comparison, fresh perspectives, and revised ideas, and serves as another layer of research but with the added level of comparing you to others already in the market. More details of the SWOT Analysis are featured in the SWOT Analysis section below.

4 *Hypothesis*

A hypothesis is a prediction made to explain an observation. Most scientific hypotheses are proposed in the "if-then" format because it's easy to design an experiment to discover if a cause-and-effect relationship exists. Answer your questions from step one with declarative statements as starting points for further testing and as foundations for gathering evidence.



Overview

5 *Experiment*

Conducting experiments will help you find answers to your hypotheses. By gathering data and testing whether your hypotheses in step four are valid, you will get a closer look into the market. This will help you revise observations, form new questions, and confirm or invalidate hypotheses. Experimentation is an essential step in the market analysis process, and we have provided a table of potential resources to aid your research process later in this document.

6 *Gap Analysis*

Companies typically use gap analysis to elevate individual or team performance, and evaluate attributes such as task competency, performance level, and productivity. Answer questions like “What did you learn?” or “How did new information create clarity around your hypotheses?” In this section you should relate the data you collected to either validate or refute both your hypotheses in step four and your findings in the SWOT Analysis.



7 *Results & Conclusion*

This is the final section of your research. At this point, you should be confident in your knowledge of the market and the research you have conducted. However, remember that this research can only reach so far into the real world and the only way to fully understand the market will be to start your school. The market will change throughout the life of your school, so it is important not to abandon this process. The research you have done will act as a base on which to build your foundation, and a way to strengthen your base throughout the years by revisiting this process.

Finally, decide on whether or not to move forward with your plan in its current state.



Overview

8 *Next Steps*

This is the last step in the market analysis process; primarily focus on this step if you decide to move forward with your school. Although this step is very fluid, it is recommended that a marketing plan and budget template be written/revised based on your research findings. However, if you choose not to move forward with your school, your next actions should be to go back through this process and revise your school to fit a need that isn't being met. No matter what, you should have actionable items to further your market research process.





Observation

As stated above, “observing” is the first step to the market analysis process. Your school should serve a specific target market in your area, and that should be first driven by observing a need. Let’s look at an example observation:

Suppose that we see a large group of refugee families moving in. We believe that they are a demographic that could use a boost in educational attainment.

We then want to turn that observation into a written statement. This statement looks like:

We want to target English Language Learner (ELL) students because we observe that demographic to be the most at risk academically.





Observation

Suppose we have another observation about that specific demographic. It appears that there is a need within the refugee community to choose a school located near their home. We observe that transportation might be a leading factor to why our chosen demographic elects a certain school over another.

A corresponding statement to this observation:

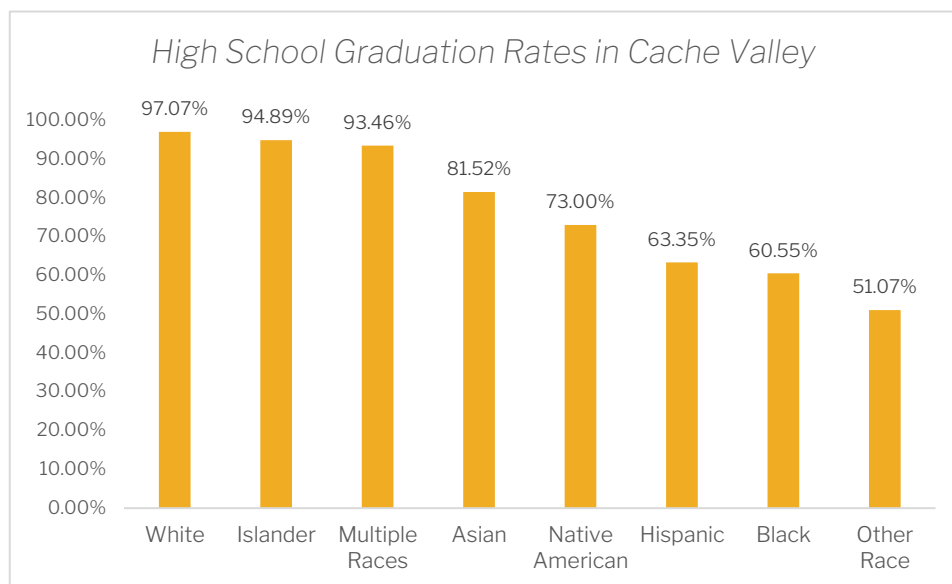
We believe that the growing population of ELL students in Cache Valley will support the creation and sustainability of a charter school that targets the specific needs of the ELL student population.



Research

Research means better understanding your target population. Suppose we find the following information from the state education database online.

Research suggests: According to the graph below, High School Graduation Rates in our chosen geographic location are the lowest among the 'African American/Black' category. We can keep exploring the observation by developing a hypothesis, but let's first look at building our SWOT Analysis.





SWOT Analysis

The next piece of research we want to explore is with respect to competitor schools in your selected geographic location. If appropriate, you should attempt to survey what schools overlap with the observations made in step one.

SWOT Analysis: The purpose of a SWOT Analysis is to evaluate the Strengths, Weaknesses, Opportunities, and Threats of your school.

Both **Strengths** and **Weaknesses** should be considered **internal** factors or the direct result of the decisions of your team.

Opportunities and **Threats** are considered **external** factors; factors that you have no influence over such as emerging competition, regulatory environment, macroeconomic events, etc.





SWOT Analysis

Strengths: This is where you need to look at the product you want to produce. When doing this, think about:

- How will features of your product benefit customers?
- Is this item tangible?
Ex. Strength of your school's board, a very organized team or organization, etc.
- Is this item intangible?
Ex. Great campus, close proximity to parents, provided transportation, etc.
- Define your customer in great detail, do not assume they exist
- How do your strengths target your stated opportunities?

Weaknesses: When looking at your weaknesses, it is critical to be self-aware. When doing this, think about:

- Where are your biggest areas of improvement?
Ex. Lack of staff, wrong target audience, improvement of pricing strategy, etc.
- Your weaknesses will target your threats, are there any threats you could mitigate?





SWOT Analysis

Opportunities: When looking at possible opportunities, look for favorable external factors that could boost your school. When doing this, think about:

- What parts of the market are underserved?
- How many competitors are there in the surrounding area? A Low number of competitors would be an opportunity
- What is the emerging demand for your school?

Threats: When looking at threats, think about any external factor that could potentially harm your school or successful entrance into the market. When doing this, think about:

- Emerging competitors in the surrounding area(s)
- Regulatory environment
Ex. Laws, policy, legislation preventing charter schools from performing certain actions
- Attitude customers have towards charter schools

On the next page is an example of a SWOT analysis we included to guide you in completing your own SWOT analysis.



SWOT Analysis

Strengths

- Increased focused on learning outcomes
- Increased educational equity for refugee or English Language Learner students
- Better transparency and feedback
- Individualized learning
- Passionate staff

Weaknesses

- Language barriers
- Social group discontinuation from district schools
- High potential transportation costs
- Marketing barriers to entry

Opportunities

- Low testing scores
- Rising English Language Learner student population
- Increased at-home learning
- Large supply of skilled teachers from local university program
- Growing immigrant population
- Favoring legislation

Threats

- Inflated real estate market
- New charter schools and other competition
- Unfavorable charter school perception amongst parents





Hypothesis

Here, create a set of hypotheses that explain your observations from step one. You should have a hypothesis for every observation proposed in step one..

Ex. In the first step we made an observation that English Language Learners are at risk of falling behind academically. An appropriate hypothesis would be:

English Language Learners are the demographic most at risk for falling behind academically.

This statement gives us direction to gather evidence that will either justify or disprove our hypotheses in the next step.





Experiment

Here, you should gather data to inform the set of opportunities that were identified in the initial proposal, and challenge the related assumptions. This step should be repeated as you modify your assumptions. Note that the data found might be contrary to the opportunities and assumptions found, if this is the case, address those gaps in the gap analysis section.

Also, listed below are the primary segments that we found relevant to answering the observation step. In your own analysis, you will want to critically engage in creating relevant questions to answer. Next you will endeavor to answer them by seeking objective data for each question.

We've provided a table of databases that might be useful to you when conducting your data acquisition step. The second table includes resources that can aid you if you conduct primary research.



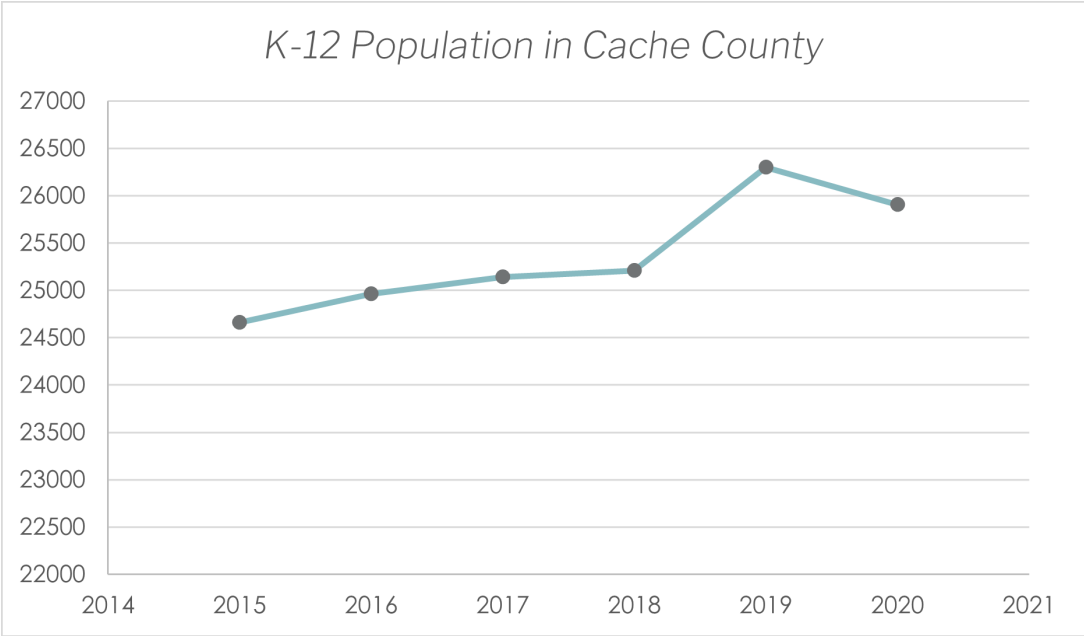
Sources

Focus	Goal	Reference
Student population	Understand growth of student populations	USBE - 'Fall Enrollment by Grade Level'
Population density	Locate densely populated regions of target area	ArcGIS mapping software
Parent perception	Capture generalized parent perception towards charter schools	EdChoice - 'Utah Schools'
Student proficiency	Understand proficiency trends of ELL students	USBE - 'Student Assessment of Growth and Excellence'

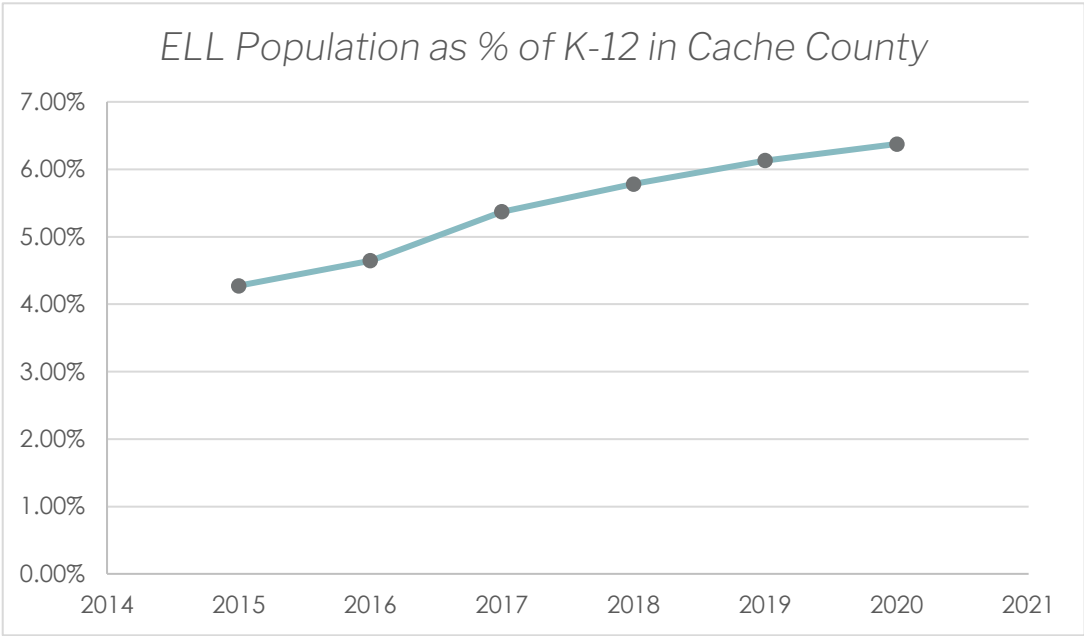
Focus	Goal	Reference
Primary Research, Surveys	Understand target demographics	Survey Monkey
Primary Research, Surveys	Understand target demographics	Qualtrics



The growing population of ELL students in Cache Valley will support the initiation of a charter school.



Source: <https://schools.utah.gov/data/reports>

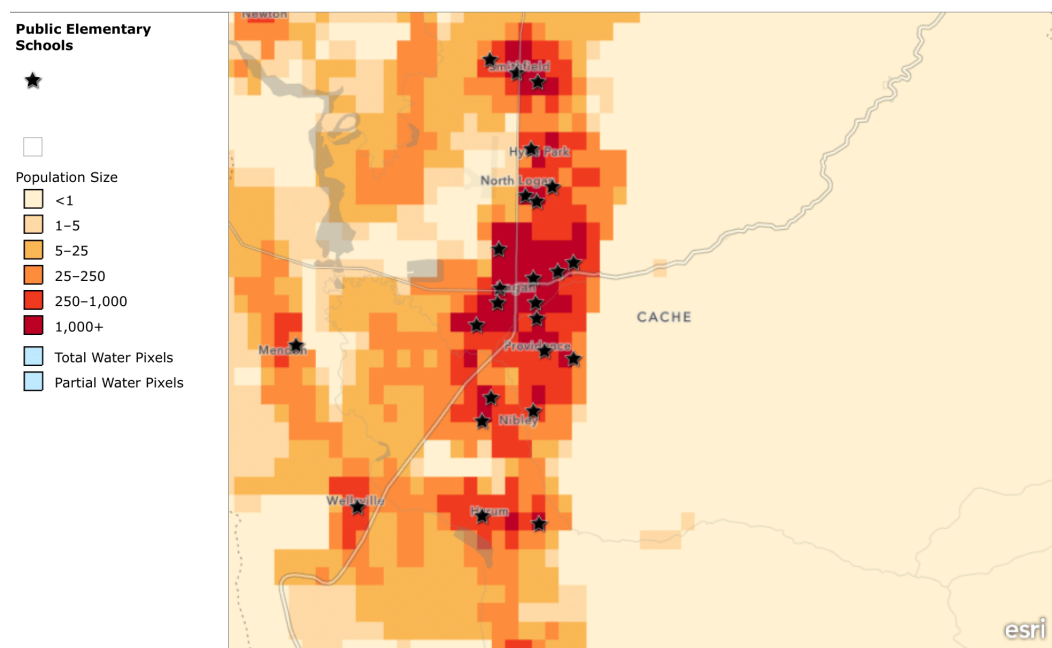


Source: <https://schools.utah.gov/data/reports>



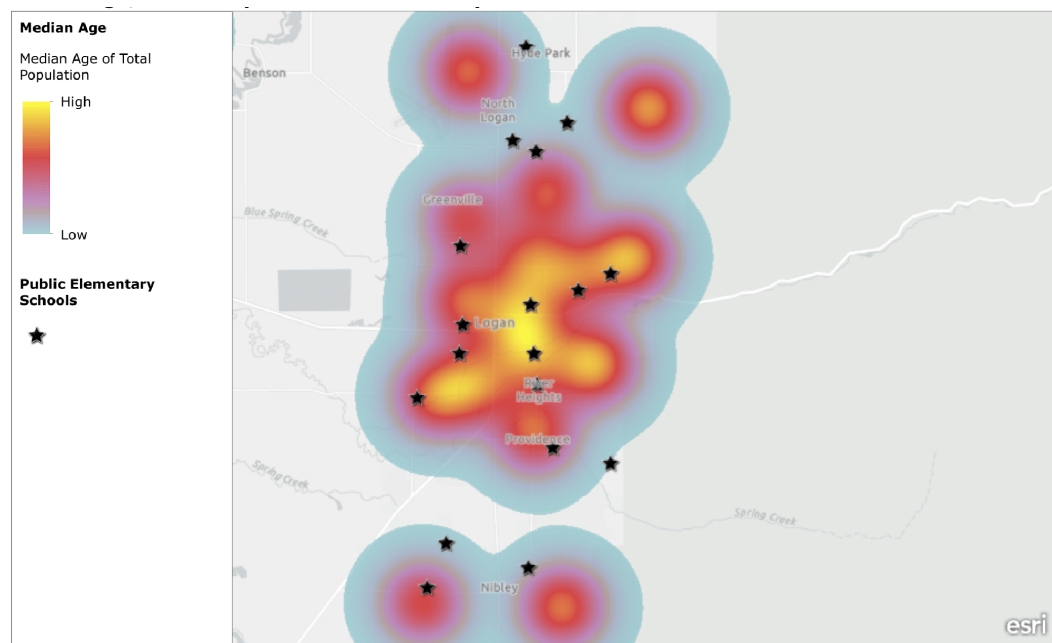
We will capture more of Mount Logan Middle School's ELL population by locating in the same neighborhood.

Population Density in Cache Valley and Public Elementary Schools 2019



Source: ArcGIS - "Utah AGRC", Bureau of Land Management, made with ArcGIS

Median Age in Cache Valley and Public Elementary Schools 2019



Source: ArcGIS - "Utah AGRC", Bureau of Land Management, made with ArcGIS



There is a need for a high structured learning environment which will allow our students to master the fundamentals and achieve proficiency in all Utah core standards.

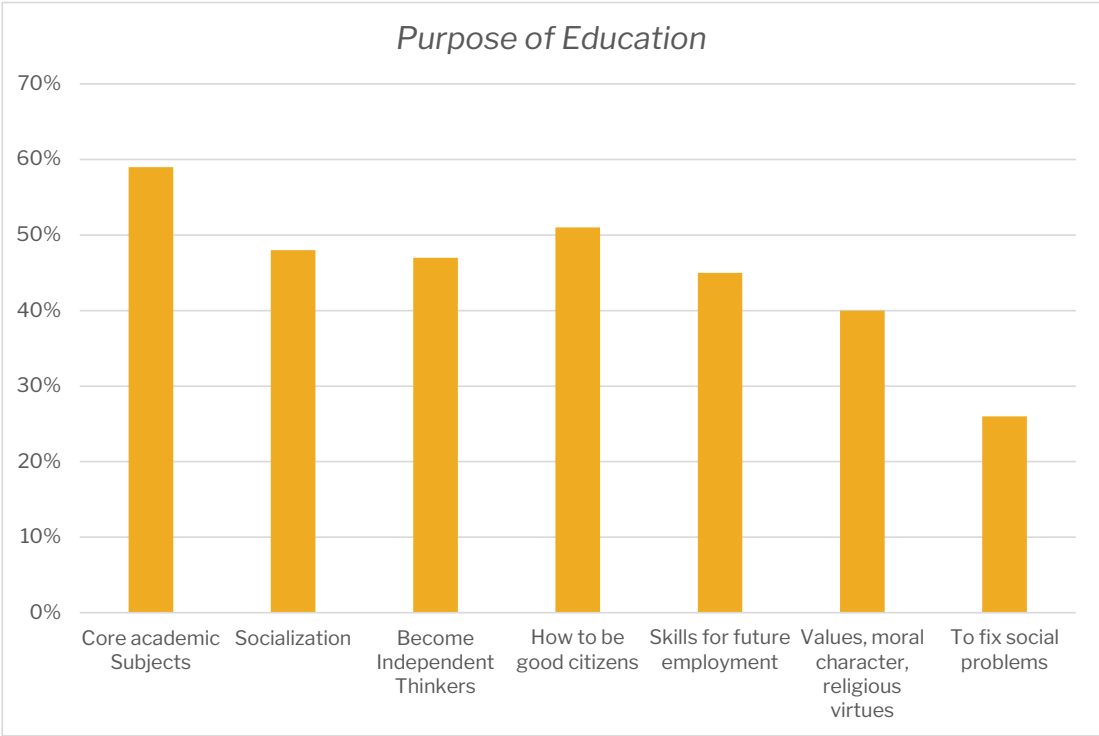
1. Students in moderate to high structure courses use their textbook more frequently, do less cramming, and use more of their textbook (Seaton et al. 2014).
2. Improvements in performance are especially notable for first generation students and underrepresented minorities, where high structure eliminates the achievement gap (Eddy and Hogan 2014; Haak et al. 2011).
3. In general, research indicates that students who participate in a learning community feel more socially connected and supported by their faculty and peers (Andrade, 2007; Crissman, 2001), which is associated with increased student retention. Studies also show that learning communities promote a culture of collaborative learning (Bielaczyc & Collins, 1999; Smith, MacGregor, Matthews, & Gabelnick, 2004; Zhao & Kuh, 2004), and possibly help increase student motivation (Stefanou & Salisbury-Glennon, 2002), both of which may help increase deeper, more transferrable learning (Fink & Hummel, 2015).

Sources:

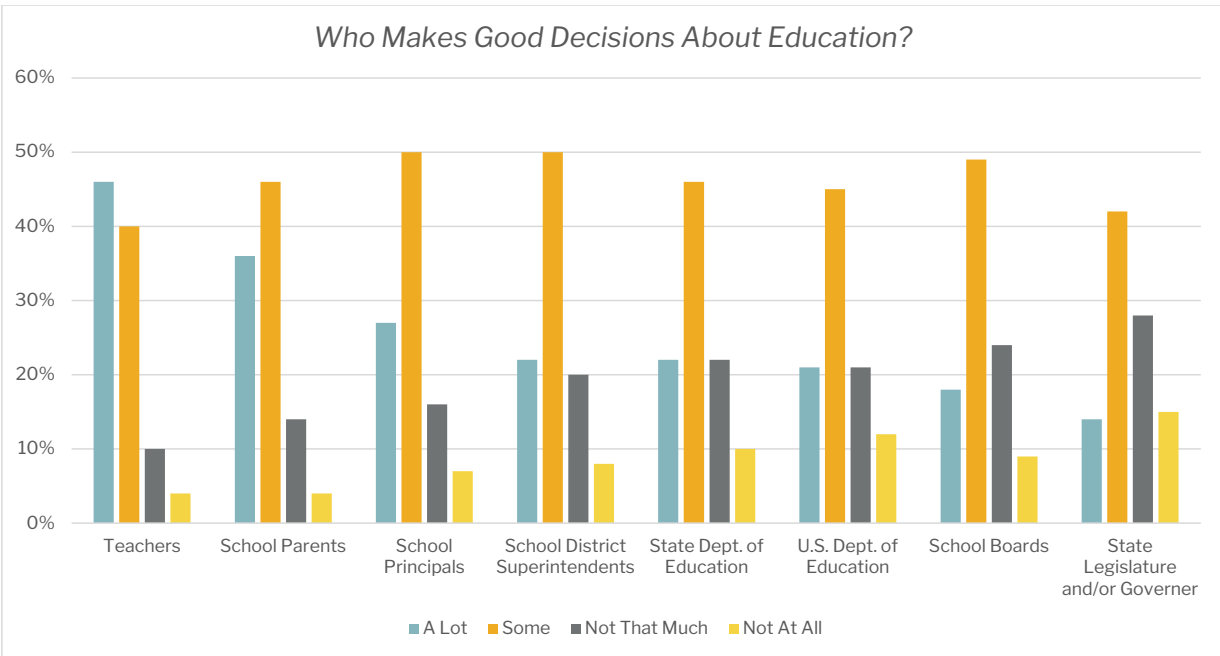
1. <https://nyuscholars.nyu.edu/en/publications/analyzing-the-impact-of-course-structure-on-electronic-textbook-u>, (Seaton et al. 2014)
2. <https://pubmed.ncbi.nlm.nih.gov/25185229>, (Eddy and Hogan 2014)
<https://science.sciencemag.org/content/332/6034/1213> (Haak et al. 2011)
3. <https://journals.sagepub.com/doi/10.2190/E132-5X73-681Q-K188>, (Andrade, 2007)
<https://journals.sagepub.com/doi/10.2190/FJHU-RT1X-GA6Y-EME5>, (Crissman, 2001)
<http://sites.fas.harvard.edu/ext12366/readings/bielaczyc.pdf>, (Bielaczyc & Collins, 1999)
<http://www.sci epub.com/reference/178794>, (Smith, MacGregor, Matthews, & Gabelnick, 2004)
<http://home.ubalt.edu/ub78l45/My%20Library/storage/HV3TEDZ2/12231609.pdf>, (Zhao & Kuh, 2004)
<https://eric.ed.gov/?id=EJ656036>, (Stefanou & Salisbury-Glennon, 2002)
<https://onlinelibrary.wiley.com/doi/abs/10.1002/ss.20115>, (Fink & Hummel, 2015)



We will have the full support of our community to educate ELL students.



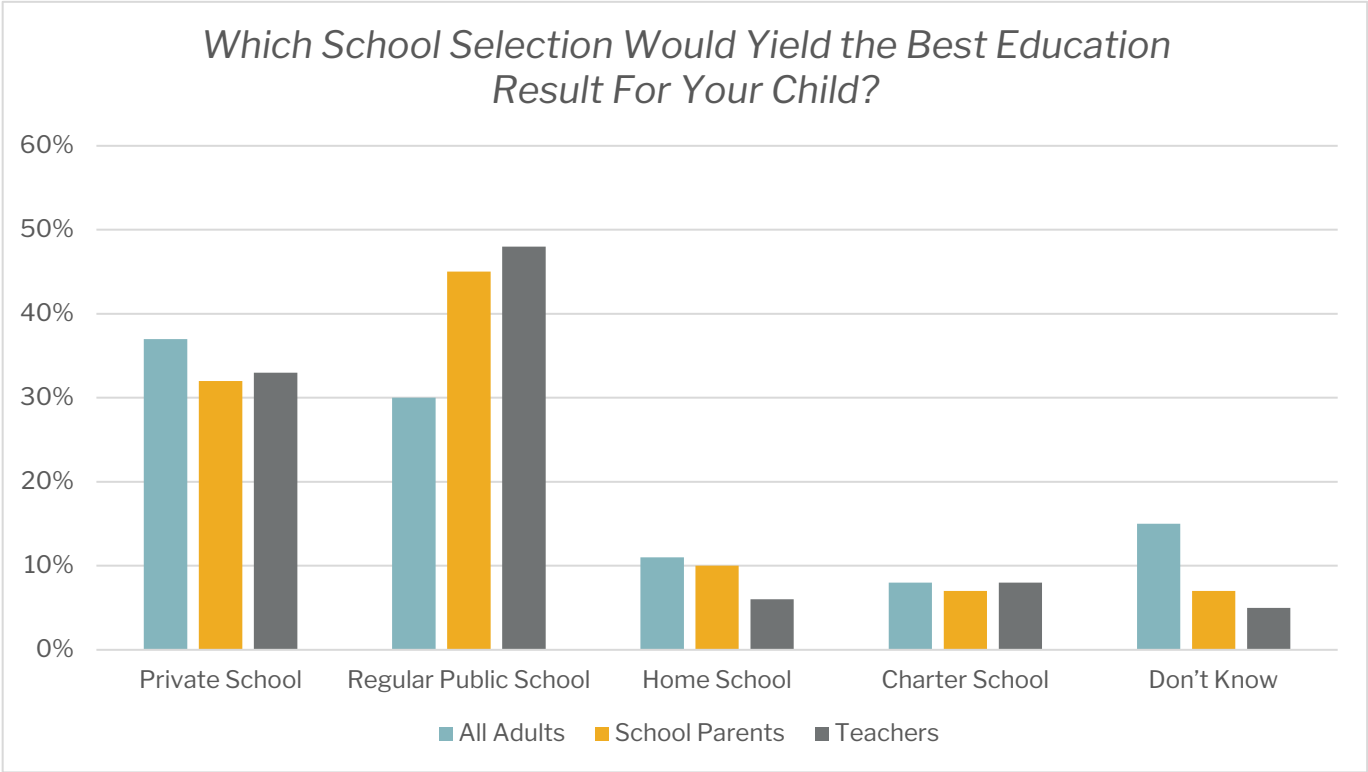
Source: <https://educhoice.morningconsultintelligence.com>



Source: <https://educhoice.morningconsultintelligence.com>



We will have the full support of our community to educate ELL students.



Source: <https://educhoice.morningconsultintelligence.com>



ELL students are at the most risk of falling behind in the current public school system. A charter school focused on their needs would contribute to closing that gap.

Table 1. Share of Cache County ELLs and All Students Scoring Proficient or Highly Proficient in English Language Arts (%), by Grade, SY 2017-18

	Grade 3 (%)	Grade 4 (%)	Grade 5 (%)	Grade 6 (%)	Grade 7 (%)	Grade 8 (%)	Grade 9 (%)	Grade 10 (%)
Share of ELLs scoring proficient or highly proficient	12.4	20.0	18.52	21.33	5.36	5.26	<10	<10
Share of all students scoring proficient or highly proficient	60.1	54.8	55.8	58.8	57.6	58.2	49.8	51.5

Source: <https://schools.utah.gov/data/reports>

Table 2. Share of Cache County ELLs and All Students Scoring Proficient or Highly Proficient in Mathematics (%), by Grade, SY 2017-18

	Grade 3 (%)	Grade 4 (%)	Grade 5 (%)	Grade 6 (%)	Grade 7 (%)	Grade 8 (%)	Grade 9 (%)	Grade 10 (%)
Share of ELLs scoring proficient or highly proficient	16.1	27.3	19.5	14.7	15.5	10.7	<5	10-19
Share of all students scoring proficient or highly proficient	69.4	68.8	62.4	54.8	65.3	68.9	58.8	58.6

Source: <https://schools.utah.gov/data/reports>



ELL students are at the most risk of falling behind in the current public school system. A charter school focused on their needs would contribute to closing that gap.

Table 3. Share of Cache County ELLs and All Students Scoring Proficient or Highly Proficient in Science (%), by Grade, SY 2017-18

	Grade 4 (%)	Grade 5 (%)	Grade 6 (%)	Grade 7 (%)	Grade 8 (%)
Share of English Learners scoring proficient or highly proficient	19.2	14.6	21.3	10.3	10.7
Share of all students scoring proficient or highly proficient	58.6	64.8	64.5	60.9	63.4

Source: <https://schools.utah.gov/data/reports>



ELL students are at the most risk of falling behind in the current public school system. A charter school focused on their needs would contribute to closing that gap.

1. Targeted professional development better prepares educational leaders to bridge the gap between schools and refugee families during resettlement (Fazily, 2012).
2. Schools must find ways to include all members of the refugee child's life by engaging parents and their supportive communities. It is essential to recognize that refugee families want their children to advance, but might lack the capacity to negotiate complex educational systems in a foreign environment. When schools begin fostering social inclusion, refugees begin to find a place of support to rebuild their lives (Thomas, 2016).
3. Children are unfortunately often used as interpreters, which gives them an inappropriate amount of power and can negatively affect family roles and relationships. According to the focus group of Somalis in Minnesota: Children were reported as acting as translators and interpreters of all communication, including any letters from the school. Because they controlled the communication between the household and the outside world, the children were said to act like they are the heads of households and their parents are inferior to them (BRCYS).

Sources:

1. https://fisherpub.sjfc.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1023&-context=education_etd, (Fazily, 2012)
2. <https://link.springer.com/article/10.1007/s41134-016-0022-z>, (Thomas, 2016)
3. <https://brycs.org/schools/involving-refugee-parents-in-their-childrens-education>, (BRCYS)





Gap Analysis

What did you learn from your data? How did new information create clarity around assumptions? In this section you should relate the data you collected to reinforce your assumptions and strengths or identify weaknesses. This will give you a great understanding of your market.

- ELL students are at the most risk of falling behind in the current public school system. A charter school focused on their needs would contribute to closing that gap.
- Student proficiency scores as seen in tables 1-3 show gaps between ELL and overall proficiency rates. These gaps increase relative to grade level and are consistent amongst all subjects and districts.

Now we have reinforced our assumption with relevant data and a narrative. You need to match each assumption and strength in a similar way to show a greater understanding of our target market.

Do you have conflicting or missing data? You found a weakness!

Address this by modifying your learning model so that you are better prepared to confront this newfound reality about your market opportunities.





Gap Analysis

Here are some more examples of Gap Analysis:

There is a need for a high structured learning environment which will allow our students to master the fundamentals and achieve proficiency in all Utah core standards.

It is correctly identified in the research provided that we need to improve existing curriculum with higher structure to support foundational knowledge and learning.

We will have the full support of our community to educate ELL students.

The data collected suggests that parents distrust charter schools, identifying a weakness in our marketing plan. We will need to increase focus on changing their perception to attract the necessary students.





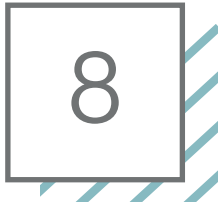
Results & Conclusion

In the final section, you should be confident that you have finished your research and have created an in-depth analysis of your market. However, data can never definitively answer questions it can only provide clarity within the context of inherent data gaps. The market will change throughout the life of your school so it is important to not abandon this process! You should continuously reengage in your market analysis to mend your school to the changing market.

Finally, decide on whether or not to move forward with your plan in its current state.

Ex. The current environment in Cache County is favorable given a growing ELL population and sufficient learning gaps. We propose to move the project forward given the data we have been able to verify. As indicated earlier, there is no definitive way to know the success of our charter school until we get it running. However, after observing a need, doing our research, and closing the gaps, we feel confident in our schools ability to succeed.





Next Steps

Step eight should only be considered if the conclusion in the previous step is to move forward with the chartering process. Under this circumstance, it is suggested that the individual or group consider building out their marketing plan and strategies that will aid them in targeting their target consumer. Second, it is strongly suggested that the individual or group use the market analysis data to inform the budget template from the state board of education.

See the resources below to assist you in your next steps:

[Startup and Implementation Grant Application Template - Utah State Charter School Board](#)

[Open Source Marketing Plan Templates](#)

