

POOL SCHOOL

More aquatics professionals are starting their own swim schools. Here's an expert's advice on how to avoid the most common pitfalls. | by Bob Hubbard, Hubbard Swim School



HUBBARD FAMILY SWIM SCHOOL

Teaching swimming has always been a popular way for aquatics professionals to augment personal income or a facility's revenue stream. Today, there's a growing trend of professionals opening their own swim schools and teaching swim-

ming full-time. This can be very rewarding — or very harrowing — depending on the level of preparation and planning.

That's because teaching swim lessons at a market price level requires a major commitment from the swim school owner. This

involves offering the highest level of customer interaction and service, a stable quality curriculum, a well-trained staff and a facility geared toward providing a welcoming, quality environment for the youngest of swimmers and their protective parents.

The efforts are high, but so are the rewards.

A desire to operate a service business is a key component for the swim school owner/operator. To be successful in a business of this nature, you must be prepared for many daily customer interactions. When an offered

product is sold in 20- or 30-minute increments once or twice a week, it needs a broad base of clients to ensure success. These clients expect excellence. They are bringing something precious into your swim facility: their children.

Parents enroll kids in swim lessons for a variety of reasons. Perhaps they simply want to provide a physically stimulating environment or a social activity for their children. Or maybe they're motivated by fear, especially if they or the grandparents have pools in their

own yards. Regardless of the reason, a swim school owner/operator must understand that parents enroll children because they're not comfortable teaching swimming themselves. As research has shown, more than 65 percent of adults feel uneasy in water over their heads. The lower the parents' comfort level in or around water, the higher they expect the quality of lessons.

But you can't know what type of lessons will be most successful until you consider local demographics.

The potential swim school owner should examine the population, average and median incomes, and the number of children per household — within a certain range of the desired location. This will dictate possible patrons and what they might be looking for: learn-to-swim basics for younger kids, or a swim team-fitness component for the older ones. The distance will be directed by the size of the community and how far people are willing to travel for this type of service. For example, a five-mile radius in



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New York presents a different economic and population mix than a five-mile radius in a more suburban type of community such as Phoenix, where families may be willing to drive greater distances.

The cost of providing a swim lesson in a swim school is different than those provided in traditional programs, such as summer swim lessons in municipal or nonprofit pools. The swim school operator is competing with those agencies, yet will be obligated to pay income taxes, real estate taxes and the operating costs of the facility. Municipal or nonprofit entities, such as the city pool or YMCA, do not have such costs. As a result, operators of these facilities may be able to offer lessons at lower prices. Swim school owners must be prepared to compete in that environment.

One way creative use of space. A new swim school owner may be able to find an underutilized or unused pool in the community. Such a pool can be leased on a full- or part-time basis. This can be an excellent opportunity to get started and develop a client base while learning more about the business.

Number crunching

Once you've decided to build your own school, a number of considerations must be examined. For example, choosing between leased space or purchased property depends on several factors. Local land prices and commercial rental rates make a huge difference. Certain communities have abundant

land at affordable prices, while many mature cities are developed in such a manner that finding vacant land at affordable prices is impossible. A growing number of swim school operators have constructed their pools in leased commercial spaces.

Along with the rental rates, another significant cost is parking. It's essential to have enough space for patrons' vehicles. Indeed, the intensity of swim school parking needs often overwhelms a traditional strip center or industrial office development. You must calculate how many students and staff you anticipate at a maximum capacity, and ensure that parking meets those requirements.

Finances are a major component as well. Unless you have funds from private sources, you'll need to figure out how to obtain money for land acquisition and construction of the building, pools, lobby, office and parking spaces. Develop relationships with a variety of financial institutions, bearing in mind the different information each requires in analyzing the project's viability.

For instance, many institutions need to be educated about the swim school industry and how a school operates financially. You should spend time detailing revenue projections and costs to help the financial institution make its lending decision. This can be the hardest part of the journey to building a swim school. Lenders will challenge you on many of your assumptions. Keep in mind that as they underwrite the credit risk, they are presuming your business



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BACK TO SCHOOL. Demographics is an important factor to consider when opening your own swim school. Consider whether your community has many young families requiring swim lessons.

TOP FOUR SWIM SCHOOL CONSIDERATIONS

Opening a swim school is a major proposition. Here's a look at four key areas to take into account before you take the plunge:

1 Demographics. Assess the local population. Is it a young community with parents starting families? Are there a lot of young children? Or are there more youths, who require a training clinic for competitive swimming? Make sure your school caters to area demographics and structures the curriculum around its demands.

2 Finances. Add up the costs to see how much money you need to open and operate a swim school. Costs include, but are not limited to, building the pool, office, lobby and parking. Rent, insurance and staff wages must be factored in, too. When developing relationships with financial institutions, have all your information researched and be prepared to thoroughly explain what a swim school entails.

3 Staff. Hire smart. Find part- and full-time employees at local high schools and colleges. They must love working with and around children, but realize that their purpose is to teach, not play. Having sharp staff members is more important than having exceptional swimmers on your payroll. A good employee can always be trained to become a good swim teacher as well.

4 Direction. Make sure you know exactly what you want to do. If you'd rather teach than run the school, find a good manager to take care of the business side. Or open a smaller school with a reduced teaching staff that includes you. Trying to run everything when you'd rather just do one area can be daunting, and it reduces the potential your school could have.

— R.Y.

will fail. They need a way to recover the funds they are lending to a swim school operator.

Unlike a restaurant, where the financial institution can remove the equipment and sell it or place another restaurant in the location, a pool cannot be moved. Lenders will need to find someone else to run a swim school in that location, which makes it difficult for them. So they'll probably require a high degree of financial participation and commitment. That can require a pledge of home or other personal assets to secure the desired financing early in the banking relationship.

Running it

With so many commitments, prospective swim school owners need to build facilities they want to run. Make sure it matches your personality and the market. Without the right demographics, you won't have enough students to meet your financial commitments, no matter how good your curriculum.

Owners also must recognize where their talents lie. For example, if you love to teach, but don't care for the business side of teaching, make sure you have support staff to handle the administration. If you don't enjoy managing people, find someone who does, or build a smaller swim school and run it with only a few teachers.

The business model you choose will determine how other parts of your school will be structured. Here's a look at other crucial considerations:

■ **Curriculum.** Unless you're prepared to be a solo teacher, you must have a course of instruction for your staff. You can use a national system such as the American Red Cross'. You can also develop your own, but it must be based on sound educational and developmental principles. A commitment to continual employee training is a crucial component in the ongoing operations of a swim school.

The curriculum should offer a broad range of classes to encompass not only the potential ages of young swimmers, but also their respective skill levels. You must be prepared to teach students with a broad range of skills spread across one or two age groups. This might include 3- and 4-year-olds, who range from beginner to fairly accomplished and are working on out-of-water arm recovery and side breathing.

In addition, these classes must fit with the parents' schedules and demands. If a couple has several children close in age, they will only be willing to stay for about an hour. If they enroll children of varying ages and ability, the swim school needs to have enough classes, levels and instructors to meet their needs.

■ **Staff.** The staff can be composed of a

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variety of people, ranging in education from high school through graduate school. The age mix can cover the whole spectrum, from 16 to 80 years old. Usually, existing staff members and clients are the best recruitment source, though advertising at local high schools and colleges works, too. The ideal candidate will love kids, yet adhere strictly to the curriculum and structure. Staff members cannot afford to be lax or inattentive with the children in their care.

While hiring experienced people is always an added bonus, you can create great swim teachers out of staff members who have no prior swim-teaching experience or even good swimming abilities. A positive attitude and desire to learn can make for an excellent, hard-working employee — and eventually a teacher as well.

■ **Maintenance.** A major unseen component of a successful swim school is the water quality. Many operators are used to larger pools with lower bather loads. When the pool size diminishes, but more little bodies are added and the water temperature is raised from its traditional 78 degrees to 90 degrees, operators must be sensitive to chemical levels and having higher water turnover rates.

Most schools operate in smaller pools with warm water. A large number of students in a small body of water also places strain on the filtration equipment. This combination of a small body of water, many little children and high temperatures often requires oversized, quality filtration equipment. A well-educated staff capable of maintaining pristine water also is necessary.

■ **Advertising and marketing.** Educating the public about the learn-to-swim business is crucial to a new swim school's success. Our society is more acclimated to the "traditional" two-week summer lessons rather than year 'round. How do you bring people in to fill 52 weeks a year?

The most effective methods of advertising will depend heavily on the local marketplace. Are there many children's magazines or local and regional newspapers? In some markets, radio and even cable TV are attractive options. Marketing on the Internet is a growing area where some swim school operators target prospective customers. Purchasing mailing lists of various demographic groups, such as homeowners with backyard pools or families with babies) and mailing them brochures or postcards can be an additional alternative.

Having a client base is very helpful, as

well as attractive to a financial institution. New swim school owners who have been teaching, even on a part-time basis, can bring those clients to the new school.

Community involvement is a great way to educate potential clients about what the school is offering. And once you have a solid client base, nothing beats word-of-mouth advertising from happy parents.

Finally, remember that there are, in essence, two clients: parents and their children. The kids may be having a great experience, but if the parents think otherwise, they won't continue with the swim lessons. Therefore, everyone in the school must ensure that parents and children are viewed as equal participants in the program.

You must be prepared to deliver a quality swim lesson in a well-maintained pool with an excellent, dedicated teaching staff for the children and parents of the community. All of this must come at a price that parents can afford and on which the swim school owner can base his or her business' financial viability. ■

SETTING FEES

What does a swim school owner charge clients? The price you set for your swim lessons is a derivative of many factors. There's really no set formula, but here are some suggestions:

First, take into account the monthly or annual costs of operating the facility. This includes, but is not limited to, sunk costs (such as the cost to build the pool), utilities, insurance, facility maintenance, equipment, debt and rent). Add in employee salaries and benefits. Also, if your school is in an area with a broad range of alternative options such as public swim lessons or a number of other private swim school operators, the fees you can charge will be impacted by the market price.

Next, consider if your lessons will be sold in packages or individually. Private lessons cost more than group lessons. And maybe a more popular time of day will cost a little more than lessons during downtime. People might receive a discount for signing up early, or for referring someone.

Lastly, compare your prices not just to competitors' prices, but also to the value you offer. Make sure prospective clients understand that what they receive from your swim school is worth more than what they're paying.

— B.H.

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