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SYMPLED 2017

Global Trends In International Education Agent Models

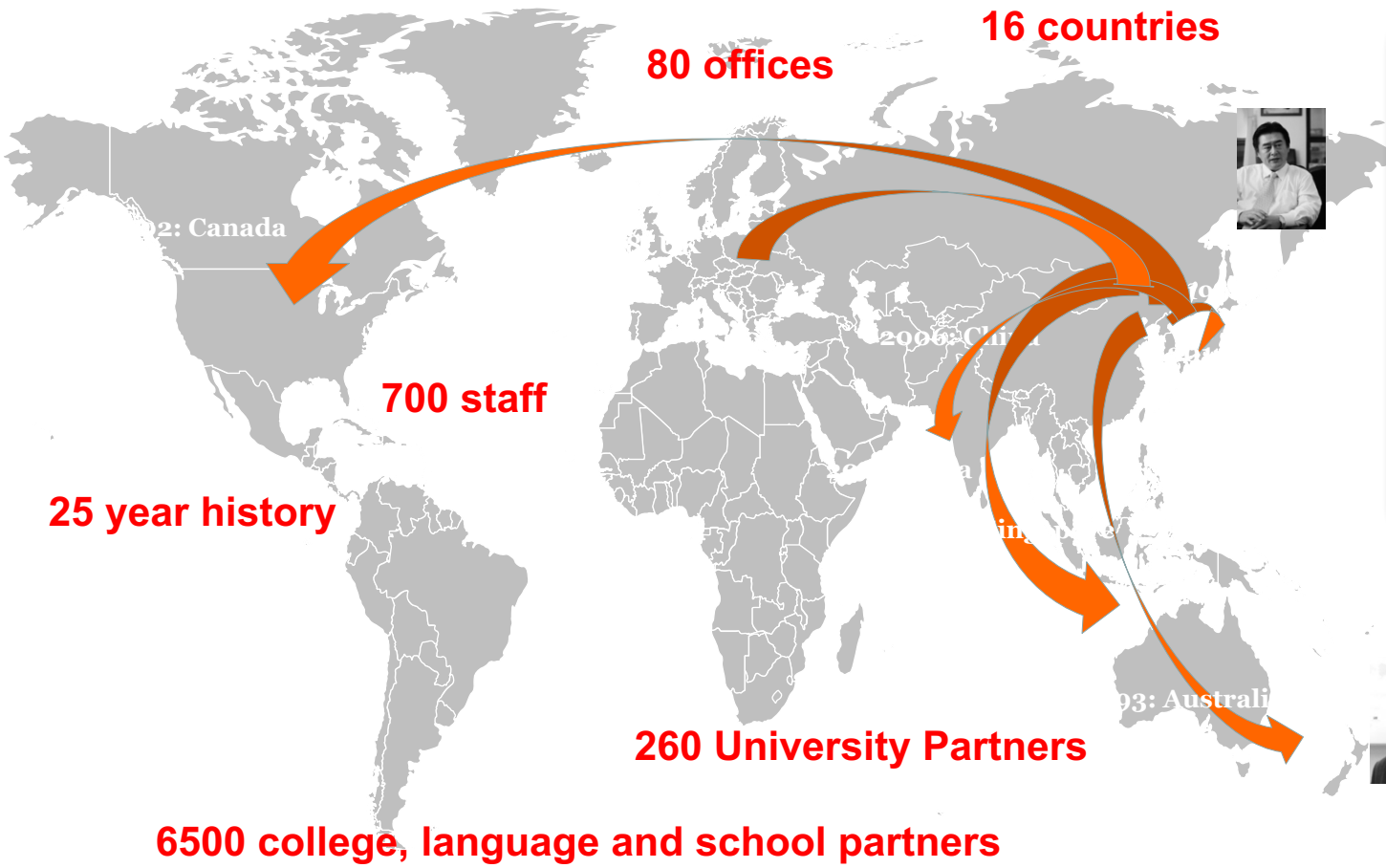


Discussion Outline

“What are the trends for education agent business models? Are agents moving to consolidate and become larger to survive or does the smaller agent have advantages?”

iae GLOBAL History

20,000 students a year



- 1992 – established in Seoul, Korea
- 1993 onwards – overseas expansion in destination countries as well other key source markets
- 2014 – entered an investment partnership with NHC Japan to establish iae HOLDINGS Inc as Group holding company



What is the real role of Education Agents?

International Student recruitment agents support their partners by:

1. Creating brand awareness in the market
2. Providing access to market intelligence.
3. Delivering significant market penetration quickly
4. Maximising institutional partners' manpower.
5. Offering a training platform.
6. Increasing enrolments.
7. Providing a “pay as you go” service.

“Time is of the essence. Change is now the norm & happening at an ever increasing pace.”

The “Good old days”: What has changed?

The greatest changes in the agency/student recruitment sector over the past 20 years are:

1. Explosion in the number of “agents”
2. The increased cost of Business (acquisition).
3. The impact of the internet and social media: shift of power from agents to the web
4. The change from recruitment to compliance.
5. The impact of globalisation. Private equity and the consolidation of both schools and agents.



**“To survive in the new global economy will require massive consistent effort and immediate bold action!
Without further delay, I am putting together a
10 year plan to study the problem further.”**

From a cottage industry to global businesses.

Education Agents recruit millions of students per year globally that generate billions of dollars in tuition and support service related fees.

Where are we now?

- **How many education agents are there? 10,000...100,000more? No one actually knows.**
- **We create competitors – students to agents**
- **Low entry requirements**
- **Impact of GEN Y and Millennials and social media/IT.**
- **Consolidation and Acquisition: the role of PEs**
- **Education groups buying agents**
- **Agents buying schools**
- **Changes to Student Mobility trends**



The cost of business and client acquisition is now a critical issue for many agents.....students are **not** “**low hanging fruit**”! Agents now need to be “real businesses” to succeed.

1. **Costs are rising – wages, rent, marketing, the impact of competitive discounts and cost of systems.**
2. **Students have access to information online**
3. **Direct online application options are now increasing**
4. **Real support from institutions has not kept pace**
5. **Demographics are now hitting key markets = less clients**

BEWARE THE DISRUPTOR>>>>IS UBER FOR EDUCATION RECRUITMENT ALMOST HERE?



Changing times/changing roles: Social Media, Internet & Recruitment.

Internet and technology have changed student recruitment – have you kept up?

To survive in this new world of social media agents need to:

1. Provide their clients with easy access to information in a form that makes the students life easier.
2. Have the ability to compare institutions/courses/countries easily.
3. Leverage a social media strategy – Weechat, Kakao, Weibo, Facebook, Twitter, Blogs
4. Utilise instant feedback on student experiences
5. Have A CRM for sales and student management
6. Embrace IT based training – skype/video conferencing



From Marketing & Recruitment to Compliance & Liability.

Before

Agents promoted, counselled and recruited student. Institutions managed academic compliance and admissions. Governments controlled visa compliance and issue.

Now

Agents need to do in-depth academic and visa compliance checks. Institutions are now focused on risk management and compliance rather than admissions and agent support. Governments issue or reject visas based on GTE criteria that can be confusing and changeable.

Impact for Agents

1. Increased compliance costs
2. Increased compliance risk
3. Streamlined visa processing is now takes longer.
4. Institutions reject genuine applications based on fear.



Mapping the Agent role in the new application process.

Before

- Institutions started to consolidate into super groups from the early 90s and resulted in companies like SG, Laureate, NAVITAS, INTO etc; Average enrolments 70-100K or more a year
- Average agents were cottage businesses sending and average 200 students a year per office
- Many key markets were at the their peak population demographic – seemingly endless students

Now

- Growing number of agents are being consolidated or acquired (China)
- In reality there are now 50-100 major agent companies in the world
- Institutions are reducing agent agreements to streamline their business.
- There is a growing barrier to entry for new agents seeking agreements or even existing agents seeking to expand into new markets.
- Emergence of Super Agents to manage networks of channel partners or sub agents.
(This is why CRM and Management Systems are critical.)
- Institutions are moving to the export of IP and programs to source countries rather importing students to destination markets.
- Many key markets now face declining demographics for under 20's

Thank you.



Seek to build long term and mutually beneficial partnerships.

