### Star Camp: Enabling autistic children to be integrated into society through mainstream schools

Author: Steve Koon, Founder, Innovate 99 Impact Investment Consulting

### I. Can you call something a success simply because it has not gone bankrupt?

### In the UK, 100% of autistic children are able to receive the services they should receive.

It was a question that accidentally aroused my interest in the special education field. While I was involved in the British Council's Social Enterprise Programme, I had a discussion with a parent of a special child about the services provided for autistic children. I asked a British expert present that day what proportion of autistic children can access the appropriate services. I expected an answer between 50% and 60%; however he answered definitively "100%."

That figure made me very sympathetic towards autistic children in China, as less than 1% of them can access the proper services and the quality is very poor and has no quarantee. From then on I wanted to change the fate of these children.

### In China, most of the special education schools are set up by parents.

Every year in the Social Enterprise Programme, there are several participants who set up special education schools. They all asked the same question: "How can I continue with my business? My school is near bankruptcy." Though they come from different regions of China, they all have similar stories to tell; they found out their children have autism, but could not find a school offering special education services, so they had to establish one by themselves and tried to help other children. As they could not charge these children too much money, two years later they had invested all the money they had into the school but failed to bring back any profit. At the same time, there were no grants from the government or foundations available to them. So they came to the Social Enterprise Programme hoping to find some investment.

Were there only one person who mentioned such a problem, I would say that it was because he or she is not capable enough. However, when I see people from different parts of the country having the same dilemma, I know that this is a systematic problem rooted in the unhealthy environment of this industry. In order to provide services to every special child, we need to change the whole industry rather than help just one enterprise.

#### The founder of Star Camp is also a parent free from bankruptcy.

I became the mentor of ECSEL (Empowering Chinese Social Enterprise Leaders) in 2011 to give advice to the outstanding social entrepreneurs in China. Chen Jie became a scholar of ECSEL in 2012. Among many mentors, she chose me as her project guide, and I am very glad for it. She has a school for the autistic children, and I finally have a chance to change the special education industry.

Like many other parents, Chen Jie could not find a good school for her child when she discovered that he had autism. She had to open a school and then ran it for 7 years, nurturing a very good teaching team. Her school has about 100 children, which in the special education industry is a large-scale school. Besides the large scale, this school is financially autonomous, which is very rare. When she proudly showed me her achievements, the comments I made quite shocked her. I said, "After seven years, you only have one school with only 100 children. How can you call that

a success?" Having never had anyone else say such things to her, she explained, "But in this field, my school is successful, especially in Shanghai." My suggestion to her was: "Do not compare your school with other schools. Compare it with the needs of the children."

I asked her, "How many autistic children are there in Shanghai? How many of them can go to school?" She answered, "Though I don't have the exact data, I can say that there are very few autistic children that can go to school. Most of them are rejected by kindergartens and schools." I told her, "You helped 100 children and let 9,900 other children wait outside of the school gate. How can you call that a success?" The autistic children cannot afford to wait. Once they grow up and pass the optimum development period, they can hardly become normal people. I gave her a challenge: expand the 1% to 99%. The goal is not only to expand the scale of her school, but also to expand the whole industry.

This is a great ambition, but while it is easy to set the goal, it is hard to realise it. After considering various aspects, Chen Jie felt that she could hardly change the landscape of the whole industry. However, she very much wanted to take it further. I said, "It is good to go even just one step further. Whether we can change the landscape of the whole industry or not is left for the future to decide. In the special education field, it's worth it even if we only help just one more child."

### II. Bold trial of a chain operation

### The first step towards a large scale: precise self-position

More than 80% of China's special schools have less than 50 students. On such a small scale it is extremely difficult to achieve professionalism. In order to survive, they take in many different types of students. These children have different problems such as learning disorders, reading or writing problems, brain paralysis, Down's syndrome and autism. However, they are all gathered in one school, and each school only has a few teachers. How can they provide professional services to all the children?

In order to provide professional services, we need precise self-position. From the very beginning, Chen Jie had a more precise self-position than other schools. She focused on providing services to autistic children, however autism covers a wide range of areas. The ages of the children, levels of autism and parents' goals are all different. If the children with different features are not divided into different groups, we cannot design specific plans for their education. Therefore, the first step towards further development is to have a precise self-position based on these differences.

### Focus on enabling autistic children to attend mainstream schools

Chen Jie has successfully helped autistic children in her school to enter mainstream schools, and her experience has become a good example for many parents. In 2013, Peking University Press published a book written by Chen called, *The Snail Takes Me for a Walk*. The book describes in detail her experiences with the children and proved extremely moving for thousands of parents, becoming a best seller in the autistic children's market. Based on her successful experiences, she defined the goal of her school as to help autistic children between the ages of 2 and 12 years old to enter mainstream schools. This positioning not only clearly separates children with different characteristics, but also brings a huge market to the school. The reason is that most of the parents of autistic children hope that their children can finally enter mainstream schools after receiving assistance from special schools. Integrated education is a common goal of the special education industry and society.

### Star Camp comes into being

With a clear goal and a precise self-position, Chen Jie started to expand her services for autistic children. We created a new brand for the school called, "Xingbao Shangxue" (Star Camp). "Xingbao" means "children from the stars", which refers to the autistic children. "Shangxue" means "go to school", which is the simplest and most direct goal. Star Camp is based on the past experiences of Chen Jie and also her future dream.

### **Proving Star Camp had a market: Opening New Branches**

Whether or not helping autistic children enter mainstream schools had a market depended on the results of the market test, rather than any theoretical discussion. New branches of the school needed to be opened in order to prove it had a market. In order to follow the new position of the school, we needed to redesign the brand symbol, classroom arrangement and teaching materials and redevelop the teaching concepts and content. After half a year of hard work, Chen Jie opened her second school –Star Camp Flagship School in Shanghai – in September 2013. After operating a special school for the autistic children for 8 years, Chen Jie entered a new stage in her career.

### The secret of expansion: COO

Opening a branch school is not a simple process of copying another school. Everything needs to be upgraded, including the process management and the employee training; they need to become systematic. However, nobody can do it alone. Chen Jie owes the success of the opening of a new branch to a teacher, Sun Yong, who had cooperated with Chen for more than 10 years. He changed his role from a teacher in the special school to a Chief Operations Officer. He implemented all the plans in detail including the decoration of the school, systematic design and the process reform. The success of a social enterprise not only needs ideals and strategies, but also needs a loyal and reliable co-operator to turn opportunities into reality.

#### Opening a branch school is the first step towards a chain business

For Chen Jie, the transition of the school posed huge challenges in terms of the management methods and the financial pressure. When Qixiang was not well received, Wang Bin started to help Chen Jie. Though she is a senior financial expert, her rich managerial expertise in managing institutions helped with the detailed implementation of the team's strategies, thus playing an important role in the development of the school.

# In order to change the special education industry, we must set up a chain business

The goal of setting up branch schools is not limited to proving that this position has its market, but more importantly, it is to start a chain business model. The development of the special education industry has not broken its traditional model of "setting up a shop along the street". Because most of the schools operate independently and have less than 50 students, their annual income is less than RMB1 million. They have no resources or ability to conduct research and development to improve their teaching quality, not to mention computerised teaching or systematic management. Most of their teaching materials and exercises are produced by copying. While our daily life has been changed by smartphones and iPads, the teachers in special schools are still using teaching methods that were adopted 20 years ago. If we want to make a breakthrough, we must start a chain business model instead of operating one school.

### **Design of the Star Camp business model**

The fast food industry of hamburgers and fried chicken can expand with machines and systematic operation at a fast pace. However, the expansion method of the

service industry is totally different, depending on copying human resources. In order to create a chain system in the special teaching industry, Star Camp designed 5 core systems.



- 1. The visual image of the Star Camp brand
- 2. The financial and administrative management
- 3. Demand evaluation and curriculum design
- 4. R&D of teaching methods
- 5. Training of teachers

The goal of the 5 core systems is to guarantee the teaching quality and offer value-added services to the participants. A good level of quality is the basis for building a chain business. Value-added services can attract people to join the chain business and make them stay. These are problems that must be solved if we want to run the chain business well, with the latter issue being more important. The method used to make the participants willing to pay a certain amount of service fees every year will determine the development of Star Camp. In many chain institutions in the service industry, the participants will leave the platform and start their own business one or two years later because they think the platform cannot offer anything more, and starting their own business can bring more profits. If we want the participants to stay, we must prove that the services provided by the platform are more valuable than the service fee they need to pay.

### The 5 core systems ensures participants are retained

From the perspective of the participants, the values of joining Star Camp and staying with the platform are as follows:

- 1. Star Camp's brand can help them enrol students and charge a higher fee than the normal market price.
- 2. The school's management system can reduce management costs and improve

- their efficiency.
- 3. The curriculum evaluation and design mechanism can improve recovery results and increase the rate of students entering mainstream schools.
- 4. Education R&D can help adapt advanced foreign technologies and improve teaching quality.
- 5. Systematic and constant training for teachers can break the bottleneck of business expansion.

The benefits and value gained by the participants far exceed the one-time participation fee and the annual service fee. Only in this way can the system keep expanding.

### III. Expectations of the special education industry

Star Camp is slowly making its way down the road of development in the special education industry. It has experienced both laughter and tears, and still has a long way to go to achieve success in the future. For the investors, Star Camp's development direction is correct, and it has offered a new and feasible development path for schools in the special education industry.

## The social enterprise model can thoroughly change the special education industry and give hope to children still waiting for an education opportunity

The success of the special education industry depends on the operation model of social enterprise. Low charge and non-profit philanthropic models can only create small-scale schools with low efficiency. If we use the purely commercial model, we will have little motive for R&D and scale expansion. The basic profit in this industry is low and the proficiency of other similar schools is not very good, it is complicated to carry out research and development on teaching models and to import foreign technology and the risk of expanding investment is high, but the return is low. All this leads to the fact that most of the schools under a commercial operation system are small-scaled and non-systematic, so with either the philanthropic model or the commercial model, special schools can only operate like small shops set up along the street.

The social enterprise model in the special education industry uses proper profits to drive systematic and large-scale development, not only bringing success to the enterprises, but also to the whole industry. The children who are waiting for an opportunity to go to school finally have their hope.

### The first step towards feasibility of Star Camp

Chen Jie made up her mind to redesign the brand and management model based on her school which she had run for 8 years. She started the flagship school of Star Camp, taking huge risks in doing this because the effectiveness of chain schools had not yet been proved. However, had she chosen not to do so, she would never have jumped out of the standard model. Even after another 10 years, her school would be the same as it was with only 100 students. The success of social enterprises does not depend on how many people you have helped; the goal must be set according to how many people are waiting to be served. The success of the Star Camp flagship school will determine the future of the chain business model.

With the hard work of the whole team, it only took the flagship school 6 months to generate a stable cash flow, and the children, parents and teachers are all satisfied. This proved that the chain business model worked for Star Camp.

### A Mother from Tianjin Became the First Participator

A mother who had lived abroad for several years before returning to Tianjin found that her 2 year-old child had some problems. At first, she was unwilling to accept the fact that her child had autism; however the child did not recover. She took the child to the hospital and had a detailed examination done. In the end she had to accept the fact of the situation, no matter how hard it was. After her child was diagnosed with autism, the mother went to many places in Tianjin and Beijing to seek a proper special school for her child. However, she failed to find one that was good enough. By chance, she read Chen Jie's book, *The Snail Takes Me for a Walk*, and was deeply moved. She then flew to Shanghai and visited Chen Jie's school. Though it was not long after the Star Camp flagship school was established, this mother felt that it was the best school of its kind that she had seen, deciding to rent a house near the school and take her child here. The greatness of a mother's love cannot be conquered by any hardship.

Several months passed and the child was developing well. However, the family had to work in Tianjin and could not spend a long period of time in Shanghai to help the child recover. At that time, the participation policies of Star Camp were under preparation, having just finished the initial design. The mother told Chen Jie that she was willing to open a school in Tianjin, and the two agreed. The branch school in Tianjian was set up in April 2014, the first branch school of Star Camp outside Shanghai.

### Investors see the advantages of Star Camp

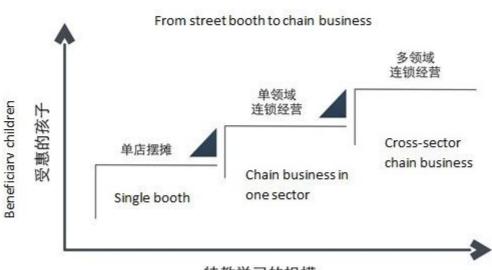
There are many schools for autistic children, but there are few founders who can upgrade the school to a chain business. In order to expand its scale, Star Camp needs capital and investment. The investors thought that the project had the following advantages:

- 1. Chen Jie had established an authoritative position in the field based on the successful case of her own child and her experience of running the school successfully for nearly 10 years.
- 2. The Snail Takes Me for a Walk has become one of the best-sellers in the special education industry.
- 3. The school has a good self-position; "helping children to enter mainstream schools".
- 4. The profitable business model has proved feasible.
- 5. She successfully set up a flagship school and branch schools.
- 6. She has a brand new comprehensive brand image including logo, name card, decoration and website.
- 7. The progress of the children can be measured and the parents speak highly of the brand.
- 8. There is a stable and professional team of teachers. Also, there is a capable and passionate Chief Operator.
- 9. They have basically finished a systematic and large-scale design.
- 10. They have a clear ambition; to end the wait of the children in need.

### The investors expect to construct a future for the special education industry.

For the investors, the investment in Star Camp is just the beginning. Though the aim of Star Camp is to help autistic children, the systematic, large-scale operation model can be adopted in other fields of the special education industry. In the same way, we can help those children with different problems such as cerebral palsy, Down's syndrome, learning disorders and reading problems. The long-term expectations of the investors are that they can finally have a chain business model for the operation of special schools. In this way, they will have numerous opportunities in different fields of the special education industry. Though there is still a long way to go in order to achieve this aim, but investors are very confident about the future.

### 从摆摊到集团经营



特教学习的规模 Size of the special education