

## **Ekaterina Lasenkova**

*The young owner of the non-governmental educational establishment “British Academic Centre”, Ekaterina Lasenkova started off in Krasnodar seven years ago. She took over a loss-making company and breathed new life into it, making it not just a competitive business but one of the most popular language schools in the city. The company operates in Krasnodar, Sochi and Novorossiysk, as well as in the Moscow Region’s Noginsk, Reutov and Elektrostal. In Krasnodar alone, Ekaterina’s school has 600 students, including top managers of state corporations, national telecoms operators and leading Russian banks. How did she do it?*

“There are over 300 language schools in Krasnodar, but we are the best in this segment. But this was not so easy. We did our best in recruiting staff and today we have the best Russian-speaking teachers in the city. Our school is the only one to boast native speaking teachers. A lesson with a native speaker costs twice as much as one with a highly qualified Russian-speaking teacher. Even so, this does not stop those willing to learn a foreign language. We have the highest prices in Krasnodar. The average price of a monthly course with 2–3 lessons a week is RUB 2,000, whereas we sell our courses for RUB 8,000. Yet they choose us because we guarantee a quality education: our students start speaking their chosen language from the first lesson.

We had a hard time choosing our golden teaching personnel. I once posted an announcement on a recruiting website, with tough selection criteria. Seven hundred people replied. They considered themselves ready for this work. We selected a hundred of them and began to study their CV’s. Then we interviewed the best ones... and we didn’t hire anyone.

The specialists apparently overestimated themselves. They made grammatical mistakes, failed to fulfil the simplest tasks and many of them just did not like people much. They were very uppity – you know this type of teacher: I am right because I am teaching you and not you teaching me. But this doesn’t work in my school. Our clients are successful people of high status; they are well-educated, profound and interesting. Honestly, it is simply stupid to be haughty with them. And it is even more inadmissible to show one’s superiority to schoolchildren. I will not permit teachers to vent their weaknesses on children.

It turned out that the most effective way to find “your” people is by word of mouth. We worked hard and it did yield results: our students began to speak well and rumour spread that we were good. And finally, the needed and long-awaited specialists began to come to us. On their own! This is how Irina Polovinets became one of our teachers. I am very proud of her. She has worked in Argentina and Canada and she speaks English very well, like a native speaker. Moreover, she is a charismatic person. She wins hearts, not just as a teacher. And this means additional points, extra stimuli for communication.

I am sorry but I cannot say the same about the native speaking teachers. Their indisputable advantage is their live language, clean pronunciation and unmistakable feeling for their language, which is very useful in teaching. On the whole, however, they treat Russia as a third world country. This is painful to me. I would like to find foreign teachers who would love our country, so that I could say about them the same as I say about our Russian-speaking specialists: that I work with them. Not “they work for me” but “I work with them”. I need specialists who are colleagues, allies. I need charismatic, good-looking people who are able to get along with our students.”

**“So beauty and charisma are kind of a “surplus value” for specialists. And what about business women? Is it important for them to look good or is it enough just to be intelligent?”**

“A woman should always look good because she is a woman. Being an entrepreneur, I profit from it sometimes. If you turn on the “I am a woman” mode, especially when dealing with men, many problems can be resolved simpler and faster. If she needs to, a woman can play a “blond”, pretending to be helpless and unprotected. This is our tactical advantage in business, so why abandon it?”

**“Looking at you, I see an attractive young woman. I am sorry but thoughts appear about a strong man’s shoulder that gave such a boost to your business in so short a time...”**

“I did not have a rich father. I grew up without a father, actually. My mother teaches Russian language and literature. And the “strong shoulder” factor appeared only now that I am standing firmly on my feet.

My story is a simple one. I come from Perm. I graduated from Perm State Technical University, Humanities Department. And then it was a classic scenario. Once, I went to Anapa for a summer vacation. I fell in love and it was mutual. We got married and I lived in Anapa for seven years. Life is not easy in resort cities: the three summer months of hard work are followed by long months of survival. Our marriage cracked and we divorced. Yet I was still attached to the south. You know the south is like a magnet. So, I became director at a language school in Krasnodar. However, this business has always been very problematic, and the school was going down little by little. By the time I took it over, it was being subsidised by its founders to the tune of RUB 300,000 to 400,000 a month. After my first month working there, we had a profit of RUB 200,000. And it has been growing ever since. In 2012, our revenue reached RUB 22 m, climbing to 28 m in 2013 and, even in the crisis-hit 2014, we earned 25 m. Already during my first year at this school, I realised that I wanted and was able to manage the school as its owner. We completed the legal formalities three years ago, bringing to life the non-governmental educational establishment British Academic Centre, which took over all of the school’s obligations. I have kept the core teaching personnel, the work model and my colleagues from the school’s administration.”

**“So what helped you to leave your rivals? How did you turn a loss-making business into a profitable company?”**

“First of all, I changed the target audience. Earlier, our advertising agents went to schools trying to persuade parents and pupils that we were good. I decided to apply all our efforts to the premium sector, reaching the level of corporate sales. We began to work with top figures and managers of such companies as MTS, Megafon, Kuban Credit Bank, Metro Cash and Carry, NIPIGAS Refining, Rostelecom, Alfa Bank, Henkel, Transasia, Gazprom Dobycha Krasnodar and many others. We had something to offer them. Our advantage is that we teach foreign languages without resorting to Russian, in full accordance with the established communicative approach methods, inviting highly qualified foreign teachers on exclusive contracts, and constantly monitoring the successes of each student.

I revised our advertising and marketing strategy. We began to sign barter contracts with the media: our teachers helped their journalists learn foreign languages and, in return, they promoted our business for free. As a result of this simple barter scheme, we reduced our advertising costs and, at the same time, shaped our image on the basis not of words but a firm belief among the media that our methods do work.

We improved our educational product, bringing the results of learning to the level desired by our clients; we introduced different levels of learning: Standard, Intensive and Super Intensive, using different programmes: for beginners, business English, technical English and English for travellers.

We regularly come up with new proposals. For instance, we have introduced additional services, such as all kinds of translation from all European languages. Another project is our summer camps for children with the British Adventure programme. Two weeks at the camp with plays, communication and intensive English studies – five and a half hours a day – cost just RUB 10,000. Our new product was immediately popular.

We also implement interesting social projects, such as BrainStorm (my favourite!) and Business English Quest.

The most important thing is not to waste time.”

“In other words, you learned from the mistakes of the previous inefficient business and did your best to avoid them. And did you make many mistakes of your own?”

“Mistakes in business are the search for a rational way. They are inevitable. First we did everything to please our clients: if a client was busy, we would reschedule the lesson; if he missed the class, we would let him have another one. As a result, our school faced regular losses. At the same time, there was no one to compensate for our costs. This includes rental, quite high salaries for teachers compared similar companies, payment for rented apartments for foreign specialists, their transport costs and reasonably high salaries! Today, I have come to the conclusion that there may be compromises but they shall be the exception, not the rule. We respect our business and we expect others to do so, too.

Our tactical mistakes in communication with clients led us to realise that we should defend the interests of our business; we do not accept the leftover principle of its importance. If someone pays for studies for a year in advance and stops attending classes because he had ‘more important things to do’, that is his own risk, not that of the school. For me, the approved schedule is a super value not subject to change.

Order always leads to disorganised and poorly motivated clients leaving. Yet it only served to help us. Those who stayed with us are the ones we need and who need us.

Our mistakes also helped us adopt a stricter approach to the legal aspects of our business. Generally, contracts are very important for any entrepreneur. If you put down in a contract that any disputes between the parties can be referred to the Arbitration Court, take this contract and reread it as if you were already in court and as if you had to defend your case. At the start of my business career, I easily allowed companies to amend our contracts but, in time, I realised that there are positions that cannot be changed, even if you fear losing the client.

It is also useful to revise your company's budget with a view to optimising it. I have been doing this recently and I have found resources worth a million and a half roubles. Among other things, there is cheaper lending, though it was just about moving into the building next door. And we abandoned cash registers, instead installing a cash machine and thus saving RUB 100,000 in monthly fees for cash services. And we also found a new provider, saving RUB 15,000 a month in addition to getting a better service.

On the whole, it is useful for any entrepreneur to look at his own and someone else's business in terms of money. For example, take the Hilton Hotel. What can one say about it? Well, it had an unusual architecture for Krasnodar, excellent level of service, world quality standards. What would an entrepreneur say? He would think: how much money was put into it! How expensive was the construction? How much was spent on decoration? How profitable is the hotel room stock? What is the company's annual revenue? What is the owner's profit?

Believe me, it is an excellent exercise for a beginning businessman. I also taught the personnel to estimate our common business. It is important for me that every manager understand where the roubles come from and where we can lose them.

Yet you should not go too far in this: entrepreneurs should not be blinded by money. Perhaps it is for this reason that I try to do some non-commercial projects, too.”

“Are you speaking about the BrainStorm Olympiad of English language among Krasnodar schoolchildren?”

“Yes, among other things. The crisis urges us to seek original business solutions. People began to save and our attendance figures dropped. And I wondered how to explain to the schoolchildren and their parents that languages are an investment in development, in one's future, how to assess school knowledge objectively and motivate children to gain additional knowledge? We held two Olympiads, in which over 500 schoolchildren took part, from different schools in our city. The results were published broadly.

Participation for schoolchildren was free; we paid the expenses. We agreed our independent Olympiad with the Ministry of Education of the Krasnodar Region and the Education Department of Krasnodar, and won support for the project.

It turned out that children have excellent reading skills, listening comprehension was somewhat worse, with half of the participants failing the grammar tests, while usage skills were the poorest – fewer than 40% of the best pupils were able to use their knowledge in practice. This is really sad because the key goal of learning English is to use it.

The Olympiad results also urged us to talk seriously with teachers. I suddenly realised that some children did not know a foreign language, not only my potential target audience. They are my countrymen who will grow up and start travelling abroad, where they will be unable to explain themselves with personnel and other tourists. They will neither read foreign books nor see great films in the original language. They impoverish themselves in advance. And I want to be proud of Russians, their level of culture and education. Actually, this is how I see my mission.”