



IELTS™

The Agents Perspective

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IDP Education



IDP Education



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| | Student Placement | English Language Testing | English Language Teaching |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Description | <ul style="list-style-type: none"> Places international students into education institutions in the main English speaking countries Services include counselling, application processing and pre-departure guidance | <ul style="list-style-type: none"> Co-owns IELTS, a globally recognised high-stakes English language test Distributes and administers IELTS tests for study, work and migration purposes | <ul style="list-style-type: none"> Owens and operates English language schools in Cambodia, Vietnam and Thailand |
| Operations | <ul style="list-style-type: none"> 89 offices across 30 countries Places students into over 600 education institutions across Australia, the United States, the United Kingdom, Canada and New Zealand Placed students into approximately 26,700 courses in FY15 | <ul style="list-style-type: none"> Over 400 test locations in over 50 countries IDP Education administered approximately 825,000 IELTS tests in FY15 In total, the IELTS parties conducted approximately 2.6 million tests in FY15 | <ul style="list-style-type: none"> 10 campuses in three countries Students enrolled in approximately 60,000 courses in FY15 |

Figure 3.1: Global operational footprint



Quality versus Quantity



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An Agent is a sales channel



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- Direct field sales reps
- Corporate Resellers
- Master / local distributors
- Integrators
- Value added resellers
- Brokers
- Franchises
- Telemarketers
- Inbound telesales agents



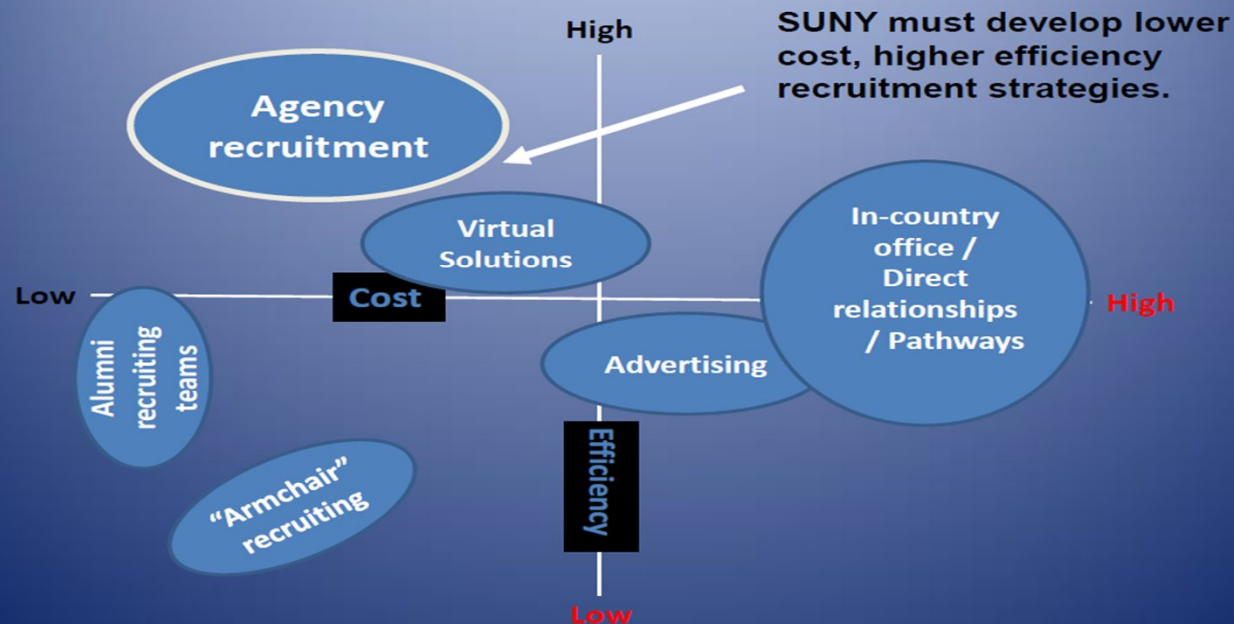
Online sites
Extranets
eMarketplaces
Direct Mail
OEM's
Retail
Kiosks
Strategic alliances
Consultants / Agents

SUNY Cost vs Efficiency Matrix



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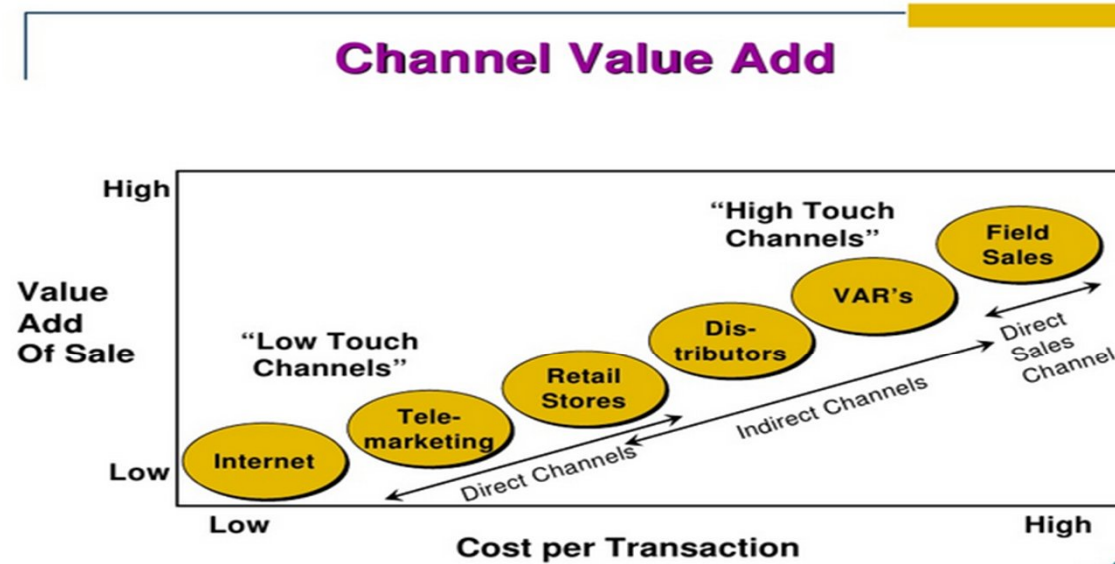
SUNY System-wide Recruiting Strategy



Cost of Channels



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B2B - What makes a good agent or channel for your business?

Real Estate Agents

- They communicate well
- They are proactive
- **They listen**
- They are motivated to sell for you
- They can adapt to your needs
- They understand and meet your timeframe
- They aren't afraid to give you references

<http://www.realestate.com.au/advice/8-qualities-good-agent/>

Travel Agents

- Ability to sell high volume
- Offers a fully incremental distribution channel (has customers you don't)
- Offers a favourable commission rate (is it cheaper than marketing yourself)
- Generates last minute bookings for your brand
- Promotes your business with their own marketing plan

<https://www.rezdy.com/blog/5-characteristics-that-make-a-good-agent/>

Insurance Agent

- Puts your needs first
- Good customer service
- **Emotionally intelligent**
- **Persistent**
- Honest
- Good product & technical knowledge

<http://www.investopedia.com/financial-edge/1212/8-qualities-that-make-a-good-insurance-agent.aspx>

Commercial in Confidence |

Mortgage broker

- **Licensed**
- **Member of industry association**
- Comes recommended
- Utilises a large panel of lenders
- Excellent communicator
- Discloses all fees and costs upfront
- Sees you as a life long customer & offers multiple options

<http://www.yourmortgage.com.au/article/8-traits-of-a-good-mortgage-broker-109053.aspx>

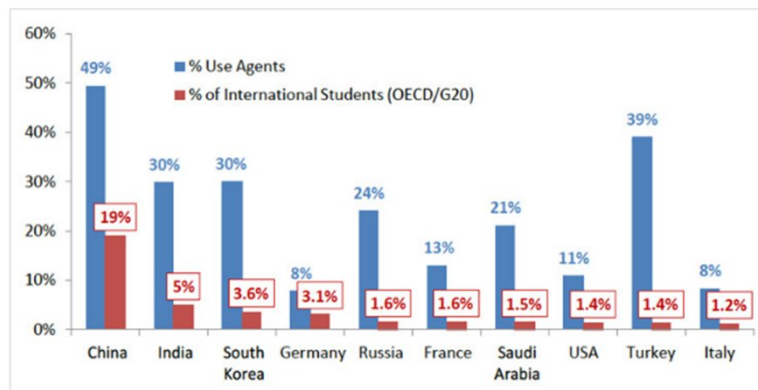
B2C - Are students satisfied with agents?



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ISB Study (2013) ~ 1/3 used an agent

In Australia ~ 1/2 used an agent

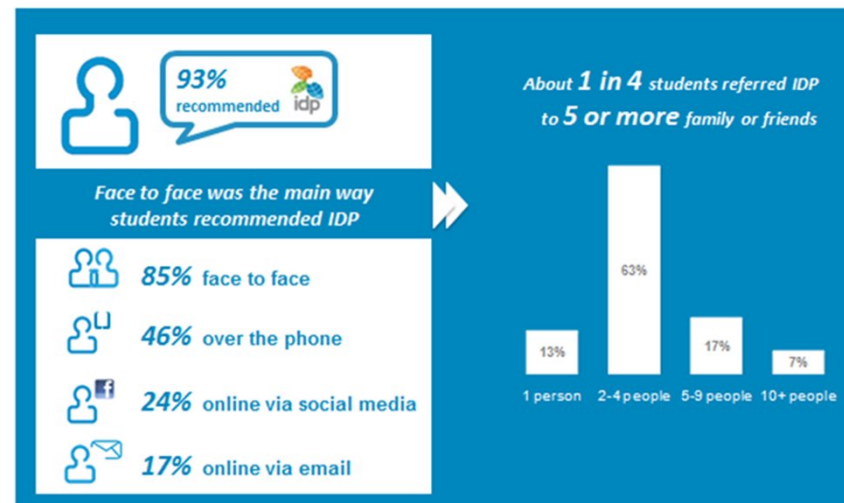


Agent usage for selected source countries. Source: OBHE

"There is simply no evidence of widespread dissatisfaction on the part of students or institutions with respect to agent use. Indeed, student overall satisfaction with agents is similar to student satisfaction with institutions."

<http://monitor.icef.com/2014/09/the-agent-question-new-data-has-the-answer/>

IDP Student Satisfaction Australia



IDP Referrals Research 2014 – Lyndell Jacka

A Mature Sales Channel Approach



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Costs of using Channels in the IT world :-

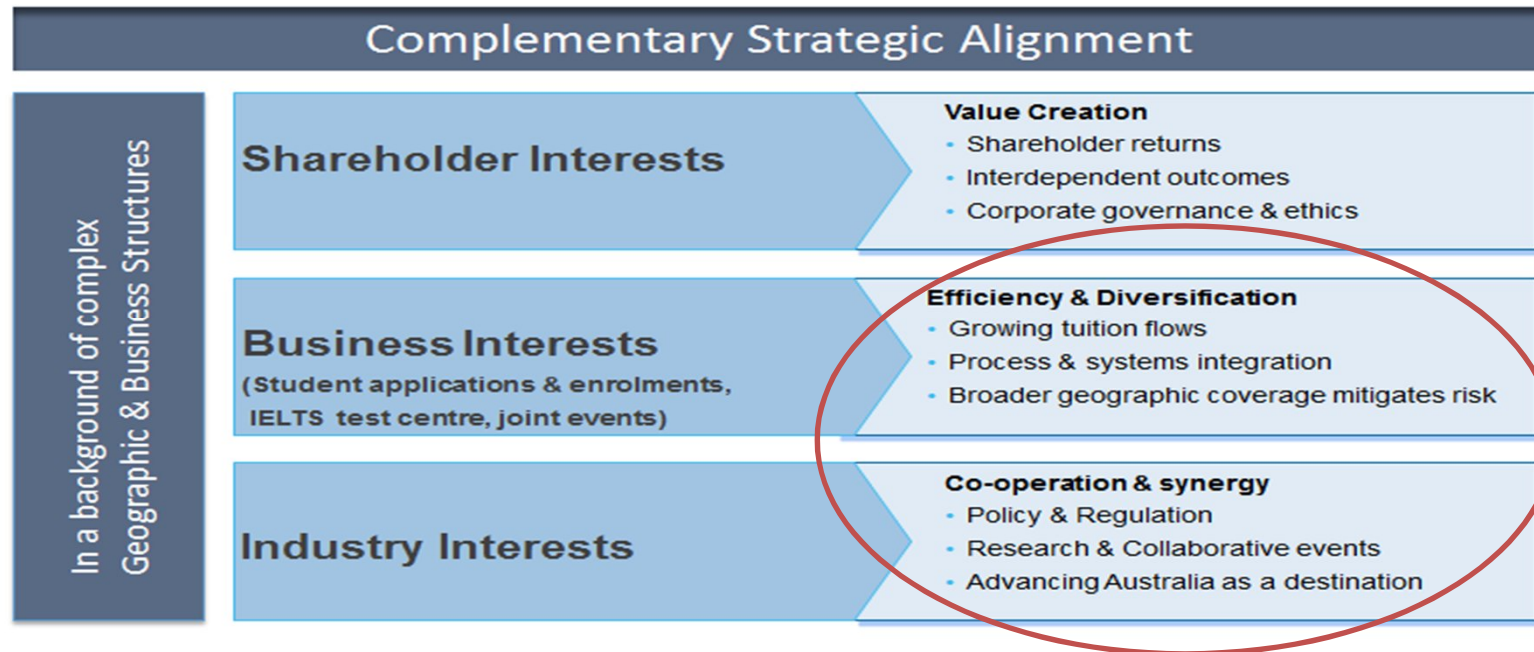
| | Agency model | Co Selling | Distributor | Reseller | OEM |
|---------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Customer relationship | Shared, but the agent initiates the relationship and will typically be involved throughout | Shared, and the startup will be expected to go on sales calls | Distributor owns the relationship | Reseller owns the relationship | OEM is the customer to the startup |
| Typical % commission paid to partner | 10% - 20% | 20% - 30% | 10% - 25% | 30% - 70% | > 70% |
| Quota guarantee | None, usually | None, usually except to go on joint calls | Mostly none, but representation assured | Usually the reseller will make revenue commitments | OEM will assure / guarantee revenue based on their sales |
| Lead generation | Usually they sell to their existing customer base | Both parties generate leads | Usually startups generate leads for the distributor to fulfill | Reseller is responsible for all sales | OEM is responsible for marketing their product, which results in the startup product being sold |
| Sales education | Startup needs to constantly educate the agent | Typically the startup will go on joint sales call and educate the sales person | Typically none, except for when to fulfill demand | Most resellers will have to be educated constantly | After the initial education there is typically no follow on |
| Customer service and support | Startup is responsible to the end customer | Startup is responsible to the end customer typically, but the co sale partner might front the service | Startup is responsible to the end customer | Reseller typically tends to be the first level support | OEM partner manages all customer questions, the startup will service the partner |
| Implementation and delivery | Startup is responsible to the end customer | Startup is responsible to the end customer | Typically working with VAR's or resellers, the startup will enable partners to implement | Typically working with VAR's or resellers, the startup will enable partners to implement | OEM partner is responsible |

<https://bestengagingcommunities.com/2015/04/06/how-to-get-channel-sales-or-indirect-sales-going-for-your-startup/>

Strategic Alignment



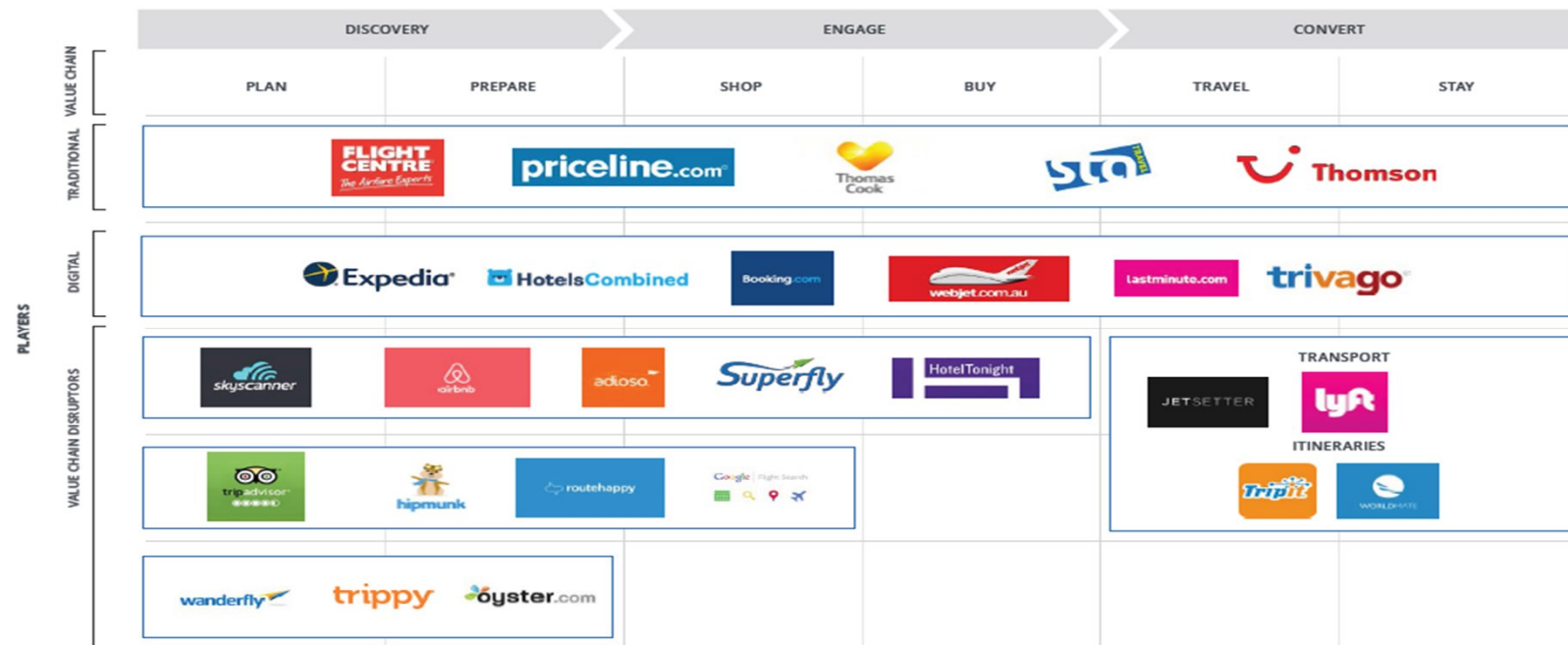
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Agency models are being disrupted



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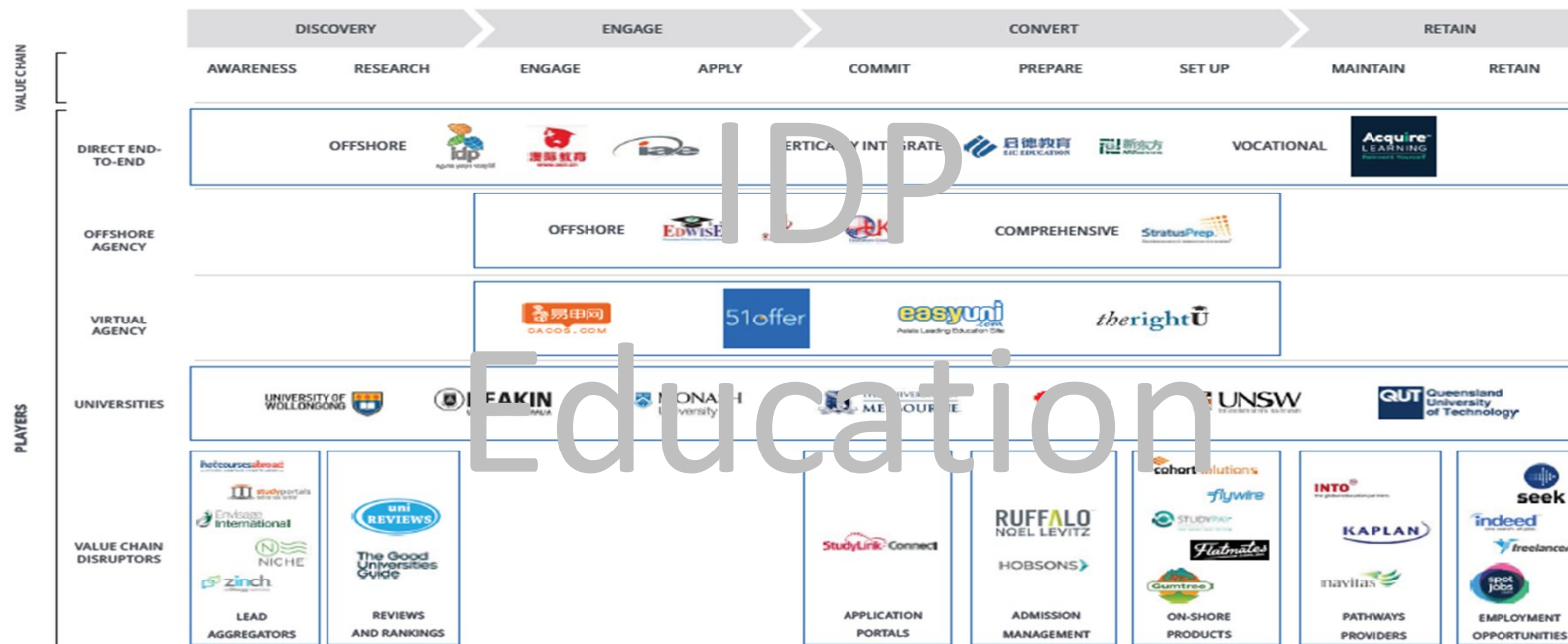


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The education industry is being disrupted too



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So why use an education agent ?



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“I am concerned that recruitment agents have become too powerful”

Vincenzo Raimo University of Nottingham

<http://blog.thepienews.com/2012/06/international-student-recruitment-the-power-of-agents/>

The reasons (why we use agents) are clear:

- They are effective in helping universities to meet volume targets
- They give access to markets that it is sometimes difficult to operate in directly
- Its normal in that student source country to use agents
- We see them as a distinct market segment and market directly to them
- We give them privileged access to internal university resources including dedicated staff to support them
- And of course we pay commission

Do Education Agents have power?



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- Agents are changing
 - Creating broader revenue streams
 - Becoming more embedded in the business of their partners
 - Gaining broader bargaining power as a result
 - Agents can become brands in their own right
 - IDP Education, Edwise, New Oriental
- They offer a broad range of services to differentiate themselves
 - Counseling, Placement, Pre-Departure & Arrival Briefings & Support
 - Language classes, Flights, Accommodation
 - Phone cards, career guidance

Challenges ahead



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Agents as partners – now more than a commission model for placing a student

- Market intelligence
- Provide a local presence in student source countries when a university does not.
- Understanding the local culture
- Visa support
- Facilitate TNE
- Deliver foundation and academic programmes
- Employment support
- Facilitate collaborations between universities
- Developing and delivering marketing campaigns
- Embedded staff
- Accessing schools, governments and business
- Outsourcing International Office functions

How will a global quality framework govern these things?

We are in it together



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