



FACULTAD DE ECONOMÍA Y CIENCIAS EMPRESARIALES

TOPIC: CREATION OF A MULTI-SERVICE CENTER TO ACCESS
UNIVERSITIES IN THE UNITED STATES

TRABAJO DE TITULACIÓN QUE SE PRESENTA COMO REQUISITO PARA
OPTAR EL TÍTULO DE **INGENIERO EN CIENCIAS EMPRESARIALES**

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Business Plan Summary

Obtaining a degree from an American university has been for a very long time a dream for Ecuadorian students. The number of students studying abroad in the United States increased from last year and; because of government legislation and financial aid to students a continuous upward trend is forecasted. To be accepted students must show academic excellence starting in high school years and brilliant performance in the standardized exams, along with other variables and qualifications specific to each university. This is why the application and admission process is the most important stage for any student wanting to study in the U.S.

Ecuadorian students can prepare for the standardized exams and in some cases receive counseling in the exam-prep institutions located in the city. However these institutions are not certified exam-taking centers and lack other services that the students need while going through the application and admission process, which sometimes lead the students to go to various institutions and to travel to other cities. The Testing Center will be the first certified multi-service center in Guayaquil and La Puntilla in which students can start and finish their application and admission process all in the same place. Students will benefit from the advising, academic, testing and opportunity center services that the Testing Center will offer with customized studying plans and activities for every student based on analysis and examination by the highly qualified professional staff.

These services are targeted for students living in the Guayaquil and La Puntilla area wanting to achieve a third level education in the United States. Currently there are small and medium institutions in those areas that offer similar yet not all services that the Testing Center will offer. These institutions are, however, poorly managed and none is identified as a market leader. This is why the Testing Center has the opportunity to seize the market and position itself as a market leader by becoming the first center to offer multiple services through a state of the art process aimed to provide personalized advising sessions, high quality preparation classes, certified standardized exam-taking services and counseling in opportunity services like scholarships and financial aid with its professional and highly trained staff; all which will set the Testing Center apart from its competition.

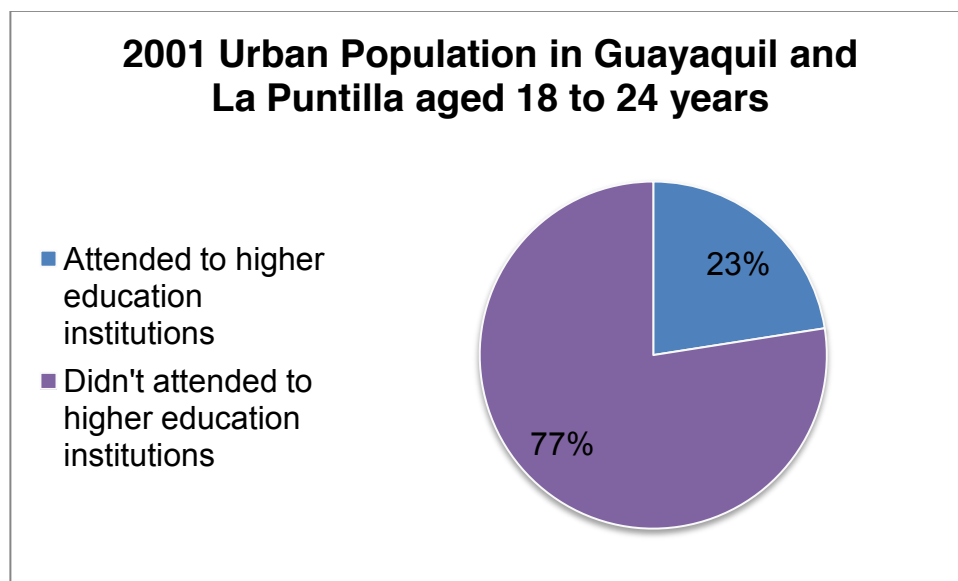
The long-term development plan for the Testing Center is to reinvest the income for internal expansion by acquiring a property where the center can provide more classrooms to satisfy the growing demand of students. The Testing Center forecasted cash flow shows a constant growth in sales revenues of \$687,600 in year 1, \$721,980 in year 2 and \$758,079 in year 3. In year 4 an outflow of \$800,000 is anticipated to acquire a new testing center and increase the number of classrooms.

CHAPTER 1

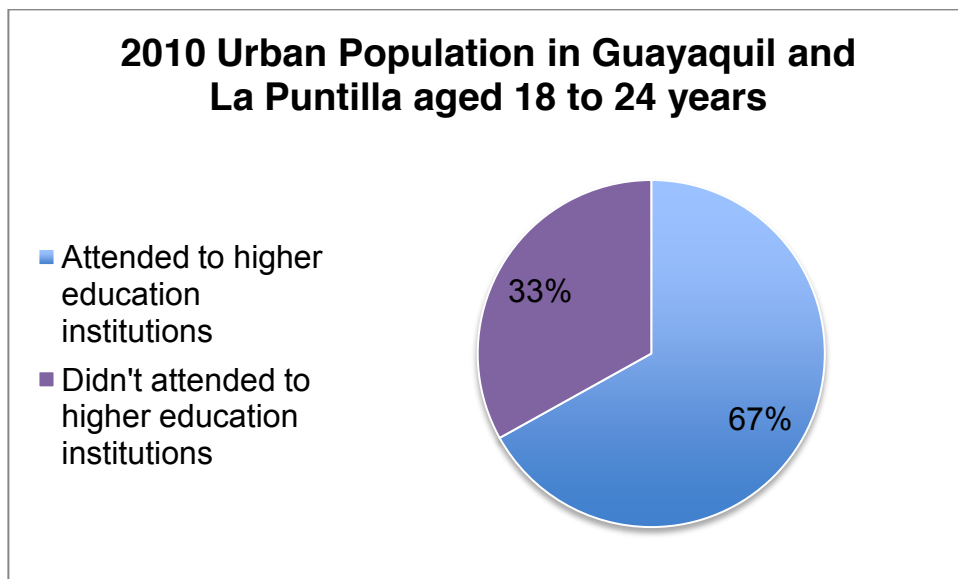
Background

Introduction

Every year thousands of students finish high school and start looking for a place to start their academic careers, which ultimately will lead to a college degree. Many of these students want to enter universities in the United States and elsewhere and thus begin to seek-out places where they can prepare for the exams that each university requires. These include placement, English language and general academic testing. These potential college candidates must also decide the best fit for them based on their interests and aptitude.. Much of the time, students choose universities simply because these are recommended by friends and family and not by analyzing the universities' profile and comparing it with the students' wants, needs and desires. It is at this point, when students get to know themselves and make a determination and decision that will follow them the rest of their lives. It is at this exact point that the application process starts. This is when they will have to seek help from teachers or from people who have some knowledge of the application and admission process to know where and how to begin.



Graphic 1: Attendance to Higher Education in 2001 Urban Population in Guayaquil and La Puntilla aged 18 to 24 years. From "Ecuadorian Census 2001" by INEC, 2001.



Graphic 2: Attendance to Higher Education in 2010 Urban Population in Guayaquil and La Puntilla aged 18 to 24 years. From “Ecuadorian Census 2010” by INEC, 2010

From 2001 to 2010 the attendance rate to higher education for the urban population in Guayaquil and La Puntilla has increased significantly. In 2001, 23% of the population aged 18 to 24 years, the ages where students are graduating high school and starting university, attended higher education institution. In 2010 the rate almost tripled to 67%. This is mainly because of the government’s tactics to improve education by making public education free and because of the increasing strict requirements for job positions, before it may have been enough to have a high school degree or general equivalency diploma (GED) to be suitable for an entry level management position. Today, however, a bachelor’s degree is needed for even the simplest clerical job; technological proficiency is required for almost any career field that a student wants to enter.

Once a student has settled on a best academic fit for them, they must begin to seek out places that will help them preparing for entrance exams how to prepare and write an admissions essay, (perhaps one of the most important steps in the application process), and how to send and by what cut-off dates to the universities where they want to apply. Although It sounds relatively easy it is a rather complicated process with various steps along the way.

In Guayaquil, finding the preparation and training centers as well as the qualified people to do it is a rather daunting task. The centers in Guayaquil are specialized only in preparing for exams but not in the process of applying

for admission. Some institutions are specialized in taking the exams and have restricted dates and quotas. People who help review application forms and admission essays and other documents are people who do it as a complementary job and do not have the necessary time, skills or resources available to serve a high number of students.

The complicated task of enrolling in college often turns out to be a long and expensive process and, more times than not, students are discouraged from pursuing this opportunity because they cannot find the right university in academic and economic terms, and/or because they do not receive appropriate advice from qualified professionals.

One important point that is often overlooked is the availability of scholarships and/or financial aid for those students who qualify. Many students are not aware that the Ecuadorian government offers scholarships based on academic performance in high school and generally, if they are aware they are unfamiliar of how the process works. Although the great majority of universities in the US offer these benefits to foreign-born students most graduating seniors are unaware that they qualify for a scholarship or for financial aid or both. Misinformation and lack of knowledge become a detriment to their academic goals. Students must find universities that offer these benefits and hope to meet the requirements to be suitable for financial aid or scholarships. The lack of information can allow for the wrong decisions being made; they simply are not aware of the additional benefit(s) that they are qualified to receive.

There is a growing demand of students wanting to study in the United States and elsewhere thus, in order to do so these students must complete the application and admission process. There is a need for learning and testing centers where students can get the help they need throughout the entire process and where they can also receive consulting and guidance regarding the steps of the application, admissions, financial aid and scholarship process.

Because of the demanding deadlines and strict exam dates of the testing, it is very important that students complete the process as timely and efficiently as possible in order to avoid wasting valuable time due to a time constraint. Normally students have to complete the entrance process in various steps and go to several places and sometimes travel to other locations in order to comply with the requirements of the entrance process. For example, students can receive counseling regarding the academic profile at their high school and then attend another place or institution where they are prepared for the standardized testing. Afterwards they need to find the institution that proctors their testing need(s), if there is one, and find out the exam dates that are

available. If the students have some questions or concerns regarding the application they must find someone who can help them address these issues and also find someone that can help them revise their essays prior to sending with the application packet. Identifying the entrance requirement and completing the university testing is probably the most expensive and time consuming part of the entire process – this is also where the student and parents become discouraged based on the lack of information and/or lack of qualified professionals to assist them. Ultimately, those who become discouraged will drop-out of the process and instead choose the easiest alternative rather than the best fit. The result is a loss for student, prospective university and potential employer in the years ahead.

Pre-college learning and testing centers must help the students identify the key areas of study depending on their academic profile and weakness as they pertain to the desired university and focus of study. The learning and testing centers must also prepare the students for the various standardized exams that every university in the United States asks for as such as the SAT, TOEFL, and GMAT. These centers must also be certified testing centers so that students can take the exams there and after they receive the results they should advise students in how to write the essay, translate documents, ask for letters of recommendations, fill in applications, petition for financial aid and scholarships, etc.

Objectives

General objective

To analyze the Ecuadorian market to determine a need in creating a learning and testing center that will offer career guidance, advising and consulting, test preparation and examination for the application and admission process to enter universities in the United States.

Specific objectives

1. Perform a market analysis of Guayaquil and La Puntilla for the implementation of the learning and testing center.
2. Analyze the best business strategy for the creation of the learning and testing center.
3. Develop a comprehensive business plan for the creation of the learning and testing center.

Problem statement

Attendance Rate in Higher Education

Within the past decade, the number of students in Guayaquil and La Puntilla that have had a third level (post-high school) education has increased. In 2001, the census revealed that in Guayaquil 16.02% of the total population from 18 to 24 years received a third level education while in La Puntilla the percentage was 6.51%. However, in the 2010 census indicates a significant increase with 23.39% of people from 18 to 24 years receiving a third level education in Guayaquil and 43.53% in La Puntilla. These numbers also reflect (in proportion) the number of students that desire to study abroad, specifically universities in the United States (Sistema Nacional de Información, Secretarial Nacional de Planificación y Desarrollo & Instituto Ecuatoriano de Estadísticas y Censos, 2011).

Table # 1: Guayaquil and La Puntilla 2001 Data

TOTAL URBAN POPULATION AGED 18 TO 24 YEARS IN GUAYAQUIL AND LA PUNTILLA		287,232
(NAR) NET ATTENDANCE RATE IN HIGHER EDUCATION	PERCENTAGE	NUMBERS
URBAN GUAYAQUIL	16.02%	46,015
URBAN SAMBORONDON	6.51%	18,699

Source: "Education Indicators from Population and Housing Census", by SNI, SENPLADES, and INEC 2001. Copyright 2011 Sistema Nacional de Información.

The 2001 Ecuadorian census indicates that the total urban population aged 18 to 24 years in Guayaquil was approximately 285,840 while in La Puntilla the number was approximately 1,392 (See Appendix 1). This variable is very important because it is used for the calculation of the net attendance rate in

higher education (see Appendix 2). According to the census results, 16.02% or 46,015 citizens from that group in Guayaquil and 6.51% or 18,699 in La Puntilla were students that were attendance to post-high school education and higher education levels (Sistema Nacional de Información, Secretaría Nacional de Planificación y Desarrollo & Instituto Ecuatoriano de Estadísticas y Censos, 2011).

Table # 2: Guayaquil and La Puntilla 2010 Data

TOTAL URBAN POPULATION AGED 18 TO 24 YEARS IN GUAYAQUIL AND LA PUNTILLA	294,788	
(NAR) NET ATTENDANCE RATE IN HIGHER EDUCATION	PERCENTAGE	NUMBERS
URBAN GUAYAQUIL	23.39%	68,951
URBAN SAMBORONDON	43.53%	128,321

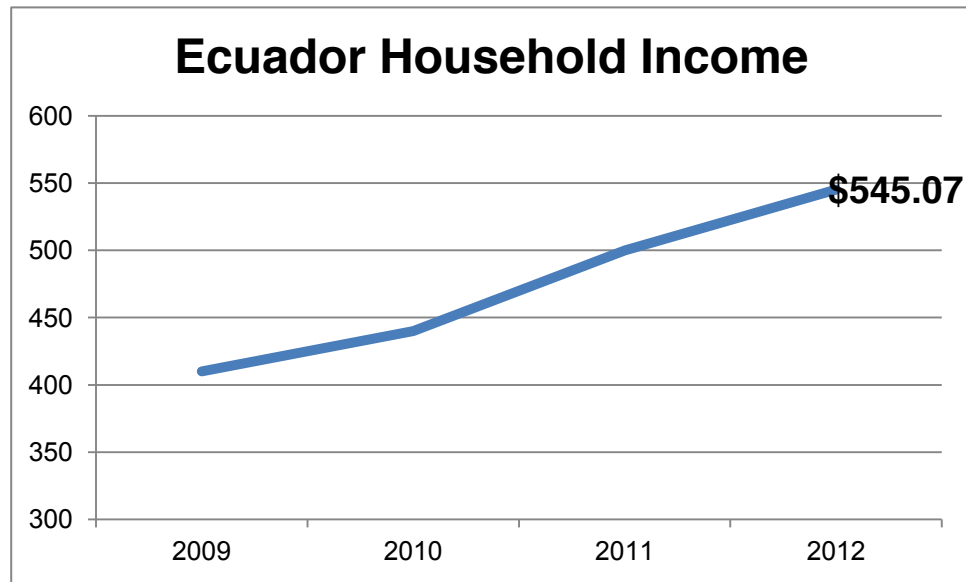
Source “Education Indicators from Population and Housing Census”, by SNI, SENPLADES and INEC, 2010. Copyright 2011 Sistema Nacional de Información.

In 2010 the Ecuadorian census revealed a significant statistical change indicating that the total urban population aged 18 to 24 years in Guayaquil was approximately 289,713 while in La Puntilla it was approximately 5,075. What is more interesting is that the net attendance rate in higher education for that group demonstrated a significant increase with 23.39% or 68,951 students in Guayaquil and 43.53% or 128,321 students in La Puntilla (Sistema Nacional de Información, Secretaría Nacional de Planificación y Desarrollo & Instituto Ecuatoriano de Estadísticas y Censos, 2011).

As a result of the increase in the 18 to 24 years old population group from 2001 to 2010, continuous creation of new high schools, post high school academic institutions and universities and competitiveness in the working environment, the net attendance rate in higher education experienced a considerable increase. In 2010 there was a 49.85% increase in the Guayaquil net attendance rate in higher education while in La Puntilla there was a 586.25% increase.

As important as the increase in Guayaquil appears to be, the percentage of increase in La Puntilla is record setting. In 10 years La Puntilla increased almost six-fold its higher education net attendance rate. Although there are various reasons, the primary reason is due to the urban development of La Puntilla. Urban development includes the improvement of roads and highways, construction of gated communities and recreation sites such as shopping malls, parks and touristic attractions. These are among the factors that have made La Puntilla attractive for the real estate market as well as the high-end consumer.

According to the 2001 census urban population in La Puntilla was 11,030 while in 2010 the census reported that the urban population increased to 42,637. (INEC, 2010) La Puntilla has evolved from the days where it had only two gated communities to a major residential zone with 10 shopping malls, 150 restaurants, 134 gated communities with private security and 16 schools, universities and language institutes. Even though many consider living in La Puntilla a privilege, the main cause to move to La Puntilla is safety. Families living in La Puntilla belong to middle-high class and high-class social status; and according to expenses calculated by the municipality the family income has to be above \$2,000. (El Universo, 2013)








Graphic 3: Evolution of Household Income in Ecuador. From “Evolución de la Canasta Básica, Vital e Ingreso Familiar” retrieved from <http://www.andes.info.ec/economia/4261.html>

Census data indicates that in 2001 the urban population aged 18 to 24 years was 1,392 and the rural 4,574. In 2010 the numbers are completely the opposite with 5,075 in the urban and 2,837 in the rural. This may explain the increase in the net attendance rate (NAR) since the increase in the 18 to 24 years old population in La Puntilla was for students seeking for a higher education.

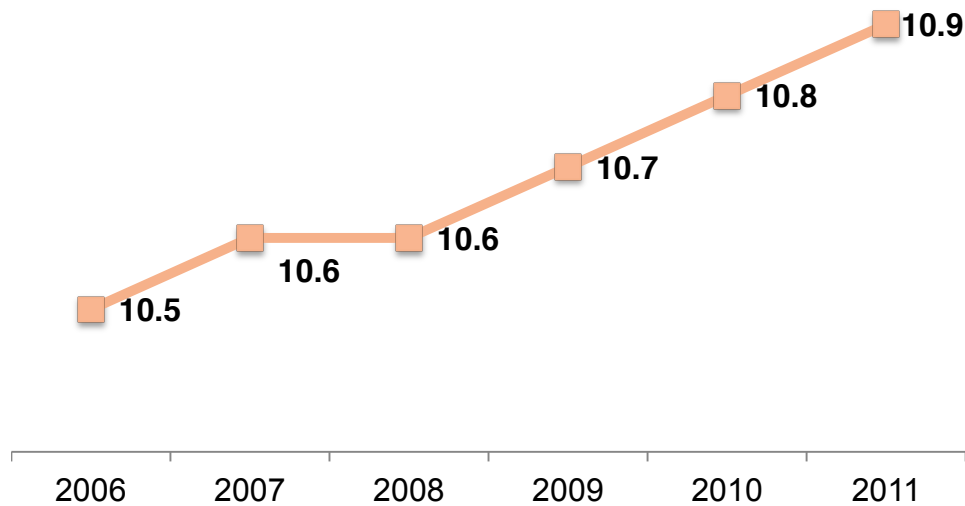
Years ago people searching for jobs generally only needed their high school diploma to fit the requirements for office jobs. But as technology proficiency and competitiveness among applicants has increased, companies have realized the importance of having a skilled and educated staff subsequently raising the entry level requirements. Multinational corporations (MNC’s) located in Ecuador also show a trend in the recruitment by detailing specific profiles the candidates had to have including bilingualism, mathematics and analytical skills. Today most MNC’s operating in Ecuador require at least a bachelor’s degree in order to be considered for any entry level position

Table # 3: MNC'S Operating in Ecuador and Their Starting Skills Requirements

	<p>Environment Specialist</p> <ul style="list-style-type: none"> - B.S. in Environment, B.S. in Chemistry, B.S. in Industries - English knowledge (oral, writing, reading) - 2 years experience in similar positions - Knowledge of environment legislation
	<p>Production Engineer</p> <ul style="list-style-type: none"> - B.S in Systems, B.S. in Computer Sciences, B.S. in Statistics - 1 year experience in administration and operations of computer labs or software development units - Knowledge of administration and management of projects
	<p>Budget Analyst</p> <ul style="list-style-type: none"> - B.S. in Industrial Engineering, B.S. in Mechanics, Electronics and Architecture - Construction knowledge - Mid-level English knowledge - 5 years work experience
	<p>Operations Manager</p> <ul style="list-style-type: none"> - Master in Operations - B.S. in Business Management - Dominate English language - Knowledge of Industrial Engineering - 10 years experience in similar fields
	<p>Selection and Recruitment Analyst</p> <ul style="list-style-type: none"> - B.S. in Human Resources - Knowledge in Management - Mid-level English knowledge - 3 years experience as a Recruitment Analyst

Source: <http://www.multitrabajos.com>

Average School Years in Population 24 and over



Graphic 4: Urban National Average School Years in Population 24 and over. From “INEC Survey of Employment, Unemployment and Underemployment” by Ministry of Education – Office of Information and Educational Evaluation, 2011.

According to the Instituto Nacional de Estadísticas y Censos (INEC) in their survey of Employment, Unemployment and Underemployment, the urban national average school years for the 24 and over population has been increasing over the past 6-years. This means that the average years of schooling actually approved by that population group has an upward trend. To analyze these values and its indicator it is important to take into account that the schooling years considered to calculate this average are basic education, high school, post-high school, third level education and post-graduate (See Appendix 3).

Nationally, the percentage has been increasing yearly demonstrating that each year students in that group complete more schooling years, which leads to more university enrollment. The higher the number of completed schooling years, the higher the secondary education starts. As of 2010 the total urban population from 24 years and older was 4,861,118 (Instituto Nacional de Estadísticas y Censos, 2010). In Guayaquil the 2001 the average schooling years for that population group was 9.8 and in La Puntilla for that same year was 7.4. In 2010 the average schooling years in Guayaquil had increased to 11.1 and in La Puntilla to 14 years (Instituto Nacional de Estadísticas y Censos, 2010).

Table # 4: Educational Structure in Ecuador

Approved Schooling Years	Educational Level
1	Basic General Education
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	Baccalaureate
12	
13	
14	Higher Education
15	
16	
17	
18	



Source “Average School Years Population 24 and Over”, by SNI, SENPLADES and INEC, 2010. Copyright 2011 Sistema Nacional de Información.

According to the information provided by the Sistema Nacional de Información, the increase in the number of schooling years completed for the population aged 24 and over are as follows: in Guayaquil the average schooling years increased by 1.3 percentage points or by 13%. In La Puntilla the increase was of 6.7 percentage points or by 90%. Because of the increase of the urban population and at the same time the decrease in the rural population in La Puntilla the development of the schooling years shows an upward tick.

In Guayaquil, however, the urban population remained almost the same. In 2001 the urban population was 285,840 and in 2010 it increased to 289,713 while in the rural area it increased, in 2001 was 8,036 and in 2010 8,975 (Sistema Nacional de Información, 2001). The increase is not as sharp as the figures for La Puntilla and this explains why the average schooling years for Guayaquil barely increased while in La Puntilla the average schooling years almost doubled.

In sum, Guayaquil and La Puntilla in the past ten years have been advancing in their educational development to include third level education for its 24 years and older population. There is a direct relationship between the development of the urban area and the urban population increment for this area. There is also a direct relationship between the urban population increment and the number of completed schooling years.

Using the cities of La Puntilla and Guayaquil as examples to illustrate this, in the last ten years the urban population has increased by 265% and the rural population decreased by 38%, while the average completed schooling years has increased by 90%. In Guayaquil the urban population increased by 1% and the rural increased by 12%, while the average completed schooling years has increased by 13%. (Sistema Nacional de Información, Secretaría Nacional de Planificación y Desarrollo & Instituto Ecuatoriano de Estadísticas y Censos, 2011)



Table # 5: Open Doors 2011 Regional Fact Sheet: Latin America

Place of Origin	2009/10 Total	% UG	% Change
Anguilla	65	80.0	-8.5
Antigua and Barbuda	213	54.9	12.7
Argentina	2,165	27.1	-9.0
Aruba	72	70.8	-41.9
Bahamas	1,828	76.3	3.1
Barbados	360	56.4	-20.4
Belize	415	52.8	-11.3
Bolivia	1,039	59.6	-2.6
Brazil	8,786	46.5	0.2
British Virgin Islands	122	77.9	27.1
Cayman Islands	158	84.8	-3.7
Chile	2,055	23.4	5.2
Colombia	6,920	37.0	-1.3
Costa Rica	1,089	47.2	6.0
Cuba	88	56.8	4.8
Dominica	301	52.2	5.6
Dominican Republic	1,400	63.1	0.9
Ecuador	2,232	55.9	-1.6
El Salvador	1,208	74.3	2.0
Falkland Islands	1	0.0	-97.0
French Guiana	2	0.0	-50.0
Grenada	231	57.6	-22.5

Source "Open Doors 2011 Report on International Educational Exchange" by Institute of International Education. Copyright 2011 IIE.

Every year more Ecuadorian students go to the United States to achieve their third level education. They do so because it is believed that the universities and the higher education system in the United States are rigorous and more prestigious thus a bachelor's, master's or doctorate degree from an American university is by far preferred for job applications. International enrollment to secondary schools throughout the United States shows an increase of at least 10% per year. International students from Ecuador in the period year 2009/2010 were 2,232 from which 55.9% are first year undergraduate students.. In the period year 2010/2011 the number of international students studying in the United States was 2,150 from which 57.9% were undergraduate students (Institute of International Education, 2011).

At first glance it may seem that the number of Ecuadorian students going to the United States to attend higher education institutions is decreasing but this is not the case. The Institute of International Education, an independent not-for-profit organization that promotes international education exchange, is, among other things, in charge of conducting research on global international higher education trends. Open Doors the information and data center financed by the Bureau of Educational and Cultural Affairs at the U.S. Department of State produced a data table with information for international students from place of origin and academic level (see Table 5).

It is important to consider that there are four levels of higher education, which are undergraduate, graduate, non-degree and optional practical training. Undergraduate refers to university entry level or post-secondary education in which upon completion the student acquires a bachelor's degree. After acquiring a bachelor's degree the student is suitable to seek a master's degree or a PhD/doctorate, this level is called graduate level.

There is another level to be considered while presenting statistics about international students - the non-degree level, which includes intensive English programs and other non-degree studies. In optional practical training (OPT), the student is eligible to work for up to a year on a student visa rather than a working visa, considering that he or she is currently studying for at least nine months or has finished studying a career which needs practical training (Institute of International Education, 2011).

Table #6: Ecuador International Students by Academic Level

LEVEL	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
UNDERGRADUATE	1,380	1,277	1,348	1,248	1,245	1,252
% UNDERGRADUATE	62.4	59.3	59.4	55.9	57.9	58.0
GRADUATE	561	606	596	642	577	590
% GRADUATE	25.4	28.2	26.3	28.8	26.8	27.3
NON-DEGREE	122	109	131	142	156	141
% NON DEGREE	5.5	5.1	5.8	6.4	7.3	6.5
OPT	148	160	193	200	172	177
% OPT	6.7	7.4	8.5	9.0	8.0	8.2
TOTAL	2,211	2,152	2,268	2,232	2,150	2,160

Source "International Students: Academic Level and Place of Origin" by Open Doors. Copyright 2011 IIE

The percentage of Ecuadorian students travelling to the United States for a higher education or educational experience in the past twelve years has been increasing. It is important to analyze the information by educational levels to understand the numbers shown in Table 5. Although the total number of students decreased from 2008/09 to 2009/10, it has begun to show an increase. The undergraduate level is the level with the highest enrollment rate being always more than 55% which comprises high school graduating seniors seeking their associate's degree and/or a bachelor's degree. The second most important level is the graduate degree, which has been around 25% of the total enrollment for the last couple of years.

In recent years, the statistics show a decrease in the enrollment in both the non-degree level and in the optional practical training which serves to decrease the overall result of Ecuadorian students total enrolment in higher education. It is concerning that the numbers from 2000/01 to 2004/05 were much higher than the last few years than the recent years ending in 2012 (Appendix 4). Stricter academic requirements, exam scores, increasing tuition fees, living and expenses fees, decrease in financial aid, the global economic crisis, among others, are factors that contribute to the decisions regarding where to study. It is cheaper and easier to get a "home-grown" education rather than to seek a degree outside of the country.

With proper counseling, advising, training and testing, Ecuadorian students could find that leaving to study to the United States and achieve their third level education can be easier than in the past. The admission and application process is a key part that has to be handle professionally in order to certify that the applying student has a chance to enter into the university of his choice.



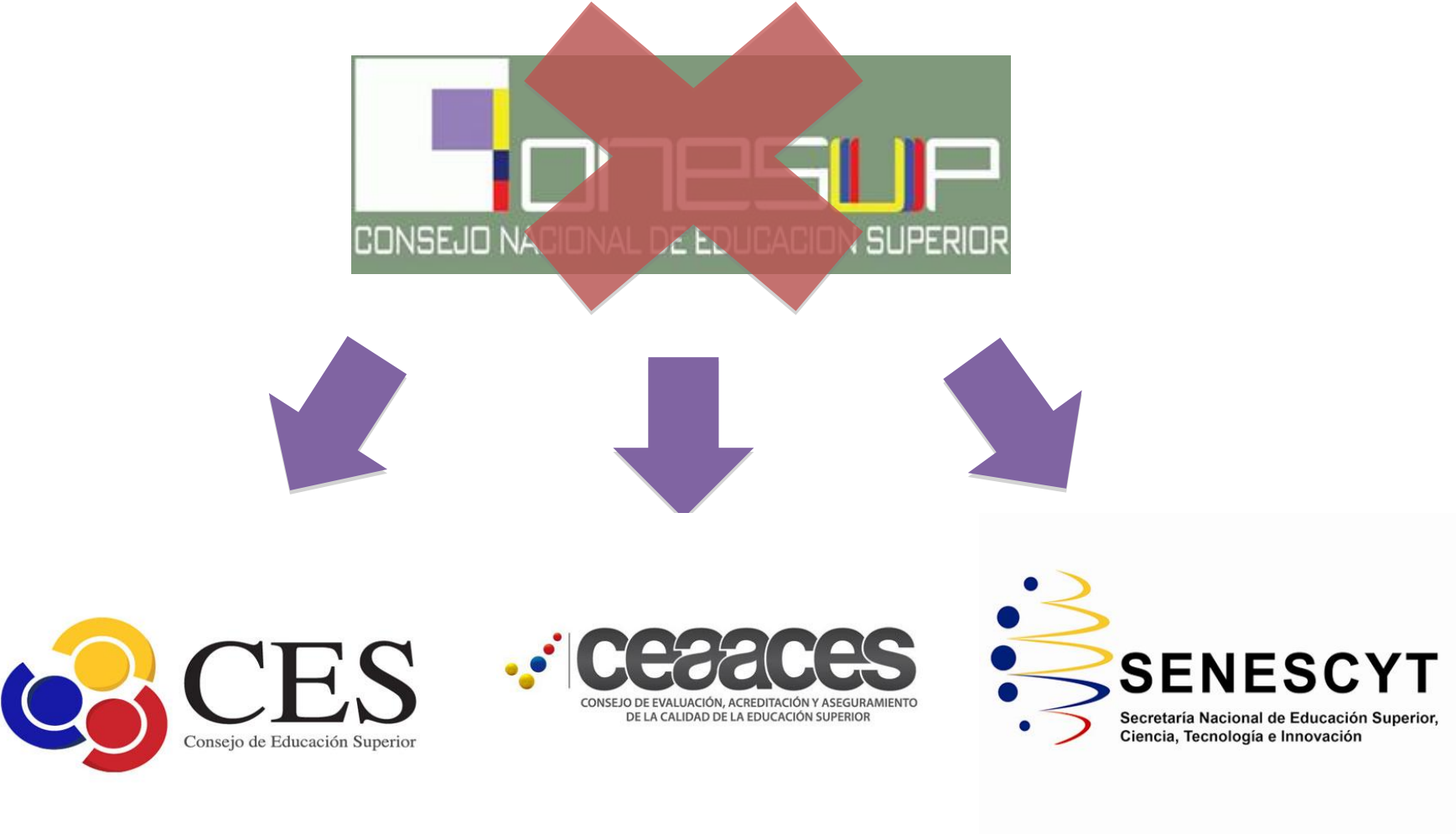
The Ecuadorian Government is helping to pave the way for Ecuadorian citizens to study abroad with scholarship programs offered by the Secretaría Nacional de Educación Superior, Ciencia, Tecnología e Innovación (SENESCYT), which is the body that regulates superior education institutions in Ecuador. This has created a demand for studying centers and exam-taking centers where students can work to complete the process for acceptance into a US institution of higher education.

Due to the increasing number of students desiring to study abroad combined with the pressure of free competition, entrepreneurs have seized the opportunity to open and create centers where students can receive classes to prepare themselves for the exams. On the other hand, some schools have acquired licenses in order to become certified exam-taking centers (SENESCYT, 2012).

Regardless of the increasing competition and the various necessities that students have during the admission process, these start-ups haven't applied differentiation tactics other than price competition or added value to their services. This limits the students' options that they could have to make the application and admission process much simpler and the companies to have a competitive advantage over other start-ups.

The services offered by these companies is limited to giving the preparation classes and/or taking the exams, when actually there is a necessity for a center where students can go and receive counseling regarding the best university alternatives/careers for them according to their profile. Additional services include prep classes with tutors and receive assistance and expert advice on the completion of application forms, the admissions essay, where to apply for scholarships and whether or not they will qualify for financial aid.

Graphic 5: Change and Evolution of Superior Education Regulating Institutions in Ecuador



Conceptual Framework

In the first year of the government of President Rafael Correa, he established that public higher education be free for its citizens. In the new constitution, the President stated that people with disabilities were going to be included as well. Education was defined as a human right and it was stated that it would be free, secular, democratic, participative and intercultural.

Higher education apart from being free was intended to impulse research in universities because of the importance the government said it had on the development of a better country. Approved and categorized universities, polytechnic schools, superior technical, technological and pedagogical institutions and arts and music conservatories form the Ecuadorian Superior Education system. According to the state, it will assign a 0.6% from the GDP with a 0.5% increment annually to the state's general budget for its education sector.

President Rafael Correa has recently proposed the reform of the Ley Orgánica de Educación Superior. With it every public and private university and higher education institutes where going to be evaluated so that they could be categorized on levels depending on the quality of the education, infrastructure, diversification of faculties and other variables. Another important change of the reform is that it was going to increase the requirements and barriers for teachers in universities. For example, in order to do well on the evaluations and to be categorized on the highest-level universities there should be a certain percentage of total teachers that have a master's degree and for higher offices as deans and directors there should also be a certain percentage that has a doctorate's degree.

Of course, as expected this change affected students and teachers alike. There was a situation that affected students from universities were they had receive a degree but because of the evaluation and accreditation results those universities and their credentials were no longer valid nor were the degrees they offered its students. Thus, the students found themselves with a piece of paper with no actual value. Another problem the students experienced was that when they were not graduated but in the second or third year of their careers and the university they were attending the accrediting body of higher education in Ecuador were rated E, rejected or not validated, the classes and the subject of the pensum they had already studied was not accepted for transfer in other universities (El Universo, 2011).

The invalidation of degrees and downgrading of universities caused a significant amount of university students unable to validate their degrees and in turn, unable to find jobs. The government came up with a solution for at least one of the problems. They started a validation process for certain universities, the ones with the higher number of students; so that these students would be evaluated on a general exam depending on their careers and majors certify their degrees. But there was still a problem with those students that wasted two or three years studying and were told that the courses they took were not going to be accepted in other universities when they transferred.

What the regulating bodies of superior education in Ecuador did was to create a framework and guidelines that should and would have to be followed by every university in Ecuador so that students studying a certain career in one university would have, theoretically, studied the same subjects and have the same acquired knowledge as another student in a total different university.

The objective was to have a uniform and homogenized Ecuadorian university body in order to avoid the problems that resulted after the accreditation. Unfortunately the problems didn't stop with the students. Teachers were having problems as well because of the changes in the reform. The teachers that had their university degrees from public or even private universities in Ecuador that were not longer accredited or certified by the regulatory body and the professors were being asked to leave their teaching positions.

These teachers and professors that once had their degrees recognized and validated by a state's educational organism were having problems with the new regulatory bodies because those bodies would not recognize the degrees, even though the degrees were certified before and the teachers had been granted student credits by the IECE, Instituto Ecuatoriano de Crédito Educativo y Becas, that belongs to the state. So, these teachers were unable to get jobs and continue to participate and work because of these new higher education issues.

Of course, as with any change there are positive consequences as well, even though many Ecuadorian students and teachers were negatively affected by this process in the short term, it turned out to be very positive in the long run. This was and still is a very complex process because it affects the entire higher education system in Ecuador so it is expected that some universities will not agree with the process while others welcome change to improve the current situations and, ultimately the educational experience for the students they serve. The changes and alterations to the way higher education institutions was being handled in Ecuador opened doors for students to

become more competent to enter international universities, not only in neighbor countries but around the world.

Ecuador is not the first country in Latin America to go through the higher education restructuring process whole reorganization process for its colleges and schools. Argentina, Bolivia, Brazil, Chile and Colombia among other countries have gone or are currently going throughout this evaluation and accreditation process. This process has resulted in the improvement of the quality of education and the internationalization of education. The internationalization of education resulted in the increase of Ecuadorian students completing their third level education abroad because the state offered programs for students so that they can receive scholarships and financial aid. The categorization of universities has, although not officially, affected the acceptance rate of Ecuadorian students.

The information about the accreditation and evaluation results of the universities and higher education institutions is available for the public and can be find online along with information about the career and the university profile, international universities can take this information into account when deciding whether to accept or not a student from certain public or private university (Gonzales, 2007).

Prior to the reforms taking place in Ecuador, the governing body that regulated higher education institutions was CONESUP, Consejo Nacional de Universidades y Escuelas Politécnicas, which was the organization in charge of planning and coordinating higher education institutions. Nine members from both public and private universities and representatives of the public and private sector composed the CONESUP higher educational committee. When CONESUP was the regulating body, the superior education system was composed by 29 public universities and polytechnic schools, 9 private universities and polytechnic schools co-financed by the state and 34 private universities and polytechnic schools.

In terms of geographical location the majority of universities and polytechnic schools were located in the provinces of Pichincha and Guayas. In the province of Pichincha there were 24 universities and polytechnic schools from which 6 were public, 2 were co-financed and 16 were private. In the province of Guayas there were 15 universities and polytechnic schools from which 5 were public, 2 were co-financed and 8 were private. The remaining universities were located in the provinces of Azuay, Manabí, Tungurahua, Loja, Chimborazo, Imbabura, El Oro, Los Rios, Carchi, Cotopaxi, Bolivar, Cañar, Esmeraldas, Pastaza and Napo. In these provinces there was at least one public university or polytechnic school (Vega, 2007).

Consejo de Educación Superior

With the higher educational reforms of 2010 President Rafael Correa and his governing assembly reorganized CONESP and the functions that it had were divided among three different organisms: the Consejo de Educación Superior, Secretaría Nacional de Educación Superior, Ciencia, Tecnología e Innovación and the Consejo de Evaluación, Acreditación y Aseguramiento de la Calidad de la Educación Superior. Although these are the three institutions that are in charge of the entire superior education system in Ecuador, the LOES, Ley Orgánica de Educación Superior, in its article 15 states that the public organisms that govern the superior education system are the CES and the CEAACES (CEAACES, 2011).

The CES, Consejo de Educación Superior, is the superior education council that is in charge of the planning, regulating and coordinating the system of superior education in Ecuador. Some of the duties of the Consejo de Educación Superior are:

1. Approve the plan for internal development and projections of the Superior Education System
2. The approval for the creation of universities and polytechnic schools
3. The approval for the creation of superior technical, technological, pedagogical institutions and arts and music conservatories
4. The disapproval of the creation of universities and polytechnic schools
5. Approve the suspension of universities and polytechnic schools
6. Approve the creation of career programs for graduate and post-graduate programs in universities and polytechnic schools
7. Inform the Ecuadorian society, the President and Consejo de Participación Ciudadana y Control Social, annually the state of the superior education system
8. Elaborate and approve its annual budget
9. Impose sanctions to authorities in the Superior Education System who break the law
10. Monitor the compliance of the universities and polytechnic schools' academic and legal aspects (LOES, 2010)

The Consejo de Educación Superior is composed of four representatives from the executive power who are the Secretary of the SENESCYT, the Secretary of SENPLADES or its delegate, the minister in charge of the Sistema Educativo Nacional, and the minister in charge of the Política de Producción; six academic chosen by merits public contest; and one representative of the students. The president will be elected among the members of the council by vote. At the present time the President of the CES is the Economist Rene Ramirez (CES, 2012).

Consejo de Evaluación, Acreditación y Aseguramiento de la Calidad de la Educación Superior

The CEAACES, Consejo de Evaluación, Acreditación y Aseguramiento de la Calidad de la Educación Superior, is the council that regulates the auto-evaluation of the universities, polytechnic schools and superior education institutes, and is in charge of executing the process for external evaluation, accreditation, academic classification and quality assurance of universities, polytechnic schools and superior education institutes. By law, these institutions must perform an internal evaluation and be subject to the external evaluation and accreditation of the CEAACES. Some of the main duties of the CEAACES are:

1. Plan, coordinate and execute the activities for the process of evaluation, accreditation, academic classification and quality assurance
2. Approve the process for evaluation and accreditation of institutions of superior education
3. Approve the process for evaluation and accreditation of the career programs of the institutions of superior education
4. Elaborate the technical documents for the evaluation, accreditation, classification and quality assurance process
5. Approve the Code of Ethics that will govern on the member of any superior education organism
6. Grant the certificates of accreditation to the superior education institutions and its career programs for graduate and post-graduate
7. Establish the system for categorization of universities and superior education institutions,
8. Inform the society about the result of the evaluations and make the information public and available
9. Establish agreements with international entities of evaluation and accreditation to create bilateral bonds
10. Elaborate the reports that are used for the creation or extinction of superior education institutes and universities based on their evaluation results (LOES, 2010)

The CEAACES is composed by six academic members, from which three are chosen by public contest by merits and the President appoints the other three members. From the three members appointed by the President, the six members will chose the council president. At the present time the president of the CEAACES is Guillaume Long, PhD. (CEAACES, 2011)

Secretaría Nacional de Educación Superior, Ciencia, Tecnología e Innovación

The SENESCYT, Secretaría Nacional de Educación Superior, Ciencia, Tecnología e Innovación, was previously known as the CONESUP, was created as the result of the merger of the SENACYT, Secretaría Nacional de Ciencia y Tecnología and the SENESCYT. It is the secretariat for superior education, science, technology and innovation. Its six members were appointed by the principals of the seven universities in the category A level of the CONEA evaluation and accreditation process. When the SENESCYT was created the CONESUP and the CONEA were eliminated.

The objectives of the SENESCYT are:

1. Develop a productive national system based on knowledge
2. Impulse scientific and technological development by financing projects that are in line with the Plan Nacional del Buen Vivir
3. Count with the SNIESE, Sistema Nacional de la Información de la Educación Superior del Ecuador, that will provide integrated information and data regarding superior education
4. Develop and implement the SNNA, Sistema Nacional de Nivelación y Admisión, an integrated system for total integration of processes for baccalaureate students
5. Offer scholarships to students in international universities
6. Foment scientific research and innovation with programs with the best national and foreign experts
7. Improve the efficiency of the services that SENESCYT offers to improve its productivity
8. Impulse the use of technologies to improve the processes and production methods in Ecuador
9. Offer a database with scientific information and historical data to improve research (SENESCYT, 2012)

Among the functions of the SENESCYT body is to regulate and ensure that superior education institutions are in compliance with the equality of opportunities, merits and capacities principles. The SENESCYT has also established a format in which universities and superior education institutions will present data and information about its students so that it can afterwards report it to the SNIESE. This body guarantees the agility and gratuity in the recognition, homologation and re-validation of foreign titles. Superior education institutions must report to the SENESCYT the list of graduates and specifications so that it can be uploaded to the system and have their degrees validated. (RLOES, 2011)



The Consejo de Evaluación y Acreditación de la Educación Superior del Ecuador (CONEA), is an organism created to be given the responsibility to create a system for university accreditation in Ecuador. This accreditation is awarded by CONEA and has given every university in the country a certification and a rating based on their performance. The purpose of rating universities is to ensure that higher education institutions in Ecuador are within the standard of high-quality academics and that there is a common framework for universities to follow in order to be certified. The results of the 2009 Institutional Performance Evaluation of Universities and Polytechnic Schools in Ecuador divide the universities into 5 categories being A the highest rated and E the lowest based on academics, students and learning environment, research and internal/administrative management. (CONEA, 2009)

Table # 7: Ecuador University Ranking

Category A	
1. ESCUELA POLITÉCNICA NACIONAL	7. UNIVERSIDAD DE CUENCA
2. ESCUELA SUPERIOR POLITÉCNICA DEL LITORAL	8. UNIVERSIDAD DEL AZUAY
3. ESCUELA POLITÉCNICA DEL EJERCITO	9. UNIVERSIDAD SAN FRANCISCO DE QUITO
4. ESCUELA SUPERIOR POLITÉCNICA DEL CHIMBORAZO	10. UNIVERSIDAD TÉCNICA DE AMBATO
5. PONTIFICIA UNIVERSIDAD CATÓLICA DE QUITO	11. UNIVERSIDAD TÉCNICA PARTICULAR DE LOJA
6. UNIVERSIDAD CENTRAL DEL	

ECUADOR	
Category B	
1.UNIVERSIDAD AGRARIA DEL ECUADOR	6.UNIVERSIDAD ESTATAL DE BOLÍVAR
2.UNIVERSIDAD CATÓLICA DE SANTIAGO DE GUAYAQUIL	7.UNIVERSIDAD NACIONAL DE CHIMBORAZO
3.UNIVERSIDAD DE ESPECIALIDADES ESPÍRITU SANTO	8.UNIVERSIDAD NACIONAL DE LOJA
4.UNIVERSIDAD DE GUAYAQUIL	9.UNIVERSIDAD POLITÉCNICA SALESIANA
5.UNIVERSIDAD DE LAS AMÉRICAS	10.UNIVERSIDAD TÉCNICA DEL NORTE
Category C	
1.ESCUELA POLITÉCNICA AGROPECUARIA	7.UNIVERSIDAD NAVAL MORÁN VALVERDE
2.UNIVERSIDAD CATÓLICA DE CUENCA	8.UNIVERSIDAD TÉCNICA DE COTOPAXI
3.UNIVERSIDAD ESTATAL DE MILAGRO	9.UNIVERSIDAD TÉCNICA DE MACHALA
4.UNIVERSIDAD ESTATAL DEL SUR DE MANABÍ	10. UNIVERSIDAD TÉCNICA ESTATAL DE QUEVEDO
5.UNIVERSIDAD INTERNACIONAL DEL ECUADOR	11. UNIVERSIDAD TÉCNICA L. VARGAS TORRES
6.UNIVERSIDAD LAICA ELOY ALFARO DE MANABI	12. UNIVERSIDAD TECNOLÓGICA EQUINOCCIAL
Category D	
1.UNIVERSIDAD CASA GRANDE	11.UNIVERSIDAD TECNOLÓGICA EMPRESARIAL DE GUAYAQUIL
2.UNIVERSIDAD DE LOS HEMISFERIOS	12.UNIVERSIDAD DE ESPECIALIDADES TURÍSTICAS
3.UNIVERSIDAD ESTATAL AMAZÓNICA	13.UNIVERSIDAD TECNOLÓGICA INDOAMÉRICA
4.UNIVERSIDAD INTERNACIONAL SEK	14.UNIVERSIDAD SAN GREGORIO DE PORTOVIEJO
5.UNIVERSIDAD LAICA VICENTE ROCAFUERTE	15.UNIVERSIDAD DEL PACÍFICO - E.

6.UNIVERSIDAD REGIONAL DE LOS ANDES	DE NEGOCIOS
7.UNIVERSIDAD TÉCNICA DE BABAHOYO	16.UNIVERSIDAD METROPOLITANA
8.UNIVERSIDAD TÉCNICA DE MANABÍ	17.UNIVERSIDAD ESTATAL PENÍNSULA DE SANTA ELENA
9.UNIVERSIDAD TECNOLÓGICA ECOTEC	18.UNIVERSIDAD IBEROAMERICANA DEL ECUADOR
10. UNIVERSIDAD POLITÉCNICA ESTATAL DEL CARCHI	19.UNIVERSIDAD TECNOLÓGICA ISRAEL
	20.UNIVERSIDAD DE OTAVALO
Rejected Universities and Polytechnics Schools	
1.ESCUELA SUPERIOR POLITÉCNICA ECOLÓGICA AMAZÓNICA	8.UNIVERSIDAD INTERAMERICANA DEL ECUADOR
2.ESCUELA POLITÉCNICA JAVERIANA	9.UNIVERSIDAD OG MANDINO
3.UNIVERSIDAD AUTÓNOMA DE QUITO	10.UNIVERSIDAD TÉCNICA SAN ANTONIO DE MACHALA
4.UNIVERSIDAD CRISTIANA LATINOAMERICANA	11.UNIVERSIDAD TECNOLÓGICA AMÉRICA
5.UNIVERSIDAD INTERCONTINENTAL	12.UNIVERSITAS EQUATORIALIS
6.UNIVERSIDAD ALFREDO PÉREZ GUERRERO	13.ESCUELA SUPERIOR POLITÉCNICA ECOLÓGICA “PROF. SERVIO TULIO MONTERO LUDEÑA”
7.UNIVERSIDAD PANAMERICANA DE CUENCA	14.UNIVERSIDAD TÉCNICA PARTICULAR DE CIENCIAS AMBIENTALES JOSE PERALTA

Source: “Categorización de Universidades” by CEAACES. Copyright CEAACES 2012

Theoretical Framework

Maria Mercedes Salmon, Country Coordinator for Educational Advising for the Fulbright Commission in Ecuador, created a country fact sheet for Ecuador in which she addresses key points of Ecuador's language, geography, environment, economics, educational system, U.S. bound students and educational advising services. In her research she talked about how under Ecuadorian education system regulation primary schools will be similar to United States' because of their educational system.

Ecuador has a primary/secondary educational system named K12 which, according to the Ministry of Education, is a term used to abbreviate kindergarten and the twelve years of primary and secondary education. This system is used in the United States and other countries as well. Another point in which the Ecuadorian educational system is becoming more similar to the one in the United States is that Ecuador applied an accreditation system for its universities and higher education institutions so that there can be a superior national entity that regulates these institutions or commonly known as regional accreditation.

The result of this accreditation system is that now students can be certain that the university where they are planning to attend to is certified by the national higher education governing body and that the careers offered from these universities are validated and the degrees will be accepted internationally. With a higher education management institution degrees awarded are validated as well, for two years studies the students receive a licenciatura or associate's degree, with four year studies the students receive a ingeniería or bachelor of science, with post third level education students become graduates that receive a masterado or master's degree and doctorado or doctorate degree.

Ever since the Ecuadorian higher educational system started to become more and more similar to the United States' system, the University Reform Law of 2009 which made a mandatory requirement for university students to learn a second language, resulted in a rise of English speaking university students and of course increased the demand for English courses and native English speaking teachers to satisfy this new requirement. The institution that regulated the universities and was in charge of certifying all higher education degrees was called CONESUP but later changed its name to SENESCYT.

With changes in the educational reform, it is not only students who are affected but teachers as well. In order for universities and higher education institutions to improve their assigned categories by SENESCYT their

professors and instructors should have a post third level education degree, meaning that professors and teachers should have at least a master's degree while deans and directors should have a doctorate degree (PhD) (Salmon, 2007). This is part of the new 2010 re-evaluation of higher education introduced by President Rafael Correa.

This is a mandate for universities or higher education institutions but it is ultimately necessary because it is these characteristics that will made them fit for a higher level of category. For example universities that are presently situated in category B or C could start this process to make teachers acquire their master's degree and deans their doctorate's degree so that when the next ratings are due the university would have improve its quality of education and will as a result of that be rated in a higher category being A or B respectively.

It is this direct relationship between higher education degrees and higher quality of education that has resulted in a peak for the demand of master's degrees and doctorate degrees. While the increase in these two is also a result in the increase of the number of students acquiring their bachelor's degree in universities since this bachelor's degree is a requirement to start a master's degree or doctorate program.

According to the accreditation results, in 2012 there are 53 accredited and validated universities and polytechnic school recognized by the higher education regulating institutions like the Consejo de Evaluación, Acreditación y Aseguramiento de la Calidad de la Educación Superior (CEAACES) , Consejo de Educación Superior (CES) and the Secretaría Nacional de Educación Superior, Ciencia Tecnología e Innovación (SENESCYT).

The results of this research indicate that even though Ecuador had being going to tough times in economic terms with the recession that lasted several years, there was an increase in the number of Ecuadorian students that wanted to study in United States' universities. According to Maria Mercedes Salmon's research and statistics, in 2010 there were more than 2000 Ecuadorian students in the United States from which more than 60% was studying an undergraduate program while the other 40% was divided among graduate programs and other types. While she also noted that there is an increasing trend for online education programs or distance education in Ecuador.

According to her findings the most popular careers and programs were business, engineering, environmental and health sciences. While working for the Fulbright Commission, she said that of the 86,000 Ecuadorian students that went to receive advising and information on any part of the application

and admission process, almost 70% of those where interested in acquiring financial assistance and requested information regarding the process. (Salmon, 2007)

Application and admission process



Graphic 6: The Application and Admission Process. By Einstein Prep and Learning, 2012.

According to the College Board (2012), the application and admission process for entering any university is time consuming and complex. First, students must have be academically evaluated concerning the best field of study according to their academic performance in high school and their preferred interests. This will give them an idea of the career they want to pursue and with this information they can start searching for universities that offer those careers and majors. Second the students must identify the

requirements to qualify for acceptance in order to enter their preferred university. Third, the students should prepare for the various exams that are required to entering these universities. Fourth the students must take the exams in the certified exam taking locations in the available dates they offer. Fifth, while the students wait for the exam results they can receive guidance in completing the application forms and the essay. Finally, depending on whether the students will apply for financial aid and scholarship they should receive guidance in this process and finally send the whole package of documents to every university they want to apply to and wait for the results.

Prior to graduating students can receive counseling at their high schools with the guidance counselor regarding the best alternatives for a career and a particular university or they can find out by themselves via various web pages. Students can also go to a studying center and pay for classes with tutors where they can prepare for the exams and afterwards go to a certified exam-taking location to take the exams. Often, students may be required to wait for several months until the next exam date in their city or, as is usually the case, they must travel to another city to take the exam. They also have the choice to pay for a private tutor that can assist with the test-taking requirements, essays and others depending on the knowledge of the tutor. Students can complete all of these activities but in separate institutions and locations, but sometimes each center can be geographically very far apart.

The vast majority of Ecuadorian students begin to plan for their future of higher education during their senior year of high school. Some of these students want to stay in their local universities while others wish to study abroad. The number of students, living in the La Puntilla area, that leave the country to attend international universities has increased each year. But there is another figure, the number of students, living in the La Puntilla area that wanted to go study abroad but, for one reason or another could not go.

These students may have failed in their attempt for several reasons, but mostly because they didn't get accepted or complete the exhaustive process. In some cases they simply could not afford the tuition. This happens because of the lack of a one-stop preparations and admissions center. This is how the idea for a multi-purpose center where students can go and complete each step of admission and application process for international universities was born.

A multi-purpose, such as the one proposed in this business plan, where students can complete the whole admission and application process from the beginning to the end will benefit every student living in Ecuador and beyond. It is not sufficient that the center offers new services that fulfill an unsatisfied demand; the center will have well-structured processes that allow students to

improve their performance throughout the whole application and admission process. This will definitely give the center a competitive advantage over the competition because, as said before, the other companies don't offer the entire service package, the one-stop shop, per se.

The Business



Business Details

The proposed testing center will be an Ecuadorian-based company that will help students to obtain international higher education experience. It will do this by giving counseling to students regarding their college options according to their academic and economical profile. It will also provide preparation courses to students that are interested in going to study abroad to the United States. The courses will be aimed to prepare students for the exams that are required to enter universities in those countries. Apart from preparing students, the Testing Center will be a licensed institution where students can take those exams. The Testing Center will advise students throughout the application process activities such as writing the essay. The Testing Center headquarters and studying center will be located in the La Puntilla area.

Justification and delimitation

The great majority of high school students after graduating aspire to start their third level education as soon as they possibly can. Some of these students want to attend local universities while others wish to go to international universities such as those in the United States. There is an important decision for every high school graduate to take, whether they should start their third level education right after graduating high school or

they can put it on hold while they figure out what they want to study and what do they want from life.

Students who wish to improve themselves and that want to thrive and prosper in life usually are aware that there is no time to waste. They know that along with them there are more graduates looking for a place in this world, more people just like them wanting more of what life has to offer. Their peers or colleagues are in search for the exact same thing, opportunities. Opportunities to find a great job with what to support themselves and their future families, a job that will fulfill every need they have and in which they can excel and prove their skills and let the world know they are good at something.

These students will decide that they must initiate their third level education right away. Unfortunately, for some people leaving home is not an easy thing to do. This is why some students decide to start the university here in their home country. This is a very good option for students who know the English language and who use it fluently and regularly. Many global universities offer career programs in English so that the students receive their classes with English speaking professors and they get acquainted with the terminology in that language.

Other options that students can decide upon is to study English for a year or so prior to attempting the international experience. There are many places in Guayaquil where students can receive English classes and improve their skill level including the Benedict Institute and COPEI. These are good alternatives because the students get to develop the language so that when they decide to go study abroad in the United States they feel more ready to participate. Besides from preparing students in the language area, staying in the home country right after high school can be beneficiary for students who need to mature in a way so that when they leave to study abroad they won't return after a month because it was too difficult for them or they became homesick.

UEES

UNIVERSIDAD ESPIRITU SANTO

International Careers Program
(I.C.P.)

Universidad Espiritu Santo in La Puntilla, Ecuador (UEES), for example offers its International Career Program students the opportunity to complete a semester in any international university in which it has a current matriculation agreement. UEES has articulation agreements with many universities in the United States, Europe and Asia and these agreements accept UEES students for a semester with the same costs as the students where to pay for a semester in Guayaquil. This is a very good option for aspiring students who wish to study in the United States because they will get to live the actual experience of going to study in the United States before deciding if they would be a good fit studying in an international setting.

Other universities in Guayaquil, offer career programs in English, which can be taken totally in English, meaning every class will be in that language and help students in the transition to an American university. Broward College for example has agreements with American universities that benefit the students because they can make two years in Guayaquil and then transfer to the United States to complete the other two years and get a degree from the American university they attend to. Attending Broward for two years allows you to transfer to a US university without the loss of any credits.

There is a very important aspect when deciding to stay for a year or two in Guayaquil and then transferring to the United States. Depending on the university the students chooses to go every university has an academic board, which decides how many of the subjects that the student has already taken in their first years are going to be accepted. Generally the academic board will compare the career program it has for its students with the list of subjects that the transferring students are requesting for homologation and they will compare it along with the students' grades to choose which subjects will be approved for homologation.

Homologating (a school or subject meets accreditation standards) subjects can be very difficult for international students for many reasons. First, the university they attended may have a very different career program than the university they are transferring to so the number of subjects that will be

accepted will be low. Another issue may be that the university from where the student is transferring from is not recognized internationally, this is why it is very important when deciding to study in a local university, the students have to make sure that the university is authorized by the SENESCYT, previously known as CONESUP, which is the organism that regulates superior education institutions in Ecuador. Ecuadorian universities and higher education institutions must be accredited by the SENESCYT so that the students' degrees and diplomas can be recognized and validated at home and abroad (SENESCYT, 2012).

When students decide that they want to study one to two years locally and then transfer to a university in the United States to finish their studies, depending on the university, they are not required to complete any kind of exams or tests. These students are accepted because of the matriculation agreement between universities and are chosen because of their grades. But there are those students who wish to study in an American university right after they graduated high school. These students have to go through the entire application and admission process.

Students that choose to start their third level education abroad have to take into account that it is a very long process and that generally the student must begin the process at least one year before in order to comply with application deadlines. Deciding which career and which university is a better fit for each student, researching information about admission requirements is a very important step in the process. The student may find that the university or universities they wish to apply to require a certain level of scores in standardized test like the SAT or the TOEFL iBT competency exam.

Preparing for those exams, taking the exams, submitting the results along with translated high school grades, recommendation letters, admission essays, application forms, extracurricular activities logs, etc. may be overwhelming for a student fresh out of high school. There is a necessity to make this application and admission process easier and faster so that students feel more motivated to start the process and to complete it successfully.

Besides providing students with a studying and exam-taking center, students are benefited because the multipurpose center will offer complementary services that no other studying center does. Students will receive counseling regarding their best career and university options and they will also receive guiding and consulting in how to develop their admission essay. This will result in more students applying to international universities. Because of the Testing Center's high quality standards the center expects that the students' performance in the admission exams will improve and consequentially it will

increase the number of students that are accepted in international universities.

Other benefits include the counseling regarding financial aid and its availability. The whole admission and application process wouldn't be complete without the application for financial aid. Most of the universities in the United States are considerably expensive, especially the ones that aren't public. Education in almost all countries abroad is even more expensive for non-citizens; this makes it difficult for Ecuadorian students who have successfully applied and being accepted to American universities to attend because of the elevated prices compared to Ecuadorian universities. This is why the students must have guidance throughout the financial aid process to make it easier for them to acquire scholarship or students loans or both.

Without a place like the multipurpose testing center as proposed in this plan, those deserving and aspiring students have to proceed with the application process in different locations and without the benefit of knowledgeable personnel to help them. This is very time consuming, expensive, inefficient and ineffective use of time. Time and cost depends on the institution and the learning method the student chooses. To address costs and time, the competition's costs and services will be described individually. The whole process varies in time and cost depending on the student but it can be from 4 to 5 months and have a cost of \$1000 approximately excluding the application costs for every university because it varies on the university and the numbers of universities the students apply to.

This research included in this plan was created to propose a business plan for the creation of a multi-purpose testing center. The center will immediately benefit the students living in the La Puntilla area, along with students from the city of Guayaquil, who want to complete their third level education abroad.. The result of this paper will be to provide a practical application for the creation of the center in the La Puntilla area due to the feasible business plan.

Products and Services



Advising Center

The center will provide counseling to high school graduate students to advise them in finding the university that best fits their profile, academic need and desire. The primary counseling process includes a psychological evaluation to recognize personality traits and features. It also includes a research of the students' historical academic development through their high school years to identify key subjects and classes with high performance. And finally, identify the students' economical capabilities to offer them with options that will suit them the best.

This service is aimed at helping students making them know themselves in order to identify where they want to go and where they want to be in a few years from now. This can be done by making students think about talents, abilities and skills they possess, what they are good at, what other people think they are good at; what is difficult to them, what are some activities they dislike, academic areas of needed improvement; who are the people they admired and look up to, what do these people do for a living, and if that is something they wish they would do themselves; which are their favorite classes, in which classes do they have the best grades, etc.

Students are assessed by identifying activities they love and that give them satisfaction; what experiences have marked the way they are today, also in identifying their strengths and weaknesses and very importantly at the center students will receive information on every career they are interested in, in

order to know exactly what does that mean they would do, what opportunities are out there for them, trends in the market, employment rates, etc.

At the Testing Center students will receive help to find the university that best fits them. After the students have successfully identified their strengths and their weaknesses they should have a better approach to what they are looking for. When looking for universities there are many variables that must be taken into account to make a decision. Among these variables are: available careers and majors, location, prices, financial aid availability, etc. There are going to be many options to chose from and many may seem like the perfect fit, but it is only the student that must chose after evaluating all the options which one is the best alternative in which the students feels that they can achieve their goals and expectations.

To have a better understanding of the students profile, the center will provide a test in which students will be asked to answer questions about favorite subjects, which are the classes that interested them the most in high school, which subjects are they interested to take in college, what do they think are their best skills and which are the tasks in which they think they could use some support.

Academics are important, however, location is very important in choosing a college or university, too. Some students would like to study in a sunny warm place while others feel more comfortable in cold or windy places. Question regarding their expectations about college and aspects of their future education is crucial for making the right decision. The test will have multiple questions, student produced responses and a personal essay.

The results of this test, high school grades and reports and psychological exams (if available), will be analyzed together by the professionally trained and credentialed center staff so that they can provide alternatives of colleges and universities to the students and create an starting point and a study plan for each individual student. This service is very helpful for students because it will give a detailed personalized study plan that will help them understand better the admission and application process and the time and effort that will be required from them in order to get accepted into the college or university of their choice and to succeed in their education. Students will also be assessed in how to complete the common application required by universities (See Appendix 5).

An individualized academic plan of action is a very important starting point for every student, not only because it helps them visualize how their college life will be and what they should expect in the next 4 to 5 years, but also because it helps to avoid making the wrong decision about a certain career

or university. There are many cases in which students decided to study a certain career or go to certain university because of what they have heard and they end up making an uninformed decision, which ultimately makes the student waste time and money. This service seeks to help students now themselves to make the right choice

Academic Center

When the students are aware of what they want in their college and academic experience they usually begin researching universities and colleges that offer the careers and major they are interested in. In the center they can have help in doing this. The Testing Center staff will be available for its students so that they can research more in depth the university and college options that were recommended and the specific major and careers that are offered.

When the students make a decision and chose a university or universities they wish to apply for, they must take the exams that are required in order to enter into those universities. To do this they must prepare and practice for those exams. The most popular exams that are request to enter into any university or college in the United States are the TOEFL iBT, the SAT and the GMAT. The Testing Center will prepare its students for those exams with authentic preparation material and classes with a professional teaching staff. These exams are among the top requirements for every college and university because of their reliable indicator of college success.

TOEFL iBT



The TOEFL iBT is an Internet base test that measures the ability to use and understand English in a university level. The TOEFL iBT exam evaluates different aspects of an academic task, which are reading, listening, writing and speaking. It is used mostly by students that plan to study abroad and complete their third level education but it is also used as a tool to identify the improvement of students in English language programs, students applying for scholarship programs and for people applying for visas (ETS, 2012).

The TOEFL iBT is widely popular because as many as 8,500 universities and academic institutions accept the scores as documentation for an acceptance. The length of the TOEFL iBT is approximately 4 hours divided among the corresponding sections as follows.

Table # 8: Time and Question Scale

Variable	Reading	Listening	Speaking	Writing
Number of questions or tasks	37 – 70 questions	34 – 51 questions	6 tasks	2 tasks
Time available	60 – 100 minutes	60 – 90 minutes	20 minutes	50 minutes
Activities description	-Read passages -Respond to questions	- Listen to lectures and classroom discussions - Respond to questions	-Using a microphone speak about familiar topics	- Read a passage - Listen to a recording - Type responses

Source: “Time and Question Scale” by Educational Testing Service. Copyright 2012 ETS

To prepare for the TOEFL iBT test the center will use the practice materials offered by ETS, the company that owns the brand TOEFL, on their website. These include: the ETS TOEFL Program, sample tests provided on the ETS website, booklets and articles as tools to improve reading and writing, and speaking sessions (See Appendix 6).

There are also a vast variety of books approved by ETS that help students in specific areas such as Writing, Listening, Reading and Speaking. Students applying to international universities and students seeking a scholarship and financial aid should take the TOEFL iBT test to have a certified record of their English language. The TOEFL iBT test is internationally known for its 100% academic content and the fairness and quality of its scoring, which is backed up by more than 40 years of research making it one of the most available English test and reliable test scores in the world (ETS, 2012).

SAT



The SAT exam is used by almost every college and university in the United States and elsewhere as an acceptance variable. The SAT Reasoning Test will reflect the students' performance in reading, writing and math, which are high school subjects. The score of the SAT exam in addition to high school grades will give an anticipated view of the students' success in their college and university development. Students taking the SAT will be tested by completing sentences after reading passages in the critical reading section, on writing a short essay and multiple choice questions regarding grammar mistakes in the writing section and questions that need numerical answers for the mathematical section questions such as probability, arithmetic, algebra, geometry and statistics.

To prepare for this exam the center will use exam practice questions, practice tests, an official study guide with DVD, and an online course offered by the College Board, the company that owns the SAT brand, on their website. These materials will be used by professors and Testing Center staff to give classes to the students with the most updated SAT materials available. The Testing Center will also use all of the training, support, application and testing material provided by College Board to official SAT testing centers.

The SAT practice questions will help students practice with real SAT problems such as passage-based reading, sentence completion questions, multiple choice, student-produced responses, improving sentences, improving paragraphs and essay writing. Students can also practice with full SAT practice tests than can be done both online and on printed version which will allow for an increased preparedness on the test day. The research regarding the SAT shows that those that have taken at least one practice test and have studied the study guide are more likely to show a high score based on peer averages upon completion (College Board, 2012). The center will also have available for its students several Official SAT Study Guide with DVD and the Official SAT Online Course as complementary material to the

classes for students that want and need more practice tests, lessons, concepts, overviews, explanation and feedback for answers, essay practice and scores.

Table # 9: SAT Test Structure

Section	Answer type	Activities	Minutes
Writing	Essay	Write an essay.	25
	Multiple choice	Recognize sentence errors.	25
	Multiple choice	Choose the best version of a piece of writing. Improve paragraphs.	10
Critical Reading	Multiple choice	Sentence completion. Identifying main and supporting ideas.	25
	Multiple choice	Determining the meaning of words in context. Passage-base reading.	25
	Multiple choice	Understanding author's purposes. Understanding the structure and function of sentences.	20
Mathematics	Multiple choice	Numbers and operations. Algebra and functions.	25
	Multiple choice	Geometry and measurements.	25
	Student-produced	Data analysis, statistics and probability.	20
Variable	Multiple choice	Critical reading, math or multiple choice writing questions (unscored)	25

Source: "SAT Test Sections" by College Board. Copyright 2012 College Board

GMAT



The Graduate Management Admissions Test (GMAT) exam is mostly used for students that want to enter to business schools and business programs or post graduate schools to study for their master's degree. It assesses the students' integrative reasoning and analytical writing and also includes quantitative and verbal sections (GMAT, 2012).

To prepare for this exam the center will provide students with material such as sample questions and also preparation software that will include a demo of how the test is so that students can get familiar since it is very different from conventional tests like TOEFL and SAT. It is different because the multiple choice questions of the exam will determine the next question based on the answers the students give, for example if the students answers a question incorrectly the next question will be of low difficulty while on the other hand if the student answers correctly the next question will be of high difficulty. Low difficulty questions award the student with fewer points than those with high difficulty.

Table # 10: GMAT Exam Structure

Test Section	Number of questions	Question types	Timing
Analytical Writing Assessment	1 topic	Analysis of an argument	30 minutes
Integrative Reasoning	12 questions	Multi-source reasoning Graphics interpretation Two-part analysis Table analysis	30 minutes
Quantitative	37 questions	Data sufficiency Problem solving	75 minutes
Verbal	41 questions	Reading comprehension Critical reasoning Sentence corrections	75 minutes
Total exam time			3 hours 30 minutes

Source: "Test Structure and Overview" by Graduate Management Admission Council. Copyright 2012 GMAC

The GMAT exam is not necessarily more difficult than other standardized test but the structure is very different and since the questions depend on the answers the student gives for the previous questions, it makes for a very complex test. Students should be aware of the methodology of the exam and understand its format so that they are prepared to make the right decisions when deciding to prepare for the exam. The GMAT website offers articles for every exam section where students can revise the type of questions they are going to face on the exam.

The Analytical Writing Assessment part of the test can be practiced by choosing a topic from the GMAT website or with the GMAT Write the software that students can use to practice these sections by writing about topics and getting reviews and responses with the same grading system the exam uses. There are also GMAT paper test for practice and study guide books for the whole exam or for specific areas of the exam so that every students can focus on the part where they need more practice. Even though the website states that the students should prepare for the exam for at least four weeks, exam taker's testimonials have said that because they were out of practice from school for so long it took them from three to six months to practice (GMAT, 2012).

The Testing Center

TOEFL iBT

In order for the Testing Center to offer the TOEFL iBT test to its students, there are two options. The first is to register for the TOEFL iBT *Testing for Groups of Students* which offers the service to institutions of giving the test to a group of students in the same day on the same location without the need of the institution to become a certified testing center. To do this the institutions must submit a Group Reservation Request (Appendix 7) including the institution's information (name, address, country, test dates, number of seats and contact information). This option would be convenient in the case that the Testing Center wouldn't need several testing dates.

The second option is for the Testing Center to become a Certified Test Administration Site (CTAS) approved by ETS. This would be a better option because becoming a CTAS will attract new students, will fulfill an unsatisfied demand of a TOEFL iBT test center in the La Puntilla area, will help the Testing Center to reach its goal of making international education easier for its students. Additionally, it will give the Testing Center access to ETS products such as The Official Guide to the TOEFL. To begin the CTAS Certification Process the Testing Center must complete an online application form (Appendix 8) and meet the basic requirements that are to have at least

15 Internet connected computers in a spacious computer lab, have the necessary resources available for the tests which can be to hold any other activities during the test hours. The CTAS has to have an administrator who is in charge of checking the ETS software status so that it doesn't present problems during the tests; he is also in charge of validating test registration and placing students in the classroom as well as making sure they follow test guidelines and procedures (ETS, 2012).

SAT

The Test Center will offer the SAT exam to its students by becoming an official SAT testing center. To do this the Testing Center must have appropriate and suitable facilities that fulfill capacity needs and a supervisor in charge of all the staff. The test center supervisor must have experience as an educator or as a staff in an educational or governmental institution and currently be a member of it. He or she will be in charge of all testing activities in the center such as providing materials for the students, providing documents with feedback to the students. When it is necessary the test center supervisor must also recruit and train any additional staff called associate supervisors to administer the test when there is the need for several testing classrooms, and proctors to monitor halls, checking in students and assisting the associate supervisors.

The test center supervisor is also in charge of making sure the Testing Center meets all the regulations and safety measures required by the SAT Program. On test days he must also be responsible for checking the identification of each student that will give the test, make sure that SAT policies are followed by staff and students and report all activities that were done in that day (College Board, 2012).

GMAT

To become a GMAT official testing center the Testing Center must complete an online form on the official GMAT website with information about the company. There are reports that inform future testing centers about the technical and facility requirements that the center must have in order to be eligible to become a certified exam-taking center. Since the GMAT uses the Pearson VUE Testing System software, the Testing Center must meet their specific requirements. Depending on the number of students the center will have the Pearson VUE technical department recommends different types of set-up because it depends on the number of computer stations that are going to be working in a test day.

As with every other testing center, a certified GMAT testing center must comply with requirements that help the students succeed in their exam. A place with little noise or distractions as possible is recommended. It is required to offer students with parking space and special access for people with disabilities. The Testing Center must have a waiting area, separated from the exam classroom where students can seat and wait to check in. There must also be a separate area in which students can safely deposit their belongings that are not accepted in the test classroom.

The space where students are going to be taking the exam should be in an environment that is clean and silent. The classroom should be as far as possible from the test preparation classrooms and can be modified so that exterior sounds and noises don't interfere with the exam and distract students. Adequate lining, comfortable spacious working stations and fresh temperature are recommended so that the students feel comfortable while working (See Appendix 9).

When setting up the workstations, the Testing Center must do so in compliance with the measurements required by Pearson VUE. There are two options for this: wide distances can separate students' workstations or the workstations can be separated by partitions. The importance of this security measures is that the proctor or the test administrator has clear view of the test-takers at all times without difficulty. The proctors or test administrators can check student outside the exam classroom from a glass window or by video surveillance or he may be inside the classroom watching every student. Referring to the number of proctors or test personnel, there must be at least one proctor or test administrator for every 15 test-takers (Pearson VUE, 2012).

Opportunity Center

Obtaining a degree from an American university is something many students aspire to do. Not only because of its relevance in any country in the world or because of the necessity and requirement it has become to have a higher education degree; but also because American universities are among the most prestigious universities in the world and a degree from almost any of those is a golden ticket for a dream job position. Universities like Harvard, the Massachusetts institute of Technology, Stanford University, University of California Berkeley, New York University, all are American universities that are rated as the best universities in the world (USNEWS, 2012).

SENESCYT

Ecuadorian students are looking for financial opportunities that help them achieve a higher-level education in the United States. Whether these Ecuadorian students are searching for an undergraduate, graduate or postgraduate degree, the SENESCYT has been and is giving funds to make this possible for them. The SENESCYT gives funds to students searching for a superior education abroad because it supports its principle of innovation and transfer of knowledge and technology that is so important for the development of Ecuador. It provides funds in the form of scholarships to undergraduate and postgraduate students. Undergraduate students are those who just graduate from high school and are studying to receive a bachelor's degree while the postgraduate students are those who have bachelor's degrees and are studying to obtain a master's or a doctorate.

The government through the SENESCYT is looking to boost local talent by increasing knowledge, experiences, cultural exchange that will lead to increase research and development in Ecuador and within prioritized areas of study. Last year the SENESCYT (2012) gave 2,000 scholarships through the three programs they offered: Convocatoria Abierta 2012, Universidades de Excelencia and Enseña Ingles.

Convocatoria Abierta 2012 is a scholarship program for masters, doctorates, and post-doctorate's degrees. It also offers scholarship for research students in prestigious international universities or higher education institutions. The scholarships available for the United States and Canada cover up to \$103,044,48 for master's degree, \$217,649,76 for doctorate's degree, \$143,121,48 for post-doctorate's degree and \$50,454 annually for medical specific areas. Air travel expenses will be covered up to \$4,000 and living expenses (food, transport, basic services, and house) up to \$2,800 every month. Life insurance will be covered up to \$1,200 annually for very year the students are in the foreign country.

Apart from the costs detailed above, students will have coverage in other areas. Enrollment, tuition and degree rights cover any expenditure the students may incur while registering or graduating. This cost will be backed up by certification from the university or by invoices. Class materials such as books, subscriptions to magazines and software will be covered up to \$850 annually. Researching expenses (travel, information gathering, and laboratory reports) must be backed up by invoices, and must be requested by the university to be covered by the scholarship. For master's degree it covers up to \$2,500, for doctorate and post-doctorate's degrees up to \$13,900 and for medical specialties up to \$4,000 annually (SENESCYT, 2012).

Table # 11: Areas of Study Accepted by the SENESCYT

Area of Study	Majors
Life Sciences	Bio-chemic, Bio-technology, Botanical, Microbiology, Pharmacology, Immunology, Medical Therapy, Marine Biology, Biological Conservation, Gerontology, Genetics, Oncology, Epidemiology, Health, Mathematics, Physics, Biology, Chemistry, etc.
Natural Resources Sciences	Hydrology, Oceanography, Environment, Natural Resources, Meteorology, Vulcanography, Petrochemical, Hydrocarbons, Energy, Geology, Geosciences, Mines, Metals, Geography, Hydric Resources, Forest Resources, Natural Gas, Risk Prevention, Catastrophes, etc.
Production and Innovation Sciences	Agriculture, Agro industry, Aquaculture, Animal Production, Fishing Production, Food Production, Electro-mechanics, Automobile, Nanotechnology, Telecommunications, Information Technology, etc.
Social Sciences	Education, Journalism, Philosophy, History, Economics, Applied Economics, Econometric, Demographics, Management and Administration of Hospitals, Security, Heritage Conservation, Archeology, Tourism, etc.
Arts and Culture	Plastic arts, Scenic Arts, Music, Movies, Dance, Photography, etc.
Not Covered	Business Management, Marketing, Gastronomy, Fashion Design, Business, Interior Design, Human Resources, etc.

Source: "Convocatoria Abierta 2012" by SENESCYT. 2012 Copyright SENESCYT

The Convocatoria Abierta 2012 scholarship program covered up to two years of scholarship for the master's degree, four years for doctorate's degree, two years for post-doctorate's degree and from one to five years for medical specialties. To apply for this scholarship the person must be an Ecuadorian citizen, be no more than 35 years old for the master's program or 45 years old for the doctorate or post-doctorate program. The applicant must have a third level degree and an acceptance letter from a foreign university.

Another scholarship program that the SENESCYT offers is the Universidades de Excelencia (Prestigious Universities) that offers Ecuadorian students the opportunity to study in one of the 175 most prestigious universities in the world. This program is available for students that want to acquire a third or four level of higher education. The scholarship is complete and covers every necessary expenditure that the student might have such as enrollment, tuition, degree rights, life insurance, health insurance, living expenses, research and thesis expenses and airline tickets. One of the most important requirements to access this scholarship is that the students must have an acceptance letter from one of the universities of superior education institutions accepted by the SENESCYT.

This scholarship is very important for the development of Ecuadorian professionals because it is offering an opportunity to those students with excellent student profiles but limited economical capabilities to study in one of the most prestigious universities in the world. One important fact to mention is that students must return to Ecuador and stay in Ecuador for at least double the time they were studying abroad so that they can share their knowledge and experiences. This is aimed at strengthening professional culture in Ecuador with intercultural exchange, technology exchange, among other factors to improve life quality.

The Universidades de Excelencia scholarship covers up to \$250,000,00 and the amount covered by variable is the same as the values covered in the Convocatoria 2012 scholarship. The years of study covered by the scholarship depend on the level of higher education the students wants to complete. For undergraduate students the scholarship covers up to seven years, for masters two years, for doctorate four years, post doctorate two years, and medical specialties from one to five years. These courses of study are one only valid if the classes are presenciales, online and distance courses are not accepted (SENESCYT, 2012).

Table # 12: Top 50 Universities or Superior Education Institutions

No.	UNIVERSIDAD	PAIS
1	LA UNIVERSIDAD DE HARVARD	ESTADOS UNIDOS
2	INSTITUTO TECNOLOGICO DE MASSACHUSETTS (MIT)	ESTADOS UNIDOS
3	LA UNIVERSIDAD DE STANFORD	ESTADOS UNIDOS
4	UNIVERSIDAD DE CAMBRIDGE	REINO UNIDO
5	INSTITUTO TECNOLOGICO DE CALIFORNIA	ESTADOS UNIDOS
6	UNIVERSIDAD DE CALIFORNIA, BERKELEY	ESTADOS UNIDOS
7	LA UNIVERSIDAD DE COLUMBIA	ESTADOS UNIDOS
8	UNIVERSIDAD DE OXFORD	REINO UNIDO
9	UNIVERSIDAD DE PENNSYLVANIA	ESTADOS UNIDOS
10	LA UNIVERSIDAD DE CORNELL	ESTADOS UNIDOS
11	LA UNIVERSIDAD DE YALE	ESTADOS UNIDOS
12	UNIVERSIDAD DE CHICAGO	ESTADOS UNIDOS
13	UNIVERSIDAD DE MICHIGAN	ESTADOS UNIDOS
14	LA UNIVERSIDAD JOHNS HOPKINS	ESTADOS UNIDOS
15	LA UNIVERSIDAD DE PRINCETON	ESTADOS UNIDOS
16	UNIVERSIDAD DE CALIFORNIA EN LOS ÁNGELES	ESTADOS UNIDOS
17	UNIVERSIDAD COLLEGE LONDRES	REINO UNIDO
18	UNIVERSIDAD DE WISCONSIN - MADISON	ESTADOS UNIDOS
19	UNIVERSIDAD DE TORONTO	CANADA
20	UNIVERSIDAD DE WASHINGTON	ESTADOS UNIDOS
21	INSTITUTO FEDERAL SUIZO DE TECNOLOGÍA DE ZURICH	SUIZA
22	LA UNIVERSIDAD DE TOKIO	JAPON
23	LA UNIVERSIDAD DE DUKE	ESTADOS UNIDOS
24	UNIVERSIDAD DE ILLINOIS EN URBANA-CHAMPAIGN	ESTADOS UNIDOS
25	EL COLEGIO IMPERIAL DE CIENCIA, TECNOLOGÍA Y MEDICINA	REINO UNIDO
26	UNIVERSIDAD CARNEGIE MELLON	ESTADOS UNIDOS
27	UNIVERSIDAD DE BRITISH COLUMBIA	CANADA
28	UNIVERSIDAD DE NUEVA YORK	ESTADOS UNIDOS
29	LA UNIVERSIDAD DE TEXAS EN AUSTIN	ESTADOS UNIDOS
30	LA UNIVERSIDAD DEL NOROESTE	ESTADOS UNIDOS
31	UNIVERSIDAD DE CALIFORNIA EN SAN DIEGO	ESTADOS UNIDOS
32	UNIVERSIDAD DE CAROLINA DEL NORTE EN CHAPEL HILL	ESTADOS UNIDOS
33	LA UNIVERSIDAD DE KYOTO	JAPON
34	LA UNIVERSIDAD DE EDIMBURGO	REINO UNIDO
35	UNIVERSIDAD DE MINNESOTA, TWIN CITIES	ESTADOS UNIDOS
36	MCGILL UNIVERSITY	CANADA
37	LA UNIVERSIDAD NACIONAL DE AUSTRALIA	AUSTRALIA
38	UNIVERSIDAD DE MELBOURNE	AUSTRALIA
39	UNIVERSIDAD DE WASHINGTON EN ST. LOUIS	ESTADOS UNIDOS
40	UNIVERSIDAD ESTATAL DE PENNSYLVANIA	ESTADOS UNIDOS
41	LA UNIVERSIDAD DE MANCHESTER	REINO UNIDO
42	UNIVERSIDAD DE CALIFORNIA EN SANTA BÁRBARA	ESTADOS UNIDOS
43	UNIVERSIDAD DE CALIFORNIA, DAVIS	ESTADOS UNIDOS
44	UNIVERSIDAD DE HONG KONG	HONG KONG
45	UNIVERSIDAD DEL SUR DE CALIFORNIA	ESTADOS UNIDOS
46	UNIVERSIDAD DE MARYLAND, COLLEGE PARK	ESTADOS UNIDOS
47	KING COLLEGE DE LONDRES	REINO UNIDO
48	UNIVERSIDAD DE PITTSBURGH	ESTADOS UNIDOS
49	UNIVERSIDAD NACIONAL DE SINGAPUR (NUS)	SINGAPUR
50	LA UNIVERSIDAD DE BROWN	ESTADOS UNIDOS

Source: "Programa de Becas Universidades de Excelencia" by SENESCYT.
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The scholarship program Universidades de Excelencia aims at making it possible for students with a brilliant academic performance the chance to study in one of the 175 more prestigious universities in the world. Nevertheless, they have limitations in the matter of career choices. For students who are accepted to one of the first 50 universities or superior education institutions they will have the right to choose which area of study and which specific career they want to follow among the ones offered by the university. The students that are accepted in the other universities or superior education institutions must choose a specific major depending on the area of study the SENESCYT has appointed for those universities. This is done because there are areas of study that the SENESCYT has marked as necessary for the development of the country (SENESCYT, 2012).

There is a third scholarship program that is aimed at students or professionals in the education field that wish to have a superior education abroad to study and master the English language in order to return and become English teachers in public schools of Ecuador. The scholarship covers up to \$33,000,00 with all necessary expenditure included for a two-semester period.

Fulbright – Ecuador

The Fulbright Commission in Ecuador has several scholarship programs aimed to grant students with a brilliant academic profile the opportunity to study and obtain a master's degree or doctorate degree from an American university or superior education institution. In candidates they look for an example of academic responsibility, leadership skills and high potentials. It is a competition in a national level and it is very competitive because students are required to have excellent grades on standardized tests. Among the requirements to be eligible are:

- Being an Ecuadorian citizen living in Ecuador with no U.S. residency or double citizenship
- Being less than 50 years old
- Having a bachelor's degree in the field of study of interest
- Have good English knowledge (90 in the TOEFL iBT)
- Have good grades record equivalent to 8/10 or more
- Have at least 640 in the GMAT exam
- Return to Ecuador for two calendar years after the completion of the study program
- For some fields of study, having at least three years of working experience (Comisión Fulbright Ecuador, 2012)

U.S. Scholarships, Grants, Loans

There is little financial aid for international students offered by the United States government or public institutions, however, foreign-born students are often given academic scholarships to begin their academic career with. The programs offered by these entities are mostly for U.S. citizens and for citizens of specific countries with which they have bilateral agreements. Ecuadorian students applying for financial aid from such institutions may find a possibility but the chances are very limited and those are very competitive (See Appendix 10).

The sources of financial aid for U.S. citizens are mainly the federal government, state government, college and universities, private organizations and bank and lending companies. According to the College Board (2012), international students are not eligible for the main sources of aid which are the federal government (39%) and the state government along with other private sources. (53%) There are four types of financial aid that international students can have access to. In the first category, free financial aid, there are two types, which are grants and scholarship. Those are called free financial aid because grants are gifts awarded to students based mostly on need and scholarships are gifts awarded to students based on academic or athletic merit. This type of financial aid does not need to be paid back and may very well cover full tuition. In the second category, payable financial aid, there are loans and work-study programs. Loans of course have to pay back plus interests to the institutions and work-study programs help students by providing them with jobs so that they can pay for tuition (College Board, 2012).

The Department of Education of the United States recommends that international students acquire financial aid from their home country where they have access to more resources, aid from international organizations, although those are very competitive, and assistance from family members. Aid from U.S. universities and higher education institutions are available for international students but the type (scholarships, grants, loans, work-study programs) and the amount depend from university to university. These are granted by merit or by necessity (Kantrowitz, 2012).

List of School with Financial Aid to International Undergraduate Students

Schools with Awards to More than 150 Students

Arizona State University (AZ)	Illinois Inst. of Tech. (IL)	Ohio Wesleyan Univ. (OH)
Barns University (FL)	Liberty Univ. (VA)	Princeton (NJ)
Clark Univ. (MA)	Louisiana State Univ. (LA)	SUNY Plattsburgh (NY)
Eastern Michigan Univ. (MI)	Macalester College (MN)	Univ. of Bridgeport (CT)
Grinnell College (IA)	Marquette Univ. (WI)	Univ. of Houston (TX)
Harding Univ. (AR)	MIT (MA)	Univ. of Pennsylvania (PA)
Harvard (MA)	Mount Holyoke College (MA)	Univ. of South Florida (FL)

Schools with Awards to 100-149 Students

Brown Univ. (RI)	Graceland College (IA)	Stanford (CA)
Calvin College (MI)	Luther College (IA)	Texas Christian Univ. (TX)
College of Wooster (OH)	Middlebury College (VT)	Tri-State Univ. (IN)
Dartmouth (NH)	Northeast Louisiana (LA)	Univ. of Miami (FL)
Dordt College (IA)	Oberlin (OH)	Univ. of Rochester (NY)
Eckerd College (FL)	Savannah Coll. of Art (GA)	Yale (CT)
Florida Inst. of Tech. (FL)	Slippery Rock Univ. (PA)	
Georgia Southern Univ. (GA)	Smith College (MA)	

Schools with Awards to 50-99 Students

Abilene Christian Univ. (TX)	George Wash. Univ. (DC)	Salem College (NC)
Allegheny College (PA)	Goshen College (IN)	St. Augustine's College (NC)
Augsburg College (MN)	Houghton College (NY)	St. Johns College (MD)
Beloit College (WI)	Ithaca College (NY)	St. Lawrence Univ. (NY)
Bethany College (WV)	Julliard School (NY)	St. Olaf College (MN)
Brandeis Univ. (MA)	Knox College (IL)	Trinity College (CT)
Bryn Mawr College (PA)	Lake Forest College (IL)	Tulane Univ. (LA)
California Lutheran (CA)	Lawrence Univ. (WI)	Univ. of Maine (ME)
Cleveland Inst. of Music (OH)	Lewis & Clark (OR)	Univ. of Wisc./Eau Clair (WI)
Colby College (ME)	Lynn Univ. (FL)	US International Univ. (CA)
Columbia Univ. (NY)	Maharishi Intl. Univ. (IA)	Washington College (MD)
Concordia Coll. (MN)	Monmouth College (IL)	Washington Univ. (MO)
Cornell Univ. (NY)	North Park Univ. (IL)	Wesleyan Univ. (CT)
Denison Univ. (OH)	Principia College (IL)	Western Maryland Coll. (MD)
Franklin & Marshall (PA)	Rochester Inst. of Tech. (NY)	Wittenberg Univ. (OH)

Schools with Awards to 15-49 Students

Albright College (PA)	Elmira College (NY)	Swarthmore College (PA)
Amherst College (MA)	Gettysburg College (PA)	Taylor Univ. (IN)
Augustana College (IL)	Gustavus Adolphus Coll. (MN)	Thomas Aquinas Coll. (CA)
Bard College (NY)	Hamilton College (NY)	Troy State Univ. (AL)
Bates College (ME)	Hampshire College (MA)	Univ. of Chicago (IL)
Bennington College (VT)	Hood College (MD)	Univ. of Colorado/Bldr (CO)
Bowdoin College (ME)	Johns Hopkins (MD)	Univ. of Oregon (OR)
CalTech (CA)	Kalamazoo College (MI)	Univ. of St. Thomas (MN)
Central College (IA)	Kenyon College (OH)	Univ. of the South (TN)
Coe College (IA)	Lafayette College (PA)	Vassar College (NY)
Colgate Univ. (NY)	Messiah College (PA)	Wabash College (IN)
Davidson College (NC)	Michigan State Univ. (MI)	Wellesley College (MA)
Dickinson College (PA)	Mount Union College (OH)	West Virginia Wesleyan (WV)
Earlham College (IN)	Occidental College (CA)	William Smith College (NY)
Eastern Nazarene (MA)	Southwestern College (KS)	Williams College (MA)
Elizabethtown College (PA)	Spalding Univ. (KY)	

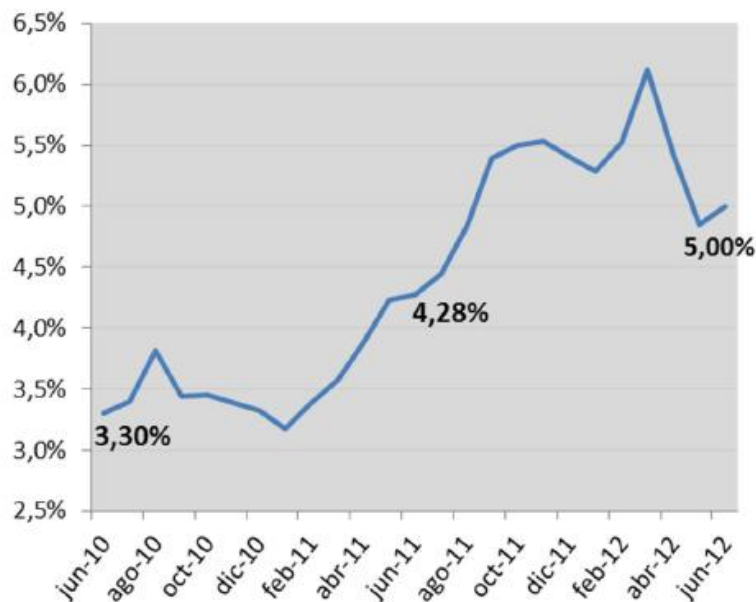
Source: "Schools with Financial Aid for International Undergraduate Students" by Mark Kantrowitz. 2012 Copyright FinAid Page

CHAPTER 2

The Market

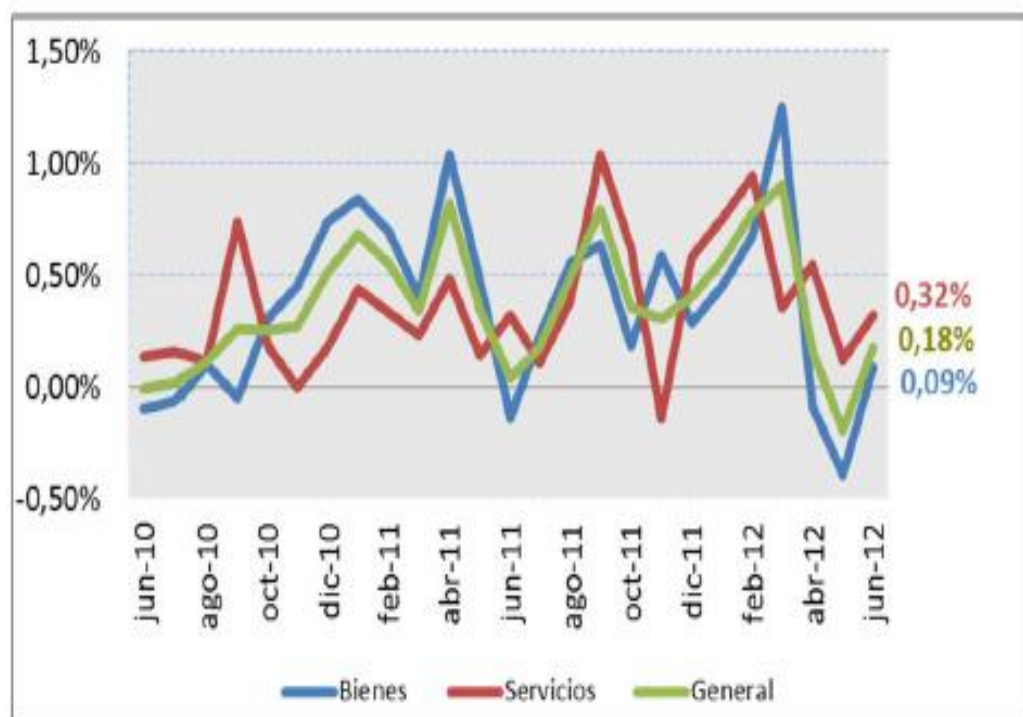
Economic environment analysis

Ecuador has a history of political and economical volatility. Its economy is based mostly on exports primarily of banana and oil. This means that the economy depends on the market price of these goods, which makes it a very unpredictable economy. According to the latest Ecuadorian census (2010) Ecuador is a country with an approximately 14.8 million population. As of March 2012 the unemployment rate was on 4.88%, which is a significant decrease from the March 2011 percentage that was reported in 7.04%. During the last few years it has suffered economic and political instability. This has happened mostly due to government intervention that makes it very difficult for the private sector to survive. Rafael Correa's restrictive government and legislation has resulted in a negative impact on trade with harsh regulation that decreases competition exponentially. Uncertainty and risk avoidance has drastically increased among Ecuadorian entrepreneurs because of the costly regulations and limit access to credits. Foreign direct investment has also decreased because of the unstable environment and restrictive policies that the government has imposed (BCE, 2012).



Graphic 7: Evolution of annual inflation. From "Monthly Inflation Report June 2012" by Directorate of Economic Statistics of INEC, 2012, p.5.

In June 2012, the variation in the Consumer Price Index (CPI) was 0.18%, which represents a 0.14% increase from last year. Annual inflation from June 2011 to June 2012 was 5% showing a 17% increase from last year figure. In June 2012 accumulated inflation represented 2.40%. According to Ecuador's Central Bank the rate of inflation for the first six month of 2012 were, January 0.57%, February 0.78%, March 0.90%, April 0.16%, May -0.19% and June 2012 was reported on 0.18%. It was reported that as of June 2012, only 92.99% of the basic family basket was covered by the family income, this happened because the value of the basic family basket stood at \$586.18 while the household income was \$545.07 (INEC, 2012).



Graphic 8: “Monthly Evolution of Goods and Services”. From “Monthly Inflation Report June 2012” by Directorate of Economic Statistics of INEC, 2012, p.7.

There are several components that determine and contribute to the total inflation number. As of June 2012 the components of inflation were Recreation and Culture with a 43.26% contribution to inflation making it the highest contributor to inflation, Furniture and Household Items represented 14.77%, Goods and Services 14.22%, Education 9.30% and others 8.44%.

The Consumer Price Index basket is formed by 82.9% Goods and 17.1% Services. June inflation variation for Goods and Services was 0.32% which was the second highest inflation rate by inflation component only after Recreation and Culture (INEC, 2012).

Target

The service, as proposed in this plan, will be directed at students in the Guayaquil and La Puntilla area that want to achieve their third level education abroad in the United States. There are other institutions that offer similar services to the ones that the center will offer but those are located in other areas of the city and are very inconvenient for students. Those other institutions don't offer the whole package of services either. Some of those only offer classes to prepare for the exams or are only exam taking locations. Students living in the La Puntilla area have an unfulfilled need of a multi-task center where they can go through the entire application and admission process

SWOT Analysis of the Testing Center

Strengths	Weaknesses
<ul style="list-style-type: none"> • The Testing Center will be the first center where students can develop the complete application and admission process • The Testing Center will be a licensed institution to become the first exam-taking center in La Puntilla • The Testing Center will have high quality teachers as tutors to prepare students for the exams • The Testing Center will prepare students with original practice tools • The Testing Center will have a well structured process to help students in the application and admission process as fast as possible 	<ul style="list-style-type: none"> • The Testing Center will be an unknown brand since it will be new in the market • The Testing Center won't count with customer loyalty because it will be new in the market • The Testing Center will have low customer retention because once the students leave to study abroad they won't return to the company

<ul style="list-style-type: none"> • The Testing Center will design personalized learning plans to make the most out of the preparation stage 	
Opportunities	Threats
<ul style="list-style-type: none"> • There is no studying center where students can make the entire application and admission process • There is an increasing number of students that want to study abroad • There is no exam taking center in La Puntilla • Organizations are willing to give licenses to centers that meet the requirements • Government is increasing its funding, grants and initiatives to impulse higher education • Students attitudes towards higher education and independent living are positive • The Test Center can increase acknowledgement with publicity and advertisement • The Test Center can offer online services • Technology access to have the most updated information and exam materials for the exams • The Testing Center has innovation potential because it will offer the complete service package for students wanting to study abroad 	<ul style="list-style-type: none"> • Decrease in the number of students that want to study abroad • Strict government regulations and policies for small and medium business • Expensive cost of having a business (IESS and taxes) • Revoking of exam taking licenses • Government is in political conflict with USA • Non-stable economic situation of Ecuadorians • Expensive cost of living abroad • Seasonality affects the Testing Center because of the admission dates are concentrated in a couple of months of the year

New and unknown brands are always a weakness for companies because the market and the potential clients don't know the product and they may hesitate before making the decision to try it out. In this case, the perception of the clients is crucial because the prestige of the company is what will, in some level, guarantee them the success in achieving their goals. Nevertheless, the Testing Center will have the sponsorship of prestige educational institutions such as College Board, ETS, and others.

Customer retention in this business is very low because the program helps students gain access to international universities, and once they get that they are not going to be needing the company's services anymore, however the precedent that the program will get according to the percentages of their students that get to attend to international universities is going to attract new potential students and every year there is an increase in the percentage of high school graduates that are seeking for international superior studies. There is also a high number of college graduates in Guayaquil that want to get their masters degrees in an international level and they can also benefit from the company's services, consequently increasing the target market

There are companies in the La Puntilla area that offer services to help students prepare for the exams that are required to enter to international universities and there are also other programs that give counseling to students regarding the best universities according to their career but there is no exam taking center in the area. The students that live in the La Puntilla area have to go to take the exams to other cities most of the time, for example for the TOEFL they must make a 30 to 45 minute drive to Via a la Costa and for the SAT they may need to travel to Quito.

This is a big opportunity for the company to offer the service of being the first exam-taking center in the La Puntilla area. Organizations such as College Board, which owns SAT, and ETS which owns TOEFL are willing to give licenses to centers that meet the requirements, which is an advantage because the center can get these licenses and offer its students the exam taking process. Another opportunity is being the first studying center that offers all the services from the application to the admission process meaning that students will get counseling, preparation, will be able to take the exam in the same center and will also receive guidance on the process to apply for a scholarship or financial aid.

Table # 13: Plan of Action

Opportunity /Strategy (Objectives)	Tasks Action Steps	Success Criteria	Time Frame	Resources
Create the Testing Center	Rent/buy property location Obtain permits Interview and recruit teachers	Is the idea financially sustainable? Can the Testing Center obtain the necessary permits? Does the Testing Center have highly qualified teachers?	6 months to 1 year This needs investor's approval or savings disbursement.	Capital (investments) Human labor (staff) Land (physical space) Entrepreneurship (idea and innovation)
Advertisement and Publicity	Research available options Compare the best choices Choose the best alternative to market the brand	Has the market heard/read about us? Does the market know why we are different? Does the market know our location? Does the market know what services we offer?	Can be done regularly depending on the budget (weekly, monthly)	Capital Suppliers (labor, time and space)

Acquire testing license for exams	<p>Research the requirements to acquire a license</p> <p>Meet the requirements Apply for the license</p>	Does the Testing Center have a license to take the exams?	Depending on the requirements for each license	<p>Capital</p> <p>Labor (staff)</p>
Online Services	<p>Obtain a domain name</p> <p>Create the web page</p> <p>Provide a platform for online services such as online classes</p>	<p>Does the market know about the Testing Center's web page?</p> <p>How many visitors does the web page have?</p> <p>Do students know that the Testing Center offer online courses?</p>	2 weeks to 1 month	<p>Capital</p> <p>Suppliers (internet, web hosting, web master)</p> <p>Labor (information technology department)</p>
Up-To-Date Class Materials	<p>Sign in to updates and newsletters</p> <p>Update the class work materials every time there is an update on the material</p> <p>Obtain the latest official test preparing material (books, cds, software, hardware)</p>	<p>Does the testing center is up to date with the latest test preparation material?</p> <p>Does the Testing Center offer classes with official material provided by the companies that own the tests?</p>	Depending on the updates	<p>Capital</p> <p>Labor (research department)</p>

Industry Analysis & Trends

Economic sector: Services Industry: Higher Education

Determine Sample Size

Confidence Level: 95% 99%

Confidence Interval:

Population:

Sample size needed:

There is now a record number of students that leave the country to go to the United States and complete their third level education in a university or a superior education institution. Nevertheless there is still an unknown number of the Ecuadorian population from 18 to 24 years old (high school graduate students and freshman and sophomore university students) that have gone or are going through and admission and application process but didn't end up studying in the United States. This number is very important because it shows that the services offered by the competition are not succeeding in increasing the number of students that receive a higher education in the United States.

Learning and testing centers exists so that students can be prepared for their admission exams and ultimately complete their studies abroad in the United States. If students go through the preparation process but don't get accepted into American universities or don't receive the financial aid they need to go to study then the testing and learning center is doing something wrong. The success of the center proposed in this plan will be based on the average students that get accepted into universities or superior education institutions abroad and only those who complete their admission and application process successfully will accomplish this.

That still leaves many variables to identify and extrapolate, for instance in which step of the admission and application process did the students fail? For what reasons did they fail? What can be done to better accommodate those students who did not succeed in their higher education attempt? Answers for these questions may take years of research because there is no actual way

that measures the performance of the existing testing centers in Guayaquil and La Puntilla. And even with the information provided by these sites there is still the unknown number of students that, for one reason or other reasons didn't end up studying abroad. What is important is to identify these factors and create strategies so that the center can provide every service necessary so that the admission and application process is completed by its students and to achieve the highest number of students that have been accepted and will study abroad in the United States.

In a survey administered to 384 Ecuadorian citizens from 18 to 24 years old in Guayaquil and La Puntilla, the most important findings are that over 75% of students answered yes to question 1 "Do you plan to attend to a university or a higher education institution in the United States?" of the survey (See Appendix 11). Another important finding is that over 88% of those students answered yes to question 7 which asked, "Would you like an institution where you can complete the entire application and admission process, all in one place?" These results and findings help to support the information provided that there is business need and niche market for an all-purpose testing and transfer center.

Regulation and certification

Regarding the specific services that the center will provide there is no direct competition, per se. However, there are some institutions that are similar and offer similar services but these for-profit organizations do not offer the whole package that the proposed center will offer. For example, there are institutions where students can pay for classes with tutors that prepare them for exams such as the SAT and TOEFL, but they don't have the license to take the exams in their locations. This happens because, as a requirement to become an exam taking center, the staff members that will take the tests can't work or be involved in an education institution where students are being prepared to take this exams. The center will avoid these issues by hiring top educators from the highest-ranking universities in Ecuador and the US only to take the exams. Other indirect competitors are the schools that are licensed to proctor the tests but there are very few of these with most being in Quito.

Trends in this industry have not been stable the last four years with the presidency of Rafael Correa. There has been many changes to the Superior Education Reform and the organisms that regulated Superior Education in Ecuador where eliminate, changed, merged, altered or divided. Nevertheless, what the government is aiming to is to organize the structure so that the Superior Education system is competitive with the rest of the world.

Competitors

Novaprep, located in Av. Las Monjas 127 y V.E. Estrada, doesn't offer the services of counseling and university research; they offer two separate courses for the SAT and the TOEFL iBT exam. The SAT course lasts from 1 ½ month to 2 ½ months depending on the number of classes the students choose to take weekly; they can choose between 3 or 5 classes per week. Each class has a duration of 1 ½ hours and the maximum number of students per class is 10. The regular course costs \$400 including materials nevertheless they offer classes on especial schedules, which cost \$600 and online courses. The TOEFL iBT course lasts from 5 weeks to 2 months depending on the number of classes the students decide to take. (Novaprep, 2011)

Seeking English, located in the Trade Building next to the shopping center Mall del Sol, doesn't offer the services of counseling and university research either but their classes are prepared in courses. The SAT course that last 3 weeks costs \$450 and the 2-week course costs \$550, including material and simulation. In the 3-week course classes last 1 ½ hours and are on Mondays, Wednesdays and Fridays, while on the 2 week course classes last 2 hours and are Mondays to Thursdays. The TOEFL course is divided in two parts: the classes and the workshops. The classes' part last 2 weeks in 8 classes 2 hours per class and costs \$350. The workshops on the other hand are included in the costs but students can attend these until the date of their TOEFL iBT exam regardless of the amount of hours. Seeking English also offers admission consulting which costs \$200 and it provides the student with feedback from the essay required in the application form and translation of documents (Seeking English, 2012).

Steps M&B', a learning center located in Entreríos in the La Puntilla area, doesn't offer the services of counseling and university research which helps the student identify career options and the universities according to his or her academic profile. Instead they charge \$50 for an initial SAT exam and \$50 for an initial TOEFL iBT exam to identify the students' level and address the number of classes the students might need according to their scores. Steps M&B offers semi-private (5-10 students) classes, each class lasts 1 hour and costs \$25. There is no limit to the amount of classes the students can take and at the end of the course the students have to take another SAT and TOEFL iBT exam to identify the level of improvement (Steps M&B, 2012).



SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • In Guayaquil, Novaprep is recognized as a leader in the preparation for exams required to enter into universities in USA • Novaprep offers intensive preparation for the basic exams like SAT, GRE, GMAT and TOELF that are required to enter into universities in USA • Novaprep offers courses aimed at students who wish to attend college and to professionals who wish to acquired a masters degree • Novaprep is a recognized brand in the market • Novaprep offers classroom and online courses 	<ul style="list-style-type: none"> • Novaprep doesn't have a flexible schedule • Novaprep doesn't offer online classes regularly • Novaprep is not a certified exam taking location for SAT, GMAT or TOEFL • Novaprep doesn't offer the service of advising and counseling to students
Opportunities	Threats
<ul style="list-style-type: none"> • As of today there is no center where students can make the entire application and admission process • There is an increasing number of students that want to study abroad • There is no exam taking center in La Puntilla • Organizations are willing to give licenses to become testing centers to centers that meet the requirements 	<ul style="list-style-type: none"> • New competition entering the market with differentiation tactics (Testing Center) • Elevated costs of expanding business • Strict government regulations for small and medium enterprises • Revoking of the licenses for testing centers

Source: Novaprep's website



SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Seeking English offers private classes to students that wish to prepare faster (Custom Tailored Classes) Seeking English offers classes with foreign professors that speak English as a native language and have masters degrees in various fields Seeking English offers preparation courses for the basic exams like SAT, GRE, GMAT and TOELF that are required to enter into universities in USA Seeking English offer Admission Guidance for students that need counseling in the application process Seeking English has many years in the market in the area near Mall del Sol 	<ul style="list-style-type: none"> Seeking English has limited quotas per course Seeking English is not a certified exam taking location for SAT, GMAT or TOEFL Seeking English doesn't offer online courses
Opportunities	Threats
<ul style="list-style-type: none"> As of today there is no center where students can make the entire application and admission process There is an increasing number of students that want to study abroad There is no exam taking center in La Puntilla Organizations are willing to give licenses to become testing centers to centers that meet the requirements 	<ul style="list-style-type: none"> New competition entering the market with differentiation tactics (Testing Center) Elevated costs of expanding business Strict government regulations for small and medium enterprises Revoking of the licenses for testing centers

Source: Seeking English's website



SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Steps M&B is located in the La Puntilla area (Entreríos) • Steps M&B has many years in the market and the students know the brand • Steps M&B offers preparation courses for the basic exams like SAT, GRE, GMAT and TOEFL that are required to enter into universities in USA • Steps M&B has special programs for students that have to take the TOEFL and SAT exams (Road to TOEFLS and Road to SAT) • Steps M&B has a history of success helping students achieve high grades on their exams 	<ul style="list-style-type: none"> • Steps M&B doesn't offer the service guidance and counseling program to students • Steps M&B is not a certified exam taking location for SAT, GMAT or TOEFL • Steps M&B doesn't offer online courses
Opportunities	Threats
<ul style="list-style-type: none"> • As of today there is no center where students can make the entire application and admission process • There is an increasing number of students that want to study abroad • There is no exam taking center in La Puntilla • Organizations are willing to give licenses to become testing centers to centers that meet the requirements 	<ul style="list-style-type: none"> • New competition entering the market with differentiation tactics (Testing Center) • Elevated costs of expanding business • Strict government regulations for small and medium enterprises Revoking of the licenses for testing centers

Source: Steps M&B website



SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Brookdale College is the official TOELF testing center for the Coast of Ecuador • Brookdale College offers preparation courses for the basic exams like SAT, GRE, GMAT and TOELF that are required to enter into universities in USA • Brookdale College is an affiliate of Brookdale College in the USA and they offer a program that offers students the opportunity to study 2 years here and 2 years abroad 	<ul style="list-style-type: none"> • Brookdale College is located Via a la Costa • Steps M&B doesn't offer the service guidance and counseling program to students • Steps M&B is not a certified exam taking location for SAT and GMAT Steps M&B doesn't offer online courses
Opportunities	Threats
<ul style="list-style-type: none"> • As of today there is no center where students can make the entire application and admission process • There is an increasing number of students that want to study abroad • There is no exam taking center in La Puntilla • Organizations are willing to give licenses to become testing centers to centers that meet the requirements 	<ul style="list-style-type: none"> • New competition entering the market with differentiation tactics (Testing Center) • Elevated costs of expanding business • Strict government regulations for small and medium enterprises • Revoking of the licenses for testing centers

Source: Brookdale College Ecuador, 2012



SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • InterAmerican Academy is the official SAT test center in Guayaquil • InterAmerican Academy is affiliated with CollegeBoard • InterAmerican Academy preparation courses for the basic exams like SAT, GRE, GMAT and TOELF that are required to enter into universities in USA 	<ul style="list-style-type: none"> • InterAmerican Academy doesn't offer the service guidance and counseling program to students • InterAmerican Academy is not a certified exam taking location for TOEFL and GMAT • InterAmerican Academy doesn't offer online courses • InterAmerican Academy is located in Puerto Azul Via a la Costa
Opportunities	Threats
<ul style="list-style-type: none"> • As of today there is no center where students can make the entire application and admission process • There is an increasing number of students that want to study abroad • There is no exam taking center in La Puntilla • Organizations are willing to give licenses to become testing centers to centers that meet the requirements 	<ul style="list-style-type: none"> • New competition entering the market with differentiation tactics (Testing Center) • Elevated costs of expanding business • Strict government regulations for small and medium enterprises • Revoking of the licenses for testing centers

Source: IAA, 2012

The Future

Mission statement

The center's mission, as proposed in this plan, is to facilitate the application and admission process necessary to enter into higher education institutions in the United States to Ecuadorian students. By doing this we want to increase the number of Ecuadorian high school graduates that study in foreign universities. We do this by offering the students with high quality counseling they need to find the university that will best fit their aptitudes, academic and economical profile; giving courses to prepare them for the exams with an unequalled staff, facilitating the exam taking process by taking it in the same center and advising them through the admission process. It will be a service company dedicated to establish long term relationship with its students.

Vision statement

To be recognized as the best exam preparing center in the Guayaquil metropolitan area by providing students with high quality counseling and classes given by distinguished, professional and credentialed teachers through a modern, up-to-date state-of-the-art process.

CHAPTER 3

FINANCIALS

Profit and Loss Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Income from services	\$687,600.00	\$721,980.00	\$758,079.00	\$795,982.95	\$835,782.10
Total Income	\$ 687,600.00	\$ 721,980.00	\$ 758,079.00	\$ 795,982.95	\$ 835,782.10
Administrative expenses	\$ 37,809.72	\$ 39,700.21	\$ 41,685.22	\$ 43,769.48	\$ 45,957.95
Wages and salaries	\$ 51,388.16	\$ 53,957.56	\$ 56,655.44	\$ 59,488.22	\$ 62,462.63
Marketing and publicity expenses	\$ 23,800.00	\$ 24,990.00	\$ 26,239.50	\$ 27,551.48	\$ 28,929.05
Total Expenses	\$ 112,997.88	\$ 118,647.77	\$ 124,580.16	\$ 130,809.17	\$ 137,349.63
Depreciation	\$ 10,669.00	\$ 10,669.00	\$ 10,669.00	\$ 1,798.00	\$ 1,798.00
Total Expenses	\$ 123,666.88	\$ 129,316.77	\$ 135,249.16	\$ 132,607.17	\$ 139,147.63
EBIT	\$ 563,933.12	\$ 592,663.23	\$ 622,829.84	\$ 663,375.78	\$ 696,634.47
Employees Participation (15%)	\$ 84,589.97	\$ 88,899.48	\$ 93,424.48	\$ 99,506.37	\$ 104,495.17
Taxes (25%)	\$ 140,983.28	\$ 148,165.81	\$ 155,707.46	\$ 165,843.95	\$ 174,158.62
Net Profit/Loss	\$ 338,359.87	\$ 355,597.94	\$ 373,697.90	\$ 398,025.47	\$ 417,980.68

*Best Case Scenario

CASH FLOW 2013-2018

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	0	1	2	3	4	5
Cash Flow From Operations						
Shareholders Contribution	\$ 80,000.00					
Previous Year Cash Flow	\$ -	\$ 24,255.00	\$ 305,611.90	\$ 600,759.25	\$ 910,386.57	\$ 430,604.95
Net Income	\$ -	\$ 338,359.87	\$ 355,597.94	\$ 373,697.90	\$ 398,025.47	\$ 835,961.37
Depreciation	\$ -	\$ 10,669.00	\$ 10,669.00	\$ 10,669.00	\$ 1,798.00	\$ 1,798.00
NET Cash Flow From Operations	\$ 80,000.00	\$ 373,283.87	\$ 671,878.84	\$ 985,126.15	\$ 1,310,210.04	\$ 1,268,364.32
Clash Flow from Investing						
Equipment	\$ 52,045.00	\$ -	\$ -	\$ -	\$ -	\$ -
Incorporation Expenses	\$ 3,700.00	\$ -	\$ -	\$ -	\$ -	\$ -
Real State	\$ -	\$ -	\$ -	\$ -	\$ 800,000.00	\$ -
NET Cash Flow from Investing	\$ 55,745.00	\$ -	\$ -	\$ -	\$ 800,000.00	\$ -
Cash Flow from Financing						
Shareholder's Dividends	\$ -	\$ 67,671.97	\$ 71,119.59	\$ 74,739.58	\$ 79,605.09	\$ 167,192.27
NET Cash Flow from Financing	\$ -	\$ 67,671.97	\$ 71,119.59	\$ 74,739.58	\$ 79,605.09	\$ 167,192.27
CASH FLOW	\$ 24,255.00	\$ 305,611.90	\$ 600,759.25	\$ 910,386.57	\$ 430,604.95	\$ 1,101,172.04
PV CASH FLOW	\$ (80,000.00)	\$ 261,654.02	\$ 440,367.01	\$ 571,343.53	\$ 231,370.32	\$ 506,571.74

NPV	\$ 1,931,306.63
IRR	378%
PAYBACK PERIOD	3 MONTHS

***Best Case Scenario**

Financial Analysis

It can be seen that the financial future of the Testing Center will be very stable and that it will have a continuous and steady growth. This growth is based on historical trends regarding the students wishing to transfer to a US institution, and trends over time regarding student transfers to the US. It is important to considerate that there is a big opportunity in the market to offer this kind of integrative service because it not only provides its customers with something better but also presents them something new. It is a market niche opportunity that will fill an increasing demand on the Guayaquil and La Puntilla market of university students.

Like in any business it is important to consider a best-case and a worst-case scenario as well. (See Appendix 12 & 13) In the Profit and Loss Statement it can be seen that there is a forecasted growth of 5% for its income every year, that goes in hand with the increase in the trend of the market (students leaving to study in the United States). A very important variable that is ultimately one of the most important is the number of classrooms in the center. Of course since the center is a start-up it will be limited at least in the first 3 years to have installations with two classrooms plus a waiting and registration area. This explains why even if the demand increases, the center will not be able, at least in its first years, to increase its net income because of its space limitations and capabilities. It is preferred to test the market and grow slowly after achievable results have been realized over time.

Nevertheless the center will avoid staying too comfortable with its market share because the threat of new competitors, as stated by Michael Porter, can affect the company and the industry standard altogether. In the Cash Flow it can be seen that in year 4 the company makes an investment in real state because it is cheaper in the long term and because that way the center can offer more classes and therefore increase its net income. In the Cash Flow in year 5 the net income doubled because of the investment, nevertheless since the actual value of the new asset is unknown, the depreciation has not been calculated.

It is very important for the center to reinvest its money by expanding and increasing in size because it also increases its market share. Since it has the advantage of being the first multi-service international education center it will be positioned as the best and while it increases customers will respond to it because they will trust the company. It is consumer behavior that makes a company grow and that it why it is extremely important to avoid taking risks like acquiring real state property to custom-build the center to better satisfy students' needs. Finally, the center will be legally structured as a non-profit organization.

The long-term development plan for the center is to reinvest the income for internal expansion by acquiring of a property where the center can provide more classrooms to satisfy the growing demand of students. The center forecasted cash flow shows a constant growth in sales revenues of \$687,600 in year 1, \$721,980 in year 2 and \$758,079 in year 3. In year 4 an outflow of \$800,000 is anticipated to acquire a new testing center and increase the number of classrooms.

The internal rate of return (IRR) for the Testing Center is 378%, which is very strong and makes it a very profitable and interesting business plan project for any investor. The IRR gives the Testing Center an extremely high projected growth rate. Even though this is still a projected number, because of its high percentage it is almost certain that the project will generate a strong growth over the years. It is very important to address the issue that the initial investment of this project is very low (\$80,000) compared to the earnings it will have over the projected first 5 years. With a payback period of 3 months it is almost impossible to ask why a project like this hasn't been done before. It is certainly a big opportunity and one that has to be taken advantage on because any project that needs almost no risk of start-up but is promising in returns is what any entrepreneur goes after.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The Guayaquil and La Puntilla market for learning and testing centers to enter into universities and superior education institutions in the United States is in its growth stage. The number of students leaving to study in the United States is constantly increasing. The students perceive the added value reward they obtain from having an international higher education degree, which guarantees the profitability of this business.
2. Innovation and improvement are the best strategies that the learning and testing center can choose. Making a process easier, faster and more reliable in a process-integrative center revolutionizes the old-fashion way of hearsay and personal recommendations and preparations. Improving a service that is already offered in the market and adding value to it with complementary services will attract students to the Testing Center.
3. The Testing Center's business plan suggests that there is a market and an opportunity that has not yet been exploited. Based on the information and data presented it is certain that the project is highly profitable and that there would be more opportunities to expand to increase market share. There is an unmet need that the Testing Center will satisfy completely and for that the Testing Center will become a leader in integral educational service for higher education.

Recommendations

1. Develop informational campaigns in high schools and events where potential students that want to make their higher education level in the United States would be. The informational campaigns should inform students about the application and admission process and why it is important to make the correct decisions from the start and to prepare in a qualified and certified studying and testing center.
2. Perform an exhaustive study of the strategies that could be adopted by the company in order to achieve its differentiation and value added complete integration services process. Professional strategy consulting is recommended to get an outside view of the idea and to analyze the best alternatives. Strategy is the most important step in any business creation, if the business doesn't have a clear strategy it might as well be out of business.
3. Execute my business plan proposal. Initiate the certification process, recruit highly prepared staff that is in line with the standards of quality that the Testing Center will promote and receive appropriate training from international organizations.

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APPENDIX

Appendix 1



NOTA EXPLICATIVA



POBLACIÓN DE 18 A 24 AÑOS DE EDAD

Número total de habitantes que en el censo de población, declararon tener de 18 a 24 años de edad.

El resultado de esta variable es primordial para la construcción de la tasa neta de asistencia en educación superior.



La desagregación por zonas de planificación sólo se aplica para el Censo del año 2010.

Cada uno de los Censos están referidos a la fecha de empadronamiento:
El 25 de noviembre de 1990; 25 de noviembre de 2001; y el 28 de noviembre de 2010.

Appendix 2

	 FICHA TÉCNICA 
NOMBRE DEL INDICADOR	TASA NETA DE ASISTENCIA EN EDUCACIÓN SUPERIOR
DEFINICIÓN	Población de 18 a 24 años de edad que asiste a los niveles de instrucción ciclo post bachillerato y superior, expresado como porcentaje de la población del mismo grupo etario.
FORMA DE CÁLCULO	
$TNA_{SUP} = \frac{PA_{Establ. Educ. SUP \& 18 \text{ a } 24 \text{ años de edad}}}{N_{18 \text{ a } 24 \text{ años de edad}}}$	
DESAGREGACIÓN	Nacional, zonas de planificación, provincia, cantón, parroquia, urbano y rural.
FUENTE	Instituto Nacional de Estadística y Censos (INEC). Censo de Población y Vivienda. 2001 y 2010.
* NOTA EXPLICATIVA *	
<p>No existe una normativa oficial que establezca el rango de edad de inicio y terminación de la educación superior. Para efectos de cálculo, la población de referencia está comprendida en las edades de 18 a 24 años de edad.</p> <p>Si bien la población que se selecciona para el cálculo del indicador comprende las edades de 18 a 24 años de edad, se excluyen los siguientes casos: 1) aquellos que no respondieron a la pregunta, ¿Asiste actualmente a un establecimiento de enseñanza regular?; 2) las personas que a pesar de haber respondido que sí, no declararon el nivel al que asisten.</p> <p>Las tasas de asistencia escolar en educación superior de la población masculina y femenina se realizan bajo el mismo procedimiento considerando sus universos poblacionales respectivos.</p> <p>Hasta la actualidad no se ha llegado a un consenso interinstitucional para la medición del indicador, razón por la cual el cálculo y los resultados pueden cambiar dependiendo de la institución que lo elabore.</p> <p>La desagregación por zonas de planificación únicamente se aplica para el Censo del año 2010.</p>	

Appendix 3

 	
NOMBRE DEL INDICADOR	ESCOLARIDAD PROMEDIO DE LA POBLACIÓN DE 24 Y MÁS AÑOS DE EDAD
DEFINICIÓN	Promedio de los años de estudio efectivamente aprobados por la población de 24 y más años de edad.
FORMA DE CÁLCULO	
$ESCOL = \frac{Sum_gra_aprob_{Población\ de\ 24\ y\ más\ años\ de\ edad}}{n_{Población\ de\ 24\ y\ más\ años\ de\ edad}}$	
<p>Donde:</p> <p>ESCOL = Escolaridad promedio de la población de 24 y más años de edad</p> <p><i>Sum_gra_aprob_{Población de 24 y más años de edad}</i> = Sumatoria de los grados aprobados de la población de 24 y más años de edad</p> <p><i>n_{Población de 24 y más años de edad}</i> = Población de 24 y más años de edad que reportan nivel y grado</p>	
DESAGREGACIÓN	Nacional, zona de planificación, provincia, cantón, parroquia, urbano y rural.
FUENTE	Instituto Nacional de Estadística y Censos (INEC). Censo de población y vivienda. 1990, 2001 y 2010.

Appendix 4

ECUADOR INTERNATIONAL STUDENTS BY ACADEMIC LEVEL AND PLACE OF ORIGIN

LEVEL	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
UNDERGRADUATE	1,357	1,564	1,617	1,631	1,428	1,354	1,380	1,277	1,348	1,248	1,245	1,252
% UNDERGRADUATE	66.9	66.1	67.4	69.6	65.6	62.3	62.4	59.3	59.4	55.9	57.9	58.0
GRADUATE	505	600	628	582	591	596	561	606	596	642	577	590
% GRADUATE	24.9	25.4	26.2	24.8	27.1	27.4	25.4	28.2	26.3	28.8	26.8	27.3
NON-DEGREE	166	201	153	132	158	223	122	109	131	142	156	141
% NON DEGREE	8.2	8.5	6.4	5.6	7.3	10.3	5.5	5.1	5.8	6.4	7.3	6.5
OPT							148	160	193	200	172	177
% OPT							6.7	7.4	8.5	9.0	8.0	8.2
TOTAL	2,028	2,365	2,398	2,345	2,177	2,173	2,211	2,152	2,268	2,232	2,150	2,160

Source: Source "International Students: Academic Level and Place of Origin" by Open Doors. Copyright 2011 IIE

Appendix 5



2012-13 FIRST-YEAR APPLICATION

For Spring 2013 or Fall 2013 Enrollment

APPLICANT

Legal Name _____
Last/Family/Sur (Enter name *exactly* as it appears on official documents.) First/Given Middle (complete) Jr., etc.

Preferred name, if not first name (only one) _____ Former last name(s) _____

Birth Date _____ Female Male US Social Security Number, if any _____
mm/dd/yyyy Required for US Citizens and Permanent Residents applying for financial aid via FAFSA

Preferred Telephone Home Cell Home (_____) _____ Cell (_____) _____
Area/Country/City Code Area/Country/City Code

E-mail Address _____ IM Address _____

Permanent home address _____
Number & Street Apartment #

City/Town _____ County or Parish _____ State/Province _____ Country _____ ZIP/Postal Code _____

If different from above, please give your current mailing address for all admission correspondence. (from _____ to _____)
(mm/dd/yyyy) (mm/dd/yyyy)

Current mailing address _____
Number & Street Apartment #

City/Town _____ County or Parish _____ State/Province _____ Country _____ ZIP/Postal Code _____

If your current mailing address is a boarding school, include name of school here: _____

FUTURE PLANS

Your answers to these questions will vary for different colleges. If the online system did not ask you to answer some of the questions you see in this section, this college chose not to ask that question of its applicants.

College _____ Deadline _____
mm/dd/yyyy

Entry Term: Fall (Jul-Dec) Spring (Jan-Jun)

Decision Plan _____

Academic Interests _____

Career Interest _____

Do you intend to apply for need-based financial aid? Yes No

Do you intend to apply for merit-based scholarships? Yes No

Do you intend to be a full-time student? Yes No

Do you intend to enroll in a degree program your first year? Yes No

Do you intend to live in college housing? _____

What is the highest degree you intend to earn? _____

DEMOGRAPHICS

Citizenship Status _____

Non-US Citizenship(s) _____

Birthplace _____
City/Town State/Province Country

Years lived in the US? _____ Years lived outside the US? _____

Language Proficiency (Check all that apply.)
S(Speak) R(Read) W(Write) F(First Language) H(Spoken at Home)

	S	R	W	F	H
_____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
_____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
_____	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Optional The items with a gray background are optional. No information you provide will be used in a discriminatory manner.

Religious Preference _____

US Armed Services veteran status _____

1. Are you Hispanic/Latino?
 Yes, Hispanic or Latino (including Spain) No If yes, please describe your background.

2. Regardless of your answer to the prior question, please indicate how you identify yourself. (Check one or more and describe your background.)
 American Indian or Alaska Native (including all Original Peoples of the Americas)
 Are you Enrolled? Yes No If yes, please enter Tribal Enrollment Number _____
- _____
- Asian (including Indian subcontinent and Philippines)

- Black or African American (including Africa and Caribbean)

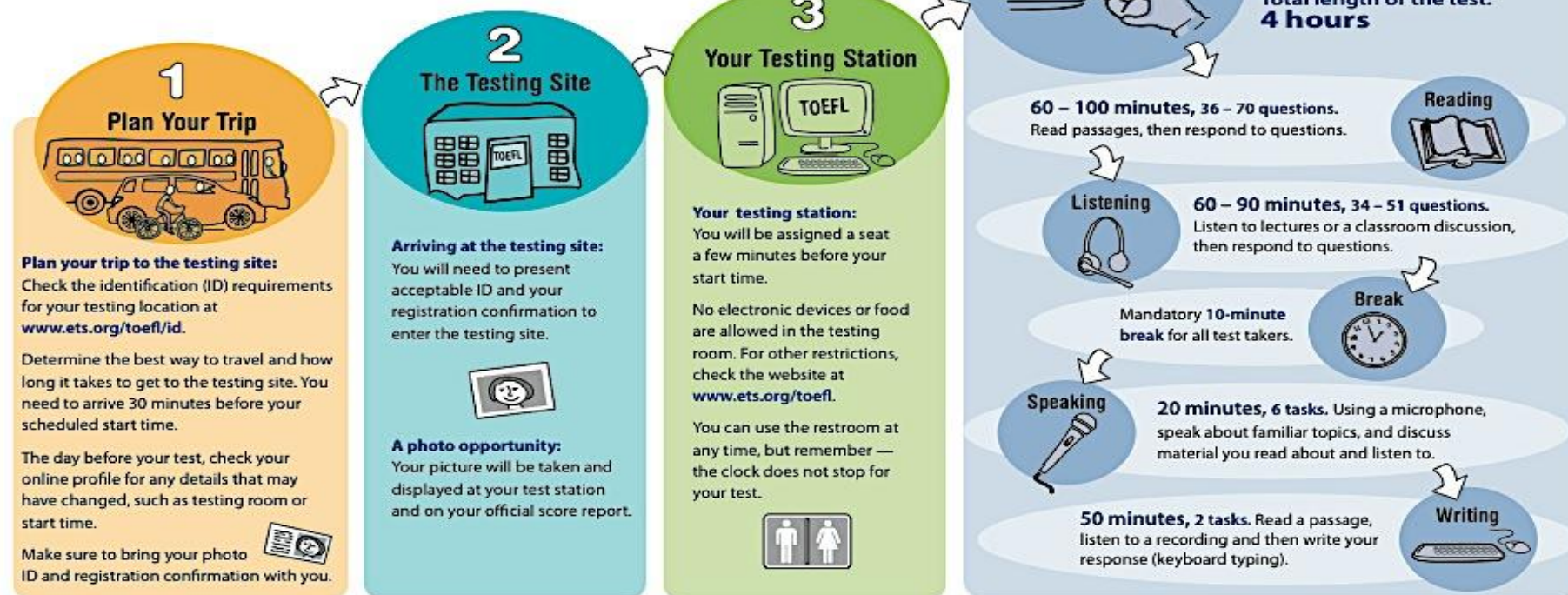
- Native Hawaiian or Other Pacific Islander (Original Peoples)

- White (including Middle Eastern)



TOEFL® Test Day Tips

You've practiced hard and now you are ready for your big day. Here is some information to prepare you for the testing experience itself.



The TOEFL® test refers to the TOEFL iBT™ (Internet-based test), which is administered at testing sites worldwide. The TOEFL PBT (paper-based test) is available only in select locations where TOEFL iBT testing is not possible.

ETS — Listening. Learning. Leading.®

For more information, visit www.ets.org/toefl.

Appendix 7



TOEFL iBT™ Testing for Groups of Students

ETS offers institutions the opportunity to have a group of students take the TOEFL Internet-based test at the same location and on the same test date. This is the process:

1. Submit a Group Reservation Request to Prometric at pnl.ibtbulk@prometric.com. Be sure to include the following information:
 - Your institution/program's name and address
 - Your institution's GSP number, if available
 - Location where you would like your students to test (country, state, city)
 - Specific test dates requested, or timeframe for testing
 - Number of seats you are requesting
 - Your contact information (name, e-mail address and phone)

We recommend submitting Group Reservation Requests at least 30 days before the preferred test date. Prometric will find the location/date that best meets your needs.

Each student must create a TOEFL iBT online profile using the ETS online registration system at www.ets.org/toefl. Each student will be assigned an ETS ID number.

NOTE: Registration and payment must be completed at least 20 days before the test date, or the seats you reserved will be released to the public.

Appendix 8

Certified Test Administration Site Application Form

To apply for the Certified Test Administration Site (CTAS) program, please complete this online form. If you are responding to an e-mail or other correspondence from ETS, please include your Reference ID to expedite the application process.

IN ADDITION TO COMPLETING THIS APPLICATION, please submit at least 2 digital photos of each testing lab and a digital photo of the exterior of the testing facility (outside of the building). These should be sent to CTAS@ets.org. Be sure to include the institution name in the email subject line EXACTLY as it is written in the section on Organization Information.

Note that fields marked with an * are required.

Individual Profile

Reference ID (if provided by ETS)

Prefix (Mr., Mrs., Ms., etc.)

First Name: *

Last Name: *

Suffix:

Job Title: *

Department: *

Contact Information

E-mail Address: *

Phone number with area code: *

Fax Number with area code: *

Job Responsibilities

*** Please indicate your role in deciding whether your organization may participate in an ETS Certified Education Partner program.**

- I am the decision maker
- I am one of the decision makers
- I make recommendations to the decision maker(s)
- I am not involved in the decision making

Appendix 9

Office Layout and Environment

The following sections provide information on facility and environment requirements that your test center must follow in order to deliver exams through Pearson VUE.

Provide a quiet testing environment

Test centers are required to provide a distraction-free, secure testing environment with continuous candidate surveillance. If your test center is already administering exams, the layout of your office may be sufficient as long as it meets the requirements below. If you are setting up a new test center, the exact layout will vary depending on the physical space available and on the number of candidates that will be accommodated. For more information, or for assistance in planning a new testing area, contact your local Pearson VUE office.

Testing can be a stressful experience for many candidates. Even minor noises near the exam delivery room can cause a candidate to feel distracted. Throughout this section, you will find various tips to help you create an environment that will minimize noise distractions.



If there is obvious noise, such as building construction, when a candidate is ready to take an exam, ask the candidate whether he or she will be affected by the noise before the exam is started. If the candidate chooses to go ahead and take the exam, complete an Incident Report for documentation purposes. Refer to *"Filing a Report for a Candidate Incident"* in chapter 11.

Facility requirements

The following minimum requirements must be met when setting up a test center:

Appendix 10



Information for International Students Wishing to Attend College in the United States

Study in the United States is a serious undertaking. To decide if it is the best option for you, consider carefully how it will fit into your long-term educational and professional plans. To learn about financial aid, student visas, and required tests, explore the resources described below.

Financial Aid Eligibility

Most foreign citizens are not eligible for federal student aid from the U.S. Department of Education. There are, however, some instances in which noncitizens may be eligible for financial aid from the U.S. federal government. Visit StudentAid.gov/eligibility/non-us-citizens to learn more.

You also should check with your country's government and with the college you plan to attend to see what aid they might be able to offer you.

Admissions Tests

Most U.S. schools require the TOEFL exam for nonnative English speakers, while many undergraduate institutions also require you to take the SAT or the ACT test. Visit StudentAid.gov/prepare-for-college/tests for information about the SAT and ACT, and visit www.toefl.org for information about the TOEFL.

Student Visas

If you are coming to the U.S. primarily for tourism, but want to take a short course of study of fewer than 18 hours per week, you may do so on a tourist visa. Otherwise, you will need to obtain a student visa. In most countries, first-time student visa applicants are required to appear for an in-person interview.

Each embassy and consulate sets its own interview policies and procedures regarding student visas. Consult the U.S. embassy website for your country for specific application instructions.

Appendix 11

Testing Center

1. Do you plan to attend to a university or a higher education institution in the United States?

- Yes
 No

2. Where are you receiving counseling regarding the application and admission process?

3. Which admission exams are you preparing for?

- TOEFL iBT
 SAT
 GMAT

4. Where are you preparing for these exams?

- Home
 Private teacher
 Specialized learning center

Other (specify)

5. Where are you going to take the exam? Please state name and location of the institution(s)

6. Are you requesting for scholarships and/or financial aid? Please state institutions

7. Would you like that there was an institution where you can complete the entire application and admission process, all in one place?

- Yes
 No

Appendix 12

Worst Case Escenario

Profit and Loss Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Income from services	\$421,200.00	\$442,260.00	\$464,373.00	\$487,591.65	\$511,971.23
Total Income	\$ 421,200.00	\$ 442,260.00	\$ 464,373.00	\$ 487,591.65	\$ 511,971.23
Administrative expenses	\$ 37,809.72	\$ 39,700.21	\$ 41,685.22	\$ 43,769.48	\$ 45,957.95
Wages and salaries	\$ 51,388.16	\$ 53,957.56	\$ 56,655.44	\$ 59,488.22	\$ 62,462.63
Marketing and publicity expenses	\$ 23,800.00	\$ 24,990.00	\$ 26,239.50	\$ 27,551.48	\$ 28,929.05
Total Expenses	\$ 112,997.88	\$ 118,647.77	\$ 124,580.16	\$ 130,809.17	\$ 137,349.63
Depreciation	\$ 10,669.00	\$ 10,669.00	\$ 10,669.00	\$ 1,798.00	\$ 1,798.00
Total Expenses	\$ 123,666.88	\$ 129,316.77	\$ 135,249.16	\$ 132,607.17	\$ 139,147.63
EBIT	\$ 297,533.12	\$ 312,943.23	\$ 329,123.84	\$ 354,984.48	\$ 372,823.61
Employees Participation (15%)	\$ 44,629.97	\$ 46,941.48	\$ 49,368.58	\$ 53,247.67	\$ 55,923.54
Taxes (25%)	\$ 74,383.28	\$ 78,235.81	\$ 82,280.96	\$ 88,746.12	\$ 93,205.90
Net Profit/Loss	\$ 178,519.87	\$ 187,765.94	\$ 197,474.30	\$ 212,990.69	\$ 223,694.16

Appendix 13

Worst Case Escenario

CASH FLOW 2013-2018

Cash Flow From Operations	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Shareholders Contribution	\$ 80,000.00					
Previous Year Cash Flow	\$ -	\$ 24,255.00	\$ 177,739.90	\$ 338,621.65	\$ 507,270.09	\$ 79,460.64
Net Income	\$ -	\$ 178,519.87	\$ 187,765.94	\$ 197,474.30	\$ 212,990.69	\$ 223,694.16
Depreciation	\$ -	\$ 10,669.00	\$ 10,669.00	\$ 10,669.00	\$ 1,798.00	\$ 1,798.00
NET Cash Flow From Operations	\$ 80,000.00	\$ 213,443.87	\$ 376,174.84	\$ 546,764.95	\$ 722,058.78	\$ 304,952.81
Clash Flow from Investing						
Equipment	\$ 52,045.00	\$ -	\$ -	\$ -	\$ -	\$ -
Incorporation Expenses	\$ 3,700.00	\$ -	\$ -	\$ -	\$ -	\$ -
Real State	\$ -	\$ -	\$ -	\$ -	\$ 600,000.00	\$ -
NET Cash Flow from Investing	\$ 55,745.00	\$ -	\$ -	\$ -	\$ 600,000.00	\$ -
Cash Flow from Financing						
Shareholder's Dividends	\$ -	\$ 35,703.97	\$ 37,553.19	\$ 39,494.86	\$ 42,598.14	\$ 44,738.83
NET Cash Flow from Financing	\$ -	\$ 35,703.97	\$ 37,553.19	\$ 39,494.86	\$ 42,598.14	\$ 44,738.83
CASH FLOW	\$ 24,255.00	\$ 177,739.90	\$ 338,621.65	\$ 507,270.09	\$ 79,460.64	\$ 260,213.98

Appendix 14

Administrative Expenses				
	Monthly		Monthly	Anually
Internet Service		\$	70.00	\$ 840.00
Computer Equipment Maintenance		\$	30.00	\$ 360.00
Telephone Service		\$	60.00	\$ 720.00
Water Service	150 m3	\$	110.00	\$ 1,320.00
Electricity service	1,395 kWh	\$	120.00	\$ 1,440.00
Office and Cleaning Supplies		\$	200.00	\$ 2,400.00
Prep Materials				\$ 730.00
Rent		\$	2,500.00	\$ 30,000.00
Total				\$ 37,810.00

Company Incorporation	
	Total Costs
Incorporation Expenses	\$ 1,200.00
Operating License	\$ 700.00
Trademark Registry	\$ 1,800.00
Total	\$ 3,700.00

Office Furniture				
	Quantity		Cost Per Unit	Total
Office furniture reception	1	\$	800.00	\$ 800.00
Chairs	34	\$	125.00	\$ 4,250.00
Desktops with partitions	30	\$	450.00	\$ 13,500.00
Lockers Triple Stack 5 Compartments	2	\$	650.00	\$ 1,300.00
Bookshelves	2	\$	460.00	\$ 920.00
Clocks	3	\$	35.00	\$ 105.00
Blackboard	2	\$	800.00	\$ 1,600.00
Total				\$ 22,475.00

Appendix 15

Computer Equipment				
	Quantity		Cost Per Unit	Total
Computers	33	\$	750.00	\$ 24,750.00
Printer/Scanner	3	\$	300.00	\$ 900.00
Licences	16	\$	120.00	\$ 1,920.00
Internal system software	1	\$	2,000.00	\$ 2,000.00
Total				\$ 29,570.00

Wages and Salaries Expenses				
Salary	Cantidad		Monthly	Annually
Receptionist	1	\$	318.00	\$ 3,816.00
Administrator	1	\$	500.00	\$ 6,000.00
Teachers	2	\$	1,800.00	\$ 21,600.00
Teacher Assistants	2	\$	700.00	\$ 8,400.00
Total Payroll			\$ 3,318	\$ 39,816.00
Social Benefits				
Thirteenth Salary		\$	318.00	\$ 1,908.00
Fourteenth Salary		\$	318.00	\$ 1,908.00
Employer Contribution: 11,15%		\$	369.96	\$ 4,439.48
Reserve Funds: 8.33%		\$	276.39	\$ 3,316.67
Total				\$ 51,388.16

Marketing and Publicity Expenses	
Newspaper Ads	\$ 9,000.00
Educational Magazines Ads	\$ 4,800.00
Advertising Signs	\$ 10,000.00
Total	\$ 23,800.00

Appendix 16

Total Investment	
Administrative Expenses	\$ 37,810.00
Incorporation Expenses	\$ 3,700.00
Office Furniture	\$ 22,475.00
Computer Equipment	\$ 29,570.00
Wages and Salaries	\$ 51,388.16
Marketing and Publicity Expenses	\$ 23,800.00
Total	<u>\$ 168,743.16</u>