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NEWS

Indian business buys Plano tutoring firm

BY JENNIFER GORDON | STAFF WRITER

Old world meets new world in a newly consummated marriage between Plano-based PowerMath and India-based Career Launcher.

What began as a father's quest to advance his children's math skills in order to prepare them to compete in a global economy has turned into the base of operations for Career Launcher's U.S. division, said PowerMath CEO Anup Prasad.

"I felt they were not being prepared adequately," Prasad said. "That kind of got me worried. ... It seemed that there was a huge need and a huge gap in what our children would need. That's how I got into the tutoring area."

PowerMath has focused on face-to-face tutoring at a 1,500-square-foot Plano office, while Career Launcher has thrived on online education where students and teachers communicate via voice over Internet protocol (VOIP) in real-time lessons. Now that the companies have joined forces, students will be able to choose either type of program or combine both ways of learning. The company will continue doing business as PowerMath, but officially is now Career Launcher USA.

Career Launcher is a private company based in New Delhi, India. It serves 35,000 students in the Middle East and India. (Intel Capital, an affiliate of the big chip maker, is a strategic investor in Career Launcher.)

These types of tutoring businesses have been around for years, but PowerMath seems to have a good model which includes going back to the beginning if a student is having trouble grasping a concept, said Dr. Joseph Picken, executive director of the Institute for Innovation and Entrepreneurship at the University of Texas at Dallas.



NUMBERS MAN: Anup Prasad, CEO of tutoring company PowerMath, has merged his company with India-based Career Launcher.

"I think there's a niche," Picken said. "There's a good business for it." But he also said that while there is a ready market "the devil is in the details," particularly when it comes to adding locations and risking loss of quality by having more sites with less corporate control.

With the financial backing of Career Launcher, Prasad is planning to add 10 to 15 people to PowerMath's existing work force of a couple people. About 80% of those new employees will be in the Metroplex.

"It's actually going to jump-start and turboboost our growth," he said enthusiastically. Prasad declined to disclose the terms of the deal or PowerMath's 2005 revenue.

PowerMath and Career Launcher also will utilize outsourcing in India where appropriate to find the online tutors.

"That's not an unreasonable proposition," Picken said. "You get people there that are fully capable of doing an excellent job and they're willing to work for less money."

Prasad also plans to add more locations, with plans for at least one by the end of the year and a couple more next year. "There are a lot of areas that we have interest in opening physical centers in, not just Dallas, but in the suburbs," said Prasad. He declined to be more specific.

About half of PowerMath's existing student base are individuals needing remedial work. The other students are simply wanting to go beyond their schools' requirements.

The tutor business expects to increase its count of student-clients from about 40-45 students a month now to more than 100 students a month this fall. That growth is in part expected because PowerMath will begin offering SAT preparation classes in July.

"Then sometime in the fall or toward the latter part of this year we'll start bringing in science, mainly for middle school and high school (students)," Prasad said. "We're trying to keep our focus on science and math. Based on the feedback from parents and the community, it seems like that is where a lot of the meat is."