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SMALL BUSINESS

Going to College? First, Go to the Web

By ANNE FIELD

Two months ago, Gregory Waldorf and his mother, Toby, began a start-up whose time, they hoped, had come.

The company, Destination-U.com, helps high school students identify the colleges that might be best for them. For \$39.95, students fill out a 10-minute questionnaire that focuses on matching their personalities with colleges and also considers grades and extracurricular activities. In seconds, the students receive a list of about 15 four-year colleges they might want to consider.

In devising the questionnaire, the Waldorfs relied on three things - the expertise of Ms. Waldorf, a longtime independent college counselor for high school students; interviews with some 18,000 college juniors and seniors; and the insights of eight college counselors.

Mr. Waldorf, a venture capitalist with an interest in businesses that provide Web-based matching services, says the company, based in Menlo Park, Calif., can take advantage of overlapping social trends: the fluency of teenagers in using the Web and the competitive frenzy among students to get into the best colleges.

College-bound students have long been a lucrative market for businesses that can help them get into the schools of their choice. Kaplan Test Prep and Admissions, the test-preparation pioneer, paved the way when the baby boom generation began jostling for spots at the nation's most prestigious universities.

Now, with the children of baby boomers seeking admission to the right college, a new generation of entrepreneurs has begun focusing on advising students on the application process.

Most of the companies rely largely, if not entirely, on the Internet; many focus on niches in the application process. Thickenvelope.com in Chappaqua, N.Y., for example, assesses the chances of a student's acceptance at specific schools, while Yesletter.com in Princeton, N.J., provides a way to communicate with Ivy League freshmen.

"Different students need different forms of help," said Brian Ortiz, founder of IvyEdge in

New Haven, which provides editing help to students writing their college application essays.

Why all the new start-ups? As more high school students apply to college, including an estimated 1.7 million in the coming months, navigating the admissions process has become more difficult, and not just for students who hope to land a spot at Yale or Stanford.

With the average ratio of guidance counselors to students in public schools at 477 to 1 compared with the 250 to 1 recommended by the American School Counselor Association, most students must fend for themselves.

Filling that void is the Internet, which allows companies to design services that are speedy and easy to customize and to market them in a forum familiar to their potential customers.

The new crop of dot.coms has another appeal: the price they charge. Yesletter.com - a company started by Robert J. Moore a year and a half ago when he was a freshman at Princeton University - charges applicants to Ivy League schools \$70 to receive advice over the Internet from about 30 Princeton freshmen he has recruited.

Mr. Moore said he started Yesletter after he realized that many classmates had paid consulting fees, typically about \$3,000, to help them in their college search.

"When I learned about that, I felt a little bit betrayed by the system," he said. "And I wanted to do something about it."

His fee gives customers unlimited access to his service for six months, which includes articles on different aspects of applying to college and bulletin boards and chat rooms with the people that he recruited.

Many specialists said that for small businesses, getting the attention of college applicants is the tough part, particularly for companies marketing directly to students. The customer base needs to be replenished every year.

"If you're dependent on a one-time transaction, that's a pretty difficult way to go," said Rod Whitman, president of Townsend Inc., a branding and communications firm in San Diego that works with universities.

For several companies, the answer is in the fortuitous overlapping of a clientele that depends on the Web and a business model that uses the Internet as its delivery mechanism.

"It's the normal way for 18-year-olds to communicate," said Bruce Weinberg, associate professor of marketing and ecommerce at Bentley College in Waltham, Mass.

Mr. Waldorf said he devoted as much as 40 percent of his marketing budget to search engines, looking for the optimal key words to ensure that his site comes up prominently.

Other companies avoid the problem of marketing to students by focusing on counselors, businesses or even college admissions officers. Number2.com of Culver City, Calif. - which was founded four years ago by Josh Millet and provides test preparation entirely online, and at no charge - markets to guidance counselors, hoping they recommend the site to students.

The company, which was named after the type of pencil S.A.T. takers must use and was bought two years ago by Xap, offers everything from help in planning the application process to a way to apply online.

"If you get a counselor on your side," Mr. Millet said, "you have a resource for 10 to 20 years."

Other companies, like College Coach in Newton, Mass., focus on corporations. Started in 1998 as a provider of outside college consultants, College Coach markets itself to companies that offer the service as a benefit to employees. Its staff includes former admissions counselors from universities, providing a mix of Web and in-person advice.

Another company, ConnectEdu in Boston, uses a similar approach. "By going business-to-business, you are guaranteed repeat customers, and those companies can, in effect, become your distributor," said Jeff Sloan, co-founder of Startupnation.com, a small business advisory in Birmingham, Mich.

TargetX, a six-year-old company in Bristol, Pa., takes the strategy one step further, scouting appropriate high school students for the college admissions programs that hire it. Founded by Brian Niles, a former admissions director at LaSalle University, TargetX helps these admissions offices devise e-mail campaigns to recruit incoming freshmen.

Mr. Niles develops long-term strategies for about 200 colleges. In some cases, he has pinpointed appropriate students starting as early as their freshman year in high school, sending ninth graders advice on selecting the right schools, then following up two years later with reasons to choose a particular institution.

According to Mr. Niles, his company has a range of clients, from Ivy League universities seeking to attract a higher-quality applicant who will not need financial aid, to lesser-known colleges trying to get enough applicants to fill a freshman class.

Carving out narrow specialties in a limited market is obviously a constraint on growth, and most of the recent start-ups report modest sales. IvyEdge, for example, expects revenue of half a million dollars this year; TargetX, about \$1.5 million. College Coach says it is doing "less than \$5 million," though it says its has doubled in size each year since it was started.

But Mr. Niles of TargetX says companies like his were doing what too many colleges were not.

"Colleges need to do a better job reaching students online," he said. "That's where they spend most of their time, anyway."