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Provo distance learning business school focuses on return-on-investment-based education

Grace Leong

Ethan Willis and Randy Garn had to sell pest control products, satellite systems and water softeners door-to-door for nearly two years before their dream of starting a business education school in Provo became reality.

The duo, who started their own pest control company while attending Ricks College, now BYU-Idaho, got the idea for Prosper Inc., a customized business education distance learning school, when they realized entrepreneurs like themselves needed personalized guidance.

Some early challenges Prosper's founders faced included learning how payroll works and funding their business startup with retained earnings -- which meant forgoing their paychecks for several months in the beginning because any profit they made went back to the company and its employees.

"We didn't get venture capital or lines of credit to start the business because we didn't want to give up ownership of the company or get into debt," Willis said.

Prosper provides courses in real estate investment, e-business investment, Internet marketing, business growth and financial mentoring on how to manage company assets.

The company saw a niche serving those who want to get an education in these areas while maintaining the ability to earn a living at the same time, Ellis said.

"Sometimes, traditional education systems take longer and do not deliver the payoff in time and money people hope for. But the education we give our students is return-on-investment based," he said. "For example, we teach students how to read mortgages, how to get Google to recognize your e-commerce Web site as a top site in search engines and drive more business to your site."

Founded in 1999, Prosper began by marketing course materials and relying on other companies to provide training, but its founders soon realized that business model didn't work because their customers weren't getting the quality of training they wanted.

In 2002, Prosper began assigning personal trainers or mentors who would help students customize their courses and keep them accountable to their goals.

That has helped the company compete with the multitude of free business seminars and training courses offered by other business groups and associations in Utah.

"The majority of our courses are done on a one-on-one basis via video-conferencing, phone or fax with a private mentor," Garn said. "We have more than 70 coaches or trainers with MBAs and PhDs training our students at their own pace. Each coach takes on 23 to 30 students per week, and we also have specialized coaches providing training to groups of three to 20 per week."

"We have a standard coaching procedure in place. Students have to commit to spend 10 to 15 hours a week on their courses and we will track how much time they spend with their coaches," Ellis said.

"We also have an in-house database and resource center that helps students review their notes, assignments and upcoming events online. We have over 1,200 archived conference calls where our students can access via phone, fax, e-mail or online."

Tuition ranges between \$49.95 a month, which gives students access to Prosper's online resources, and \$3,000 a year for a customized course.

The distance learning school, whose teaching staff speak a total of 14 languages, has between 8,000 and 10,000 students, of which 85 percent are from the United States.



Prosper, Inc.

The company is now trying to have all its courses accredited with one of the largest privately-owned online universities in the nation, and approved for student loans and federal funding. Both Garn and Ellis declined to identify the online university, because the deal isn't completed yet.

"Being accredited with this online university will give us more credibility," Garn said. "Once we're accredited, our students will be able to use credits accumulated from taking courses with Prosper and use these in applying for courses with the online university."

Prosper, which makes \$50 million in gross revenues annually, is breaking ground at the end of July for a new 50,000-square-foot corporate headquarters at the Riverbottoms in Provo. The new building is expected to be completed in July 2006. The company, which now has about 280 workers, plans to add between 100 and 150 workers at that time.

Prosper Inc.

Owners: Ethan Willis and Randy Garn

Founded in 1999

Industry: Customized business education distance learning school

Location: Corporate headquarters at Riverwoods Business Park, 5072 N. 300 West in Provo, coaching office at 625 S. State Street in Orem

Work force: 280 employees

Web site: www.prosperlearning.com

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