

## PROFILE: Omega Schools

*Low-cost private schools in Ghana with an all-inclusive daily fee*

### Challenge

Ghana's school system struggles to provide good-quality basic education. Large increases in public school enrolment following the abolition of tuition have led to overcrowded classrooms and declining teaching quality. As a result, there is substantial demand for private alternatives to provide quality education.

### Innovation

Omega Schools ([www.omega-schools.com](http://www.omega-schools.com)) is a for-profit chain of combined primary and junior high schools located in urban and peri-urban communities in Ghana. Its offers affordable, easily accessible, and accountable schooling of consistent quality, based on key innovations:

- **Omega charges one all-inclusive daily fee.** The USD 0.57 a day fee in 2015 includes tuition, two uniforms, a school bag, workbooks, and one hot meal a day. Bundling school expenses into one package contrasts with the approach of most private schools, which charge separately for items and require large tuition payments every term. Parents buy Omega daily fee vouchers from third-party vendors, which their children submit to school managers to access lessons. This cashless system mitigates the risk of corruption and nonpayment of school fees.
- **Omega has a “School-in-a-box” model of education,** in which all inputs and processes are designed and implemented by a vertically integrated company that standardizes everything, from buildings to lesson plans. It costs about USD 75,000 to establish a new Omega school with capacity for 500 children. Schools become self-sustaining when enrolment reaches 300 children, according to Omega.
- **Omega uses a proprietary software system** that tracks enrolment, student and staff attendance, and performance. School managers, who are responsible for a cluster of schools, input data via Internet-enabled tablets, enabling the head office to continuously monitor, evaluate, and compare data.
- **Omega trains local young people,** mostly high school graduates, to deliver standardized lessons using materials created by Omega. The lower salary expenses help Omega keep annual costs low. According to the company, Omega spent just USD 113 per student in 2012—about one third less than public primary schools spent—and its fees were lower than 13 of 16 neighboring stand-alone private schools.

### Impact

Omega has significantly expanded low-cost private school capacity, scaling rapidly from 2 to 38 schools serving more than 20,000 students within six years. New schools fill to capacity within two weeks of opening, with students coming from other schools, including both public and private schools. According to evaluations conducted for Omega, students perform 15–21 percent better than public school students on English tests and 10 percent better on math; in both subjects, they perform as well as private school students.

### Scaling Up

Omega's understanding of the target market, its lean management structure, a fee model that suits poor households' cash flow patterns, and its leveraging of economies of scale position it to scale to 100 schools by 2018. Its expansion is propelled by private venture capital, led by the Pearson Affordable Learning Fund. Omega benefits from relatively benign oversight of private investment in education in Ghana. Also, abolition of public school fees and weak public financing has led to deteriorating quality in some public schools, prompting many families to opt for private education. It is constrained by nonpayment of fees, which could put its sustainability into question, especially given the vulnerability of target households to economic downturns.

