

**A Strategic Plan
For
The American Quality Schools
Corporation
2009-2014**



No Excuses, Just Results

A not-for-profit educational management organization

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A Strategic Plan for the American Quality Schools Corporation: 2009-2014

“Whosoever desires constant success must change conduct with the times.”

–Niccolo Machiavelli

If Machiavelli’s insight was true for the sixteenth century in which he lived, its wisdom is even more profound for our twenty-first century world. We live in a era in which the rate of change at times seems staggering. Technology has altered our lives in a matter of years that was not experienced by previous generations for decades or more. Demographic changes are altering the face, values, and contours of our nation. And over the past several decades a true global economy has evolved in which America is but one of many players.

In the past two decades some change, not as dramatic as those mentioned above, has also impacted American public education. That change has been the insertion of the concept of “choice” into the dialogue that surrounds the schools. The quasi-monopoly that had characterized the nation’s public schools since the nineteenth century has been broken and the traditional models of public school governance have been altered. Experiments in vouchers, the rapid growth of charter schools, and the slow birth of “contract” schools have changed the educational landscape. School boards which have historically managed public schools have in some cases relinquished their authority to other “authorizers” or have themselves contracted out the operation of schools to groups of citizens or to educational management organizations such as American Quality Schools. As yet, the evidence is not complete as to whether or not these dramatic changes have revolutionized, reformed, or even changed public education for the better. What is clear, however, is that the pace of change and the quest for a quality education appropriate for a twenty-first century world will not subside. It is the fate of our generation to live in a world and time of constant change. Those organizations that respond and adapt to that change will succeed. Those organizations who choose to ignore these powerful forces will die. One only need be reminded of the fate of organizations such as Venture, Circuit City, Montgomery Ward, Lehman Brothers, Chrysler, and General Motors to underscore the truth of that reality.

This document seeks to outline how The American Quality Schools Corporation plans to respond to the environment in which we operate over the period 2009-2014. It is a plan which is built on the assumption of targeted and careful growth, while maintaining a high level of school quality and prudent care of our financial resources. It is, of course, a plan for a future that none can predict. Public attitudes, government legislation, and financial contingencies could alter what we plan to happen literally overnight. Should any or all of these things occur, our organization will be prepared to take the necessary steps to insure the continued operation of the company. We do, however, embark on this next phase of the AQS journey optimistic about the future. In our tenth year of operation we can view with pride an organization that has grown to be a major participant in the educational management world, that has operated in a fiscally responsible manner, and has established a positive reputation in the education field. And, most importantly, AQS has shown that it knows how to operate safe, financially stable schools which have been successful in educating children and closing the much discussed “achievement gap.”

What follows is a general roadmap for the next five years of AQS operation. Like any journey, we may face detours or changes of direction, but without a clear destination and specific goals, organizations, like people, wander aimlessly and reach some destination by luck alone. We would never discount the role of luck, but we would never count on it either. The plan is organized as follows:

- Section I gives a snapshot of where AQS as an organization is in 2009, ten years after our creation
- Section II looks at the current environment in which the concept of “educational choice” finds itself
- Section II reiterates the vision, mission, and assumptions upon which AQS has operated for a decade
- Section IV explores the current and potential markets for what AQS provides as an organization
- Section V identifies and evaluates what the organization views as its competition
- Section VI assesses the identified threats to AQS and the opportunities available to the organization
- Section VII evaluates the strengths and weaknesses of the current AQS organization
- Section VIII identifies the organization plan for controlled growth between 2009-2014

- Section IX evaluates our financial condition and the fiscal outlook for growth
- Section X focuses on six areas for action which respond to requirements for quality growth
- Section XI addresses the process for top level management succession
- Section XII identifies those benchmarks to be used to evaluate our level of success in 2014.
- Section XIII summarizes the action steps needed to be taken over the next five years and assigns responsibility for their implementation.

The process of growth and change is not always easy. To some the prospect is frightening and threatening. To others it offers a future of challenge and opportunity. What is clear is that alternatives to change are non-existent. We may think that we can continue to function as we always have, but that is a mistaken belief. The environment in which we live is in constant motion. Perhaps the ancient Greek philosopher captured this reality best when he reminded his followers that, “There is nothing permanent except change. You cannot step twice into the same river; for other waters are constantly flowing in.”

Our challenge is to accept that reality and to plan to act upon it.

Michael J. Bakalis
President and CEO
American Quality Schools

Section I

Where We Are in 2009

“Small opportunities are often the beginning of great enterprises.”

--Demosthenes

In the 2008-2009 academic year, American Quality Schools began its tenth year of operation. Presented with an opportunity to create a new not-for-profit business ten years ago, the organization began by managing two charter schools. A decade later AQS now manages eleven separate campuses with a twelfth scheduled to open in the fall of 2009, and the strong possibility of a thirteenth campus opening in St. Louis, Missouri. At this time approval has also been granted for a fourteenth campus scheduled to open in Muncie, Indiana in the 2010-2011 academic year. Additional opportunities, now in the earliest working stages, also seem extremely promising in Illinois, Indiana, and Missouri over the next two years. At present, AQS educates a total of 5,017 students and employees 617 people.

This fortunate path to growth that the organization has travelled is the result of many talented and dedicated individuals who have collectively contributed to bringing to AQS a positive reputation which has led to the growth we have witnessed. Our main purpose as an organization, of course, is to provide parents quality educational choice for their children and to provide an education of excellence for every child. In this endeavor none have been more important or contributed more than those administrators and teachers who work in each of our schools. Without their efforts we would have no reputation upon which to further build and grow.

By any standard of measurement it is accurate to say that AQS manages successful schools. The questions to be asked in evaluating “success” must be—Are students showing academic growth? How do our schools compare academically with other schools with similar demographic characteristics? Do we have schools that are safe for children? Are we managing the schools in a fiscally responsible way? What do our customers (the students, parents, teachers, charter, and contract authorizers) report about our schools? We believe we can answer each of those questions in the affirmative. Our record shows steady academic growth for our students who, most often, are minority children coming from low socio-economic communities.

Under the federal No Child Left Behind Act the schools have achieved AYP (Academic Yearly Progress), they outperform most, and in some communities, all, of the surrounding neighborhood schools. Some have won special state authorized “Exemplary” status, and are leaders in academic performance of those schools managed by other organizations under the umbrella of the Chicago Charter School Foundation. By the reports of numerous teams of consultants, visitors, and parents, AQS schools are safe and disciplined environments located in some of the most violent prone locations in Chicago and Gary and East Chicago, Indiana. AQS schools serve as safe havens for the young for at least a large part of their day. The year 2009 finds the nation in a severe economic crisis with great uncertainty as to what future funding for schools might be. Schools throughout the nation are cutting programs and reducing personnel. Yet, despite these national and state economic problems, AQS is in a position of sound financial health through long-term careful planning and management of our available revenues. And performance surveys, both those conducted by AQS as well as those conducted by independent outside contractors, report high percentage approval ratings by each category of those we view as “customers.” All of the above positive points are reasons for satisfaction and pride; but not for complacency.

The original organizational design, written a decade ago, had a number of components, many of which have been successfully implemented, and some at which we need further implementation and improvement. That original design called for:

1. Using as our basic educational foundation the Core Knowledge curriculum. AQS has successfully utilized this comprehensive and rigorous program and will continue its use in the years ahead.
2. In addition to Core Knowledge, it was originally proposed that the other elements be keys to our academic program. These were:
 - a. Character Education – Our schools have done a good and conscientious job in this area and we have developed our own teaching materials in this area. Additional curriculum materials are currently being prepared for publications by our teachers.
 - b. Citizenship Education – In this area we have done some work through our curriculum, but much more needs to be done and a comprehensive K-12 curriculum must be identified or created within our organization. The newly

formed AQS Foundation has identified citizenship education as one of its priority areas for involvement and funding.

- c. Multicultural Appreciation – Through formal academic programs and special school events our schools have done a creditable job in this important area. More specific and focused instruction should be done for our upper level elementary school, high school students, and for the teaching and administrative personnel.
3. An emphasis on the multi-faceted Paideia strategies for delivering instruction. Where the Paideia approach is done with our students, many are doing it extremely well. Yet it does remain a challenge to have all of our teachers actively and consciously use this approach in all of our schools. Part of the issues here relate to teacher turnover, the addition of new schools, and old habits formed by teachers from a lifetime of being educated in a different manner. A more intensive and structured professional development program focusing on the Paideia approach must be developed in the immediate future.
4. The original founding document also called for the implementation of the Junior Great Books program in our schools. While actively being implemented in our first years of operation this aspect of our plan appears to have been diminished or eliminated in our original schools and is non-existent in our newer schools. A thorough review of this program will be done to assess its appropriate reinstatement in all or any of our schools.

Due to the pressures exerted by the No Child Left Behind legislation, much of the planning and focus of AQS schools has been on showing academic growth as determined by various testing approaches. This has been particularly true because the overwhelming majority of our students come to our schools with little or no prior academic preparation and in socio-economic terms are classified as “at-risk” students. Yet, all of our students cannot be classified as “at-risk,” and while some of our schools have made progress in focusing on the students who are not at risk and those who would be classified as “gifted,” the AQS schools have not done enough in a systematic way to address the needs of these students. A structured approach to this issue will be undertaken by AQS administration to address this issue.

The final component to the 1999 AQS school concept stated that AQS was committed to a management philosophy of “continuous improvement through the concepts of Total Quality Management (TQM).” That management approach consists of four key elements:

1. Customer Focus – We believe through our record of academic achievement, fiscal responsibility, and positive constituent surveys and evaluations that AQS has successfully served its various constituent “customers.”
2. Process Improvement – The AQS belief that processes and not people are most often the cause of organization problems has resulted in continuous improvement in how we operate. Recommendations to be detailed later in this document will attest to this on-going effort.
3. Leadership through Empowerment – As the AQS organization has evolved from one originally managing two schools to one now on the threshold of managing fourteen or more schools, a systematic decentralization of decision-making and personnel empowerment has taken place. Budget construction and allocation of resources has been placed at the individual school level with Directors taking the lead in determining how funds should be allocated in their particular school. Decisions at the highest administrative levels are made through regularly scheduled collaborative discussion with Vice Presidents, Regional Managers, and school Directors. A Team Leader Advisory Committee and a Faculty Advisory Committee meets on a scheduled basis with the AQS President and other administrative personnel for discussion and input on policy issues. A committee structure of top AQS administrators has deliberated on various aspects of this strategic plan for the organization. Teacher committees at each of our schools have the opportunity to discuss various aspects of AQS operation and make recommendations to their school Director.
4. Creating a Quality School Culture – Our original AQS document defined this as “one in which all students, parents, teachers, and administrators internalize the genuine belief that all can succeed...” We believe the overwhelming majority of the teachers and administrators at AQS do hold that belief. The process of having students and parents simultaneously internalizing that belief is an on-going effort and must begin anew with every new school AQS chooses to manage.

Thus, the ten year record and the AQS position in 2009 has been one of successful growth. The American Quality Schools Corporation is an exceptionally good organization, not a

perfect one, but one that has built a solid foundation upon which to fill and correct areas of need, expand upon its achievements, and launch itself to the next level that opportunity may bring.

Section II

The Education “Choice” Environment

“I think it’s wrong that only one company makes the game Monopoly.”

--Steven Wright

Writing in the early 1970’s, futurist Alvin Toffler predicted that the years ahead would witness an increased desire of individuals for options in every aspect of their lives. John Naisbitt echoed a similar prediction in his book entitled “*Megatrends*,” and even warned that a coming dilemma would be that people might well have too many choices. Whether an overabundance of “choice” has created problems for Americans is still an unanswered question, but it clearly is not a situation facing public education in 2009.

It is now over fifteen years since the first charter school laws were enacted in Minnesota. Since then most, but not all, American states have followed with their own laws. These laws vary widely in terms of what is required to open charter schools and who can legally sanction or “authorize” them.

In spite of sometimes restrictive charter laws, the charter school movement has grown and continues to grow in the nation. If the charter school movement can be characterized as a major educational revolution, it soon spawned an establishment counter-revolution. The fundamental idea behind charter schools was to give parents and students choices in the kind of school and education they desired for their children. The essential “deal” was this: charter schools would be given freedom from certain rules, regulations, and restrictions under which the regular public schools operated, but in return for that freedom and flexibility they would be subject to a higher standard of accountability. That is, if they didn’t perform according to the agreed standards of achievement and operation, they would cease to exist.

In the years subsequent to the original charter legislation, the counter-revolution has been led by teacher unions, school administrators, and local public school boards who viewed charter schools as threats to their finances, enrollments, and academic performance. The education establishment has succeeded in gradually diminishing those original charter freedoms and flexibility, and steadily imposed requirements and bureaucratic reporting requirements which

increasingly make charter schools resemble those public schools that parents had chosen not to enroll their children.

The record of charter schools throughout the country has not helped the charter school movement either, however. The record of charter schools in terms of academic achievement and sound managerial operation is mixed. Some have rightfully been closed, while others should have suffered that same fate. Thus, it is safe to say that there are a variety of opinions in the nation as to whether or not the charter school movement should be dramatically accelerated. President Obama's public support of charter schools promises to encourage the movement if his words are heeded and result in legislation in the states. What is clear for AQS is that the record of charter schools in general, and AQS in particular, bodes well for the immediate future. The academic record of charter schools in Chicago is a positive one, and if caps are removed or liberalized by the legislature it seems evident that many more will be created. Even with the increased involvement and reporting requirements of all the AQS authorizers it seems unlikely that the charter movement will be curtailed or destroyed any time soon.

The hope that charter schools might perhaps influence changes in the regular public schools or even work in concert with them has not yet been realized. Rigid, outdated, and counter-productive teacher certification requirements, union rules, No Child Left Behind restrictions, and inflexible daily hour and days of instruction regulations make it unlikely that any fundamental changes will impact the non-charter public schools.

The waiting lists at AQS schools and those of other charter operators are concrete evidence that parents desire choice and options. Like all monopolies, the public schools have had no incentives to change. Like all monopolies they have become insulated, regulation-heavy, and increasingly bureaucratic. It is unlikely the education establishment will enthusiastically embrace charter schools or even sit quietly on the sidelines at attempts to lift charter caps or restore charters to their original purpose. It is also unlikely, however, that the charter school movement will disappear from the educational stage. The demand for options in how and what kind of education one's child receives is now too powerful to be reversed. The public believes there can be a better way and it is the charge of AQS and other providers to demonstrate that belief.

Section III

The Vision and Mission of American Quality Schools

“There are those who look at things the way they are, and ask why. I dream of things that never were and ask why not?”

--Robert F. Kennedy

AQS believes that the vision and mission statements that launched the organization in 1999 remain the philosophical foundation upon which the company will continue to operate.

Restated these are:

The Vision of the Company

The American Quality Schools Corporation will through its commitment to the highest educational, management, and ethical standards become one of the nation’s leaders in creating world-class, high performance schools for the children of America.

The Mission of the Company

The American Quality Schools Corporation believes in the innate capacity of every child to succeed. This capacity must be fostered through high academic and personal standards, respectful and orderly schools, competent and caring faculty and staff, involved and caring parents, and administrative and management leadership which fosters a climate and culture of continuous improvement and a commitment to high and measurable standards of excellence.

Our organization believes our original statements regarding the purposes of education, the key elements of quality schools, and our key educational goals remain valid and relevant.

These are:

The Overall Purpose of Education

- Living a full life
- Earning a living
- Good citizenship

The Key Elements of Quality Schools

- High standards
- A disciplined and orderly school environment

- Effort on the part of students
- A stable and supportive family
- Dedicated and competent teachers
- Reduced school bureaucracy
- A school culture which encourages and rewards risk, flexibility, creativity, and options

The Key Educational Goals

1. All students will become grade proficient in the basic skills of reading, writing, mathematical computation, computer literacy, and critical thinking/problem solving.
2. All students will develop a sense of self-worth.
3. All students will develop a sense of moral and ethical behavior.
4. All students will develop a sense of reciprocal obligation to their family, their school, and their country (citizenship).
5. All students will develop an appreciation and tolerance for various viewpoints, races, religions, and ethnic origins of our multi-cultural nation.
6. All students will develop the knowledge, skills, work attitudes, and habits which will allow them to become productive members of the American and global economy.

The Key Organizational Goals

For Teachers

1. All teachers will have a clear understanding of the AQS mission and goals.
2. All teachers will be treated with respect as professionals.
3. All teachers will view the AQS administration as having as its main purpose the help and support of them in successfully educating students.
4. All teachers will be empowered to exercise their voice in school policies.
5. All teachers will be rewarded on the basis of a fair assessment of their performance as defined by their job descriptions.
6. All teachers will participate in making AQS a true learning organization dedicated to creating and maintaining a culture of continuous improvement.

For Parents and Other Stakeholders

1. All will have a clear understanding of the vision, mission, and goals of AQS as an organization.

2. All will have access to regular and understandable information on school programs, policies, finances, and the academic achievement of students.
3. All will have reasonable open access to AQS faculty and administration.
4. All will perceive AQS as an organization that welcomes parents and community citizens as necessary partners in the work of providing a high quality education for each child.
5. All will recognize AQS as an organization that operates within the framework of high ethical standards.

While these statements have been an integral part of our philosophy and operation for ten years, we have not done an adequate job of conveying the vision and mission to our faculty, staff, parents, and students. A concerted effort will be made in the year ahead to make these statements more visible through our printed literature, in posters in the schools, on AQS business cards, and through other vehicles which will convey to a wider public the foundation upon which the organization operates.

Section IV

The American Quality Schools Market

“Things may come to those who wait, but only the things left by those who hustle.”

--Abraham Lincoln

While the original rationale for the creation of charter schools was to create general options and “choice” in all education, that goal while still operational, was transformed by events to a focus on underperforming schools. In practice citizens have exercised choice to leave what they perceive as bad, unsafe, or generally underperforming schools. Few examples can be found of parents choosing to leave a good, safe school for another because of some different curriculum or academic emphasis. The advent of the No Child Left Behind mandate further focused and accelerated the emphasis on charter schools being the institution that primarily educated those students classified as underperforming or “at-risk.” Such a focus has been needed and important, but need not be the only market for AQS schools.

While AQS will continue to expand its success with at-risk community schools, the organization will also aggressively seek educational management opportunities in a variety of educational settings. Our goal is to be positioned as a manager of quality schools overall, not merely one that specializes only on underperforming schools. There is a need to once again emphasize the “choice” component of charter schools. Thus, even so-called high performing schools may not be appropriate for certain students; others may want schools emphasizing certain themes, such as law, health, or the environment; still others may want radically different school schedules or calendars.

We believe there are numerous opportunities to pursue all of the above markets in focused and limited geographic areas. For quality, financial, and management reasons, AQS as an organization will continue to explore market opportunities in the Midwest only. Our target areas are and will continue to be, Illinois, Indiana, Missouri, Wisconsin, and Michigan. Opportunities further away will stretch our talent, tax our resources, and dilute the oversight that is required to maintain quality schools.

At this point, Illinois, Indiana, and Missouri are the most viable immediate opportunity states. The Illinois law continues to be overly restrictive, but small pockets of opportunity may

be opening in Rockford, Peoria, East St. Louis as well as for regional specialty schools in downstate counties. The six county northern Illinois area will continue to be difficult, if not impossible areas unless three key legislative changes occur. First, Illinois must follow President Obama's call to lift the "caps" on the number of charter schools allowed. Second, Illinois must follow the lead of other states in allowing charter authorizers to be entities or individuals other than local school boards. And, thirdly, some formula must be created to lessen the financial impact of local districts when charter schools in their jurisdiction are created. The prospects for such changes are not now readily apparent, but AQS will assume a much more active state legislative presence in the immediate years ahead.

Indiana continues to be a market we will pursue. While there are legislative opponents to charter schools, they have, as yet made little headway, and the state's more friendly authorizing process through Ball State University and the Office of the Mayor of Indianapolis offer good opportunities for AQS. The good reputation of our Indiana schools will also serve as a positive element in acquiring new schools in that state.

Missouri also presents increased opportunities. The public schools of St. Louis are in a crisis condition and the Office of the Mayor and various citizen groups are organizing for change in school organization and quality. The AQS relationship with the Office of the Mayor is positive and the prospect for two to three schools in St. Louis over the next two years is very likely. In addition, opportunities will be pursued in the other major Missouri market, Kansas City.

Wisconsin presents a unique situation due to its unique charter laws which allow for so-called "charter" schools to be authorized by local boards, but in fact are merely extensions or appendages of the regular public school and are often in the same building. At this point the only viable market for a true charter school is in the city of Milwaukee and AQS will actively seek to establish a school in that city over the next two to three years.

Michigan is a state in which AQS has not, as yet, actively pursued markets. The state has a liberal charter law regarding the number of charters, but most seem to be operated by local Michigan-based management organizations. The authorizing capacity in the state does allow for non-local district approval of charters, and that fact makes Michigan a potential target for AQS.

The company's addition of a Vice President for New School Development has greatly enhanced our capacity to embark on the sometimes long road of working with local community

people, dealing with political players, working with financial institutions, preparing proposals, working with authorizers, and launching new schools. The addition of a Regional Manager for Indiana has addressed our growing presence there and should the schools in Missouri open, a similar administrative position will be created for that state.

AQS will continue its focus on these key states by not only responding to referrals from other parties, but also by a strategic effort to identify location and community groups that would be interested in working with us to create high performance schools for their children. And finally, the most effective marketing opportunity AQS has is the continued high performance of the schools we operate.

Section V

The American Quality Schools Competition

“Take relish to be found in competition—in having put forth the best within you.”

--Henry J. Kaiser

“Win or lose, do it fairly.”

--Knut Rockne

The American Quality Schools Corporation’s view of competition in the field of educational management organizations is that we welcome it, we monitor it, but we pay minimal attention to it. Competition serves the purpose of keeping our organization from becoming complacent, stale, and lethargic. It gives us incentive to be responsive to market changes, learn and strive for continuous improvement. While AQS is cognizant of competitive EMO’s in the geographic areas in which we operate, their initiatives and operations have little impact upon us as an organization. The AQS position regarding competition is that our fate will rise or fall not on what the competition does, but rather on the quality of our schools and the efficient operation of our own organization. High performance schools and a well-managed organization will, in the long run, be our clear competitive advantage.

The extent and quality of the Educational Management Organization (EMO) competition in our target areas varies greatly. In Illinois no single EMO has yet dominated the market. The management organizations under the umbrella of the Chicago Charter School Foundation are AQS, Civitas, Edison, and Victory. Of these providers, AQS is outperforming the other organizations in terms of student academic growth. The Chicago effort in so-called “turnaround” schools appears to be dominated by the Academy for Urban School Leadership. Turnaround efforts generally have not as yet produced the data to indicate that this is a viable strategy for improving failing schools because the focus has not been on the organizational and community culture changes that are necessary to achieve the desired results. The Chicago KIPP schools have thus far a small presence in the city and have not as yet achieved the positive result or publicity that has benefited that organization nationally.

Our position in Indiana is strong. The achievement of the AQS schools in Gary and East Chicago has established a solid foundation and reputation in that state. Other EMO's in Gary have not fared as well and one is in danger of losing its school due to poor performance. No EMO has established a dominant market share in Indiana and AQS has an opportunity to become the key EMO player in that state.

Missouri presents both opportunities and obstacles for EMO's. The obstacles derive from the fact that the generally poor performance of charter schools in that city has raised questions in the minds of citizens, educators, and government officials as to the value of charter schools as a workable concept. The restriction on charters being possible only in St. Louis and Kansas City also limits the possibilities in that state. The extremely poor performance of the St. Louis public schools, however, has opened new opportunities in that city. The Office of the Mayor and various citizen groups are demanding school improvement and are supportive of new charter opportunities. The superintendent of the St. Louis public schools has also expressed great interest in exploring new models, such as charter or contract schools, to reform the system. In Missouri, too, no EMO has established a dominant market share or reputation that would prohibit AQS from doing well in that state.

The unique Wisconsin charter law has discouraged EMO's from entering that state, since the overwhelming number of charter schools are, in effect, extensions of the public school districts. The state not only has no EMO dominant presence, but virtually no EMO presence at all. AQS has another opportunity in Milwaukee to establish a first EMO presence. The establishment of one quality school there can establish the groundwork for additional schools. There are legislative initiatives being discussed to alter the state's charter law to make charters conform more closely to what is the model in the rest of the country. The road for AQS in Wisconsin will be a long one, with many detours, but our proximity to Milwaukee makes it a target with promise and worthy of time and effort.

Michigan will most likely remain last on our priority target areas. The state already has many charters and two dominant EMO's—National Heritage Academies and Mosaica. This does not mean that there are no opportunities possible, but as yet, AQS is an unknown entity in that state. A comprehensive review of the charter opportunities in Michigan will be undertaken in the year ahead so as to determine what steps must be taken to establish an initial presence in that state.

In each of the above states AQS will explore strategies other than management of official “charter” schools that we might operate. The idea of “contract” schools seems to hold promise to many communities that either labor under charter school “caps” or for political reasons do not see charter schools as viable options. The contract school concept allows the district to still maintain control over the flow and allocation of resources as well as maintain accountability of the school, since the contract school reports directly to the public school administration and school board.

Thus, the long-term assessment of the EMO competition in our targeted areas is promising for AQS. In four of the five states no EMO has established a dominant market share and the AQS record in managing schools that demonstrate impressive academic growth will allow us to offer a school product citizens and government officials are desperately seeking.

Section VI

Threats and Opportunities for AQS

“The pessimist sees difficulty in every opportunity, the optimist sees opportunity in every difficulty.”

--Winston Churchill

Every organization faces threats to its existence and success as well as opportunities for successful growth. Five broad areas can be categorized as threats. These are:

1. *State and/or Federal legislation which could further stop or limit the number of charter schools allowed or eliminate charter schools as a public school option.*

This threat cannot be underemphasized. The majority of the public school establishment continues to look cautiously or unfavorably on the concept of charter schools. Public school administrators and school boards view charters as instruments which drain students and dollars from them, while paying little attention as to why parents are choosing the charter school option. Their reasons are psychological ones as well, since they see charter schools not as vehicles to provide citizens with educational choice, but rather as statements that the schools they operate are failing or inadequate. AQS will increase its involvement in those state and federal organizations whose mission it is to promote positive charter legislation and defeat potential laws that harm the charter school idea. A key need is to devise a formula which lessens or eliminates the negative financial impact charter schools have on the remaining district public schools.

2. *Teacher unions will seek to limit charter schools, eliminate them if possible, or failing those options, organize charter school teachers.*

As charter schools become more numerous and show academic success, the unions will target the growing number of charter school faculties as groups to organize. While in some rare cases, unionized charter schools may play some special role, the overall future for charter schools with unionized faculties will, in effect, negate the charter school idea. If choice and experimentation are two key rationales for charter schools, both will be at-risk since unionized charter schools will become indistinguishable from the majority of regular public schools. This union challenge has,

thus far, experienced no success in AQS schools. Our policies of merit pay, financial bonuses, increased benefits that accompany length of service, special teacher gifts and recognition, and faculty empowerment have created a school culture which teachers do not want to jeopardize by union membership. The union threat does present us an opportunity to enlarge on those steps already taken to create a work environment in which union membership has no benefits.

3. *The uncertainty of levels of school funding makes systematic organizational planning difficult.*

Writing this document in 2009 finds the nation in deep recession. Unemployment is high, revenues to all government entities are down, and caution and lack of clarity about the future permeate the country. AQS must respond to this today and in the immediate years ahead by continuing our conservative management of resources, taking great care before taking steps for growth and expansion, and continuously reviewing expenditures to responsibly eliminate those functions no longer appropriate. The organization will increase its monitoring of educational financial legislation in each of the states in which we operate and support those measures which increase school funding in a responsible manner. The opportunity presented by difficult financial times is that of allowing us to continually review our operation so as to allocate resources only to those things which support and enhance our goals and mission as an organization.

4. *Teacher turnover presents a threat to academic student growth as well as to our resources as an organization.*

Frequent turnover means renewed and on-going training on basic AQS philosophy, policies, curriculum, and teaching strategies. Since our schools attract younger teachers, regular life episodes such as marriage, childbirth, and spouse job relocation will undoubtedly continue to affect our operations. AQS will continue to build on initiatives already in place such as better salaries, increased benefits, tuition reimbursement, faculty involvement in decision-making, and other similar things, to create and sustain a workplace environment which will encourage increased long-term commitment to the organization. The AQS policy of promoting teachers from within to higher levels of responsibility is already a positive incentive in this approach.

5. *Increasing compliance regulation and bureaucracy represents another threat to charter schools.* AQS believes all parties educating children and expending tax dollars must be accountable. The accountability should, however, be simplified to three basic concerns on the part of authorizers:

- (a) Are we providing a high level of education for children and demonstrating academic growth?
- (b) Are we being responsible and frugal stewards of public tax dollars?
- (c) Are we operating in a legal and ethical manner?

The amount of paperwork reporting has dramatically increased over the past decade. This has resulted, in part, from the natural tendency of all bureaucracies to standardize procedures; thus, charter schools, in some minds, need to follow all the rules and regulations of every other non-charter school. This, of course, is directly in contradiction to the basic idea which gave birth to the concept of charter schools. And secondly, the poor performance of too many charter schools in the nation has understandably given birth to demands for greater scrutiny of all charter operators which has led to more detailed and voluminous paperwork reporting.

This movement to gradually make charter schools comply with the regulation of all public schools has also impacted the potential teaching pool. A decade ago AQS could legally hire any individual with a college degree to teach in our schools. Today all teachers must be certified teachers or schools are stigmatized and penalized even though the research on the relationship between teacher certification and student academic achievement is by no means consistent, clear, or convincing. AQS will work with appropriate educational organizations to review and perhaps revise the certification requirements for charter schools.

AQS educational opportunities over the next five years are numerous. Certainly the geographic market identified earlier in this plan will continue to present opportunities to start and manage new charter and contract schools. This should and will remain our core business. Other opportunities for managing private schools, preschools, educational consulting, opening and managing specialized tutoring centers, offering quality professional development programs to other schools and districts, and offering financial management services to other independent charter operators are all potential growth areas. These areas, however, are targets for the period

after 2014 and will require careful planning, current organization restructuring, and perhaps the creation of a new companion company to AQS.

Section VII

The Organizational Balance Sheet of AQS

“Knowing yourself is the beginning of all wisdom.”

--Aristotle

American Quality Schools is committed to the concept of continuous improvement. The organization currently possesses many positive aspects and strengths. There are also areas, as well, where revisions and improvements must be made.

The strengths of the organization are many and have allowed for growth over the past decade without sacrificing quality. The educational delivery model in our schools characterized by the Director as school leader and Team Leaders as day to day persons involved in the educational program continues to be successful. Team Leaders are experienced successful teachers whose sole purpose is to guide and assist teachers in the task of achieving student academic growth. Team Leaders have no assigned teaching schedule but rather are in classes every day with the classroom teachers modeling lessons, mentoring, and planning with teams of teachers working collaboratively. They do not function as assistant principals or administrators but rather are the key daily drivers of good teaching and student achievement. This model has also proven to be an effective training ground for individuals to advance to positions as Directors, Regional Managers, and to the position of Vice President as well. The AQS policy of promoting from within the organization when possible has brought continuity to the organization and allows for smooth and effective growth as we have managed an increasing number of schools. Today the organization benefits from an exceptionally strong team of school directors and team leaders. Our focus on the continued use of the Core Knowledge curriculum and the Paideia teaching strategies has allowed us to achieve academic growth with our students without compromising a rigorous curriculum to situations in which students too often come to our schools with inadequate academic preparation.

The AQS teaching staff continues to be one of extremely dedicated and hard-working men and women who genuinely care about children and their futures. Our teachers work a longer school day and longer school year than those in other schools, often are paid less, and yet demonstrate an extremely laudable professional commitment. The organizational culture the

central office, the school administrators, and the teachers have created is a positive one as evidenced by yearly satisfaction surveys and by the few faculty who leave AQS because of job dissatisfaction. The inability of teacher unions to make headway in our schools is yet another key indication of overall teacher satisfaction with AQS as an organization. The AQS performance-based compensation continues to work well, faces little dissatisfaction, and has for the past ten years been at the forefront of a movement only now beginning to attract national interest. The AQS mechanisms for involving teachers, principals, and senior administrators in key decision-making has created an organizational culture of openness, trust, and respect which has resulted in no major organizational problems or conflicts over the past decade of our existence.

The sound financial management of resources has also allowed the organization to function smoothly, face no fiscal crises, and maintain excellent credit ratings with outside parties. The organization has no outstanding debt and, in contrast to other educational entities, anticipates no reductions in force or program containment because of monetary shortfalls.

The central office staff is strong with dedicated professionals who see themselves as agents to promote the smooth operation and academic success of each of our individual schools. From an initial staff of five, the office now occupies two floors in our building and employs twenty individuals.

Relationships with each of our charter authorizers, governing and advisory boards, and the Chicago Board of Education remain positive. AQS works diligently to fulfill compliance with the varied regulations and requirements of each of the school entities. Thus, the totality of the AQS organizational strengths has resulted in a positive reputation for the organization.

No organization is perfect, however, and AQS is committed to the process of continuous improvement in our processes and overall operation. AQS has, as yet, not fully codified and printed an overall policy manual. Policies do exist for academics and business procedures, but others are yet to be written, organized, and printed in an easily accessible format. The decentralization of school budgeting to the Director level is a positive step but continues to need refinement. Directors must receive more timely monthly statements of expenditures and balances so as to be able to make informed educational and financial decisions.

The public “face” of AQS needs to be revised and updated. In this category are included the organizational website, all the AQS promotional printed material, as well as our overall

marketing strategy. AQS has not fared as well as we should in terms of external fundraising and individuals hired to carry out this important function have not been effective. A new internal organizational structure is required to work in this area. The current and projected growth of the organization necessitates a major organizational restructuring with more precisely defined job descriptions and work allocation at the central office, and more appropriate job definitions and reporting relationships throughout the organization.

Professional development of faculty has steadily improved and must continue to do so. A professional development plan which addresses the common purposes of all AQS schools yet recognizes the uniqueness of each of our schools must be written.

The above identified needs are addressed in detail in the section entitled “Controlled Growth and Administrative Structure: 2009-2014.” And finally, administrative and restructuring changes will allow more frequent on-site school visitations by the AQS President and Vice Presidents, which have, due to the press of added responsibilities, been reduced over the past two years.

Section VIII

Controlled Growth and Administrative Structure: 2009-2014

“Thus those people who leave their own customary pursuits and set their hands to matters alien to themselves usually suffer disaster.”

--Aesop, Fables

“You will either step forward into growth or you will step back into safety.”

--Abraham Maslow

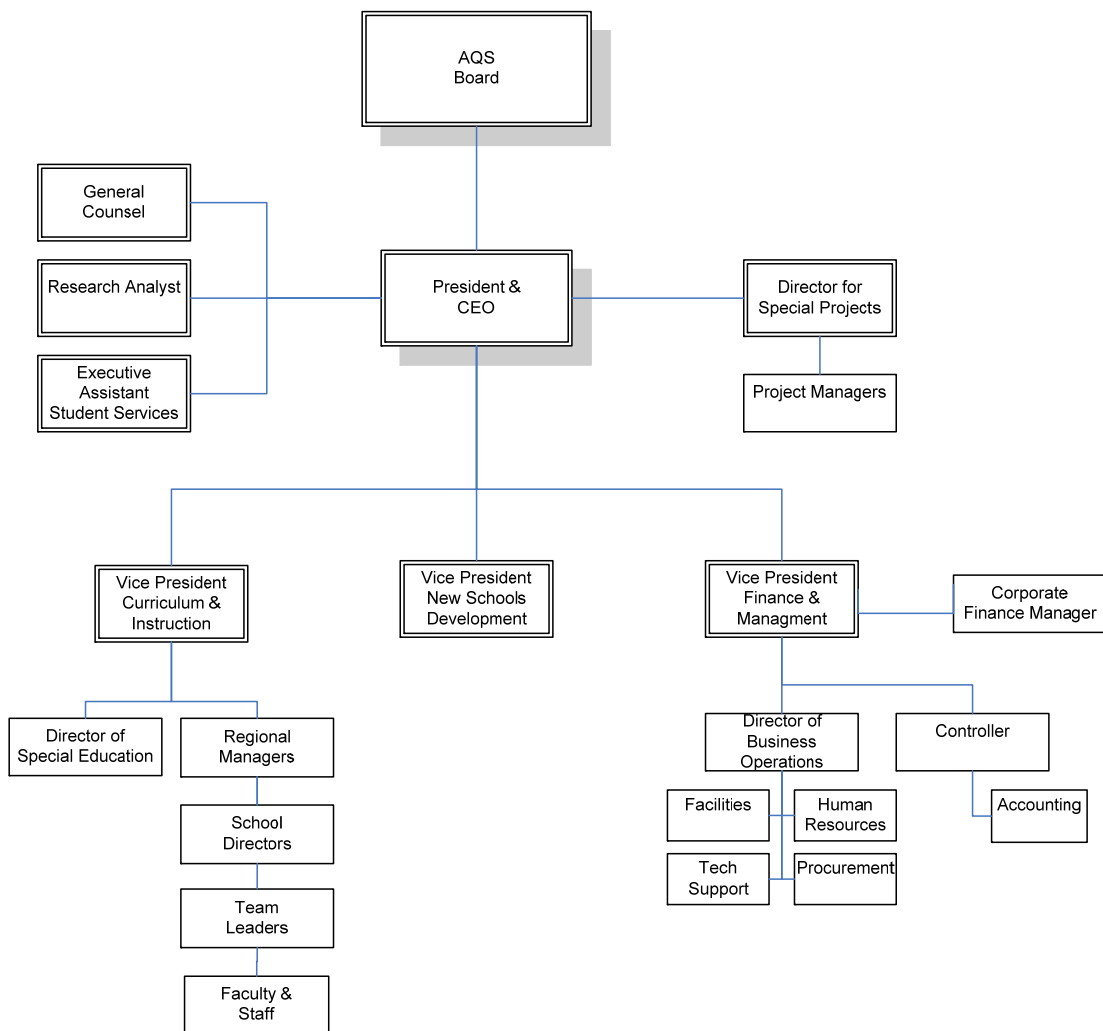
The AQS plan for the years 2009-2014 calls for controlled growth in our core business—the management of charter and contract elementary and secondary schools in our targeted geographic area. The company will neither seek nor accept business opportunities that fall outside the above defined parameters. In the 2013-2014 academic year an AQS task force will begin exploration of other educationally related business opportunities, which, if found to be viable, may result in the formation of a new and separate company under the jurisdiction of the American Quality Schools Board of Directors.

The targeted growth plan for our current core business is as follows:

Academic Year	Location	School Type
2009-2010	South Bend, IN	Elementary
2010-2011	Muncie, IN	Elementary
	St. Louis, MO	Elementary
	Chesterton, IN	Elementary
	Chicago, IL	Elementary
	Rockford, IL	Middle/High
2011-2012	St. Louis, MO	Secondary
	Indianapolis, IN	Middle/High
	Rockford, IL	Elementary
2012-2013	Chicago, IL	Elementary
	St. Louis, MO	Elementary
	Milwaukee, WI	Elementary
2013-2014	Indianapolis, IN	Elementary
	Rockford, IL	Secondary

Thus, in the 2014-2015 academic year, AQS would manage a total of twenty-five to twenty-six schools in our targeted Midwest geographic area of Illinois, Indiana, Missouri, and Wisconsin. AQS will explore, but not actively seek, school management opportunities in Michigan unless unforeseen developments in that state create positive market opportunities during the time frame of this organization plan. The large number of schools projected to open in the 2010-2011 academic year is the result of an unusual confluence of management opportunities that have materialized at a similar time. The organizational changes described below will insure that AQS will have the personnel and resources to successfully open and operate that number of schools efficiently and effectively.

The following organizational changes will allow for effective capacity of the AQS organization to deal with the projected growth in the number of schools managed:



Academic Year 2008-2009

During this year a number of personnel additions were made in response to AQS growth. A full-time Corporate Controller was hired to oversee all the financial accounting, budgeting, and financial reporting requirements. An additional Accountant and an Account Clerk were also hired. An experienced human resources professional, a part-time Regional Manager for Indiana, and a full-time Legal Counsel were also employed. The central office telephone system was reconfigured and a full-time Receptionist was employed. A part-time Grants Auditor and Inter-School Mail Courier was also hired. Major administration changes will become operational on July 1, 2009. These structural changes will result in either totally new positions or new allocations of authority.

This structure will allow for a number of communication and operational efficiencies:

- The “span of control” for key administration has been reduced allowing for closer working relationships.
- The Corporate Controller has clear responsibilities regarding budgets, accounting, and financial reporting and supervisory authority over accountants.
- The functions reporting to the Director of Business Operations are clear and distinct with the elimination of confusing functional overlapping.
- The new position of Vice President for Curriculum and Instruction allows for overall coordination and monitoring of all AQS academic programs in all of our schools in multiple states.
- The addition of a full-time General Counsel addresses the increasing workload and responsibilities the organization now has with lawsuits, contracts, leases, labor law, and general school law issues.
- The position of Executive Assistant to the President of Student Services responds to a growing need to coordinate and enhance our work in the areas of personal and career counseling, student health and well-being issues, high school coordination with colleges, student discipline, social work related activities, and student extra-curricular activities.
- The creation of the position of Director of Special Projects reflects the need for increased work and coordination in public relations, in-house educational materials creation, special events and programs, and the additional responsibility of leading a grant writing team.

It is projected that the above described structure will be adequate to accommodate AQS projected growth until approximately 2014-2015 academic year. Prior to that date, additional support personnel will be hired in the area of accounting, facilities management, human resources, and Regional Managers. In the 2014-2015 year, two major structural changes are anticipated. Two new Vice President positions will be created:

- a) Vice President for Student Services – Thus eliminating the Executive Assistant to the President position and adding the student services portfolio of the additional schools
- b) Vice President for External Relations – This position would handle all the public relations, marketing, corporate printed materials advertising, and government and community relations issues for all of our schools.

The above two functions can be adequately handled with current personnel at present, but the addition of 10-12 new schools in a number of states will require individuals with the experience and capacity to oversee a much larger scope of responsibility.

Each Spring AQS senior administration will review this plan to make potential adjustments according to changed circumstances. During the 2013-2014 academic year, the President of AQS will initiate the process to develop the organization's strategic plan for the years 2014-2019.

Section IX

The AQS Financial Capacity for Growth

“Wealth does not bring goodness, but goodness brings wealth and every other blessing, both to the individual and to the state.”

--Socrates

“He who spends rightly acquired fortune in good deeds may never become exceedingly rich but also, he will never be a poor man.”

--Plato

The American Quality Schools Corporation was founded and remains a not-for-profit educational management organization. AQS operates on the following financial principles, values, and beliefs:

1. The financial resources received by AQS represent public tax dollars and as such our organization incurs a public trust to expend those resources wisely and prudently.
2. The purpose of our financial expenditures is to create the organizational capacity to bring the highest quality of education to the children and families we serve.
3. AQS is obligated to maintain accurate financial records and report financial transactions to the appropriate authorities with the highest level of openness, honesty, and professionalism.
4. It is the policy of AQS to maintain and submit to appropriate authorities balanced budgets at all times.
5. AQS as a not-for-profit organization will never incur expenditures which exceed the available revenues. It is the policy of AQS to maintain this approach and no plans or strategies for organizational growth will alter that posture.

It is a reality in the field of public education that financial projections for school funding are almost always uncertain. Economic conditions and political pressures virtually always impact school funding in every state. Thus, projecting available revenues in multiple states over the next four to five years must remain an exercise in best “guesses” based on past historical

trends. For the purposes of the AQS Strategic Plan for the years 2009-2014 the following assumptions are operational:

1. Taking a conservative view, we project annual 2%-3% increases in revenue and expenditures for all of our schools during this designated time frame.
2. We assume an average 8% annual management fee for each school we operate. This fee may vary according to the specific circumstances of the location and conditions surrounding the opening of each school. In some cases the fee may be as low as 6% and in others will reach 12%. We see no circumstances which will cause the organization to establish a fee structure in excess of 12% over the next five years.
3. We assume that each new school added between the academic years 2009-2010 and 2014-2015 will average 300 students. Our past history indicates that new schools will vary in opening enrollment, but the figure of 300 is appropriate.
4. A best estimate of the additional personnel expenses that will be required to effectively manage a total of twenty-five schools is that we will incur an additional financial obligation of \$500,000 to \$700,000 by the start of 2014-2015 academic year.

The establishment of the American Quality Schools Foundation (501c3) in 2008 will also provide a formal vehicle for the acquisition of additional outside funding in the years ahead.

Academic Year	Staffing Needs
2009-2010	Grants Clerk Accountant Human Resources Director Assistant Director of Facilities Regional Manager Executive Assistant to the President
2010-2011	Regional Manager Special Education Assistant Accounting Clerk IT Tech Assistant
2011-2012	Curriculum Designer
2012-2013	Regional Manager IT Tech Assistant
2013-2014	Regional Manager

The projected AQS management fees for operating the schools will be more than adequate to cover the above identified additional personnel costs. In addition AQS will be able to continue

its current policy of maintaining a reserve fund equal to approximately two months of total AQS salary obligations. Thus, the projected expansion of the organization will in no way have a negative impact on the financial health of AQS and we will continue to remain a fiscally sound entity.

Section X

Six Priorities for Action

“An organization’s ability to learn and translate that learning into action rapidly, is the ultimate competitive advantage.”

--Jack Welch

When asked how he conquered the world, Alexander the Great replied, “By not delaying.”

--Anonymous

During the scope of this strategic plan, a number of initiatives and actions must be taken both to strengthen areas where we are not yet realizing our organizational potential, where experience has led us in a new direction, or simply to advance AQS to the next level of quality. Many of the steps to be itemized below will not be accomplished in one year, but all should be completed by the start of the 2014-2015 academic year.

A. Teacher Recruitment, Quality, and Retention

AQS will continue to utilize teacher fairs as the major vehicles of recruitment of school faculty. Since experience has shown that all of the many fairs are not advantageous in recruiting for AQS schools, a priority list will be identified and those will be attended by AQS personnel. The visual presence and printed material available at these fairs must be dramatically upgraded. AQS should also initiate a formal process to form partnerships with local universities in our targeted states for the purposes of utilizing student-teachers as well as for faculty and administrator recruiting. AQS has now grown to sufficient size which will allow the organization to host our own teacher fair.

Increased efforts will be initiated to identify teacher candidates who will be prepared to adhere to AQS policies, and effectively teach the prescribed curriculum through the organization’s specified teaching strategies. Where possible, interviews should be conducted by an administrator/teacher panel, demonstration teaching should be observed, references checked, and teacher profile/personality tests administered. In all

cases the final selection of teaching personnel will remain with the individual school Director.

The performance-based evaluation rubric has been effective, with few problems in its implementation. The evaluation of “specials” teachers remains an issue and a portfolio model will be created for use in all AQS schools so as to more precisely evaluate and compensate teachers in this category. The evaluation system should also be reviewed by both the Faculty Advisory Committee and the senior AQS administrators for possible needed revisions. This review should be done at least twice prior to the 2014-2015 academic year.

Because AQS schools require longer school days and a longer school year than other public schools, a continuous process must be in place to maintain high morale and retain the best teachers. The current policy of promoting individuals from within the organization will continue, with new teaching and administrative openings posted on the AQS website, initiatives such as stress-free days, increased corporate contributions to employee benefits, special recognition ceremonies and acknowledgements, larger tuition reimbursements, and increased personal days will be explored.

B. School Curriculum and Instruction

The Core Knowledge curriculum and the Paideia teaching strategies will remain the basic foundation of AQS elementary school instruction. This, however, will not preclude the organization from managing schools chartered by other organizations with different curricular approaches which may be more central to that school’s theme or mission. A decade of experience has shown that the original AQS adherence to Open Court Reading and Saxon Math may not be appropriate or effective for all grade levels and for a variety of schools operating in very different communities. The Vice President for Curriculum and Instruction will initiate a comprehensive AQS review of the curriculum to establish what new direction and emphasis should be taken. The No Child Left Behind emphasis of the recent past has had the effect of diminishing the role and importance of social studies, literature, music, and art. To accomplish our stated goals for what constitutes a quality education, AQS will review how these subjects can be best given their proper emphasis in our curriculum.

AQS does not as yet have a general framework for what we believe constitutes a high quality secondary school curriculum. At present, we follow an essentially eclectic approach, picking and choosing from a variety of sources. Our organization will initiate a task-force to explore various approaches and prepare recommendations for AQS adoption.

At all educational levels the AQS teachers' knowledge and effective utilization of the Paideia strategies is uneven and not as effective as it should be. In-depth training and teacher-led demonstration and critiques will be organized as part of on-going professional development activities.

There is also a need to provide specialized professional development for the large number of teaching assistants utilized by AQS. They must be as knowledgeable of the AQS approach to learning as the regular classroom teachers and must be given special attention to their role as facilitators of learning.

AQS committees have done preliminary work on identifying specific "competencies" that should be attained by students at various grade levels. This approach is as important as is the evaluation of subject matter mastery as determined by standardized tests. The committee will continue its work with the goal of piloting a finished model in one or two AQS schools.

Service learning appropriate for various grade and age levels must also be considered an integral part of the AQS curriculum. Policies, models, and methods of evaluation need to be formalized and utilized at all AQS school sites.

C. AQS Budget Development and Financial Policies

The increasing budgeting, accounting, purchasing, and reporting requirements of each entity with which AQS has a contractual agreement will require that financial policies and procedures be thoroughly understood by all school Directors as well as AQS central office employees. Specific job descriptions for all accounting, purchasing, and budgeting personnel should be made available to all key employees, and procedural steps for each financial activity committed to writing and widely distributed. Specific time will be allocated in the summer AQS Management Institute to review all financial functions, policies, and procedures. The work assignments of all accounting personnel will be

reviewed so as to create a distribution of work assignments most conducive to accurate work delivered to the various receiving parities on time.

D. AQS School Organization and Policy Development

Under the revised organizational structure implemented for the 2009-2010 academic year the AQS President’s senior advisory team will consist of the President, Vice President for Financial Management, Vice President for New School Development, Vice President for Curriculum and Instruction, the Corporate Finance Manager, Executive Assistant to the President, and the General Counsel. This group will meet on a weekly basis. The Vice President for Finance and Management and the Vice President for Curriculum and Instruction will adopt their individual meeting schedules with their direct reports. Twice per month the President’s senior advisory team will meet with AQS Regional Managers. The President’s monthly staff meetings will continue. Those asked to attend will be:

1. All AQS Vice Presidents
2. All AQS Regional Managers
3. All AQS school Directors (some via teleconferencing)
4. Director of Business Operations
5. Director of Special Projects
6. Corporate Finance Manager
7. Executive Assistant to the President
8. General Counsel

The monthly meetings will follow this general format:

9:00-10:00	General Business
10:00-11:00	Committee Reports or Meetings
11:00-12:20	Professional development activity or policy recommendation discussions

The AQS President will continue quarterly meetings with AQS Team Leaders and the faculty advisory committee.

A committee structure will be established as study/action groups to follow-up and implement recommendations contained in this strategic plan. General AQS policies to be

recommended to the AQS Board will be initiated and discussed at the monthly staff meetings.

Formal structures will be created to build upon the professional development activities already offered by AQS. The more formalized structures will lead to the creation of AQS as a true “learning organization.” A learning organization is defined as an “organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.” This process will consist of a number of different aspects:

1. A general new employee orientation to AQS as an organization.
2. Summer professional development for new full-time faculty and teaching assistants.
3. Summer professional development for all AQS instructional personnel.
4. A summer management institute for all AQS administrators.
5. The AQS President’s Seminar. This will entail voluntary participation of any AQS employee. Participants will be asked to read one assigned book each semester which will culminate with one discussion group session each semester dealing with the group reading. These sessions can be scheduled separately for the convenience of participants in Illinois and Indiana.
6. The AQS Professional Development Institute. This will be a voluntary participation session for AQS faculty on various topics relevant to their daily classroom instruction. Participants will earn points applicable to their final yearly evaluation.
7. The AQS Parents University. This will consist of programs relevant to the AQS curriculum and general good parenting practices. Parents with regular attendance and active participation will be able to earn meritorious parenting awards such as gift cards and cash awards.
8. The AQS Kids College. This program will offer summer enrichment classes and activities for all AQS students, but with a special emphasis on higher achieving students.
9. The weekly Wednesday AQS school professional development programs. These will be a continuation of what are now standard aspects of an AQS school where

students are dismissed early so as to allow time for faculty professional development, planning, and committee meetings.

The sum of the above offerings will create an atmosphere and opportunities for continuous intellectual stimulation and the injection of new thinking into the organization.

E. School Climate and School Culture

AQS must develop an organizational culture model which effectively supports the overall organizational goals. A task force will be organized to create instruments to measure and identify both the overall corporate culture and also one to function as a culture and climate audit for each individual school. There are already particular things which are common to all AQS schools that are positive. Those must be transferred to each new school we acquire while at the same time allowing for each school to create and maintain its own unique identity.

F. AQS Brand and Marketing

The goal of becoming the dominant educational management organization in the Midwest requires focused attention as to how we brand and market the organization. AQS will embark on a process to “position” itself as the leading EMO that manages successful schools. This will be done through a planned multi-faceted campaign which will coordinate all printed, radio, television, website, and video avenues to convey a unified theme and message about the company, its values, and its academic successes. The branding of the company must not only be focused on external audiences but equally targeted to AQS employees, our students, and the parents whose children we serve.

Over the next five years, the above identified actions will collectively move the entire AQS organization to the next level of competence, achievement, quality, and recognition.

Section XI

AQS Management Succession

“When the root is firm the branches flourish.”

“A good foundation guarantees success and longevity.”

--Chinese Proverbs

Every organization must look beyond individuals and personalities to insure its long-term viability. While at this writing the founder and President of AQS, Michael J. Bakalis, and the Vice President and Chief Financial Officer, Vito C. Bianco, have announced no plans to step down from or retire from their current positions, succession plans have been discussed with the American Quality Schools Board of Trustees. Mr. Bakalis has expressed to the Board his recommendation for the process to be followed should he vacate his position and the Board has adopted those recommendations. Since this information pertains to personnel matters, it remains confidential until such time when it becomes appropriate to activate that policy.

Section XII

AQS Benchmarks for Success: 2014-2015

“The world makes way for the man who knows where he is going.”

--Ralph Waldo Emerson

“Once you say you’re going to settle for second, that’s what happens to you.”

--John F. Kennedy

Strategic plans are mere words without yardsticks of success and accountability. Given the many unforeseen contingencies, the AQS successful implementation of this plan will be judged successful if the organization:

1. Demonstrates, through data, academic growth of all AQS students and identifiable progress in closing the academic “achievement gap” between students of different racial, ethnic, and socio-economic backgrounds.
2. Maintains financial stability with adequate cash reserves to cover a minimum of two months expenses.
3. Has established an AQS organizational presence in at least four of the five targeted states.
4. Has school and community survey data indicating 85%-95% student, parent, and teacher satisfaction.
5. Manages schools maintaining a 100% graduation rate at the elementary school level and a 90%-95% graduation rate at the secondary school level.
6. Experiences teacher yearly voluntary turnover rates of no more than 5%.
7. Has increased public visibility through multi-faceted public relations and marketing plans.
8. Has student waiting lists for enrollment at each school based on the academic success of the school and the reputation of AQS.
9. Has created and maintained an internal organizational structure that efficiently supports the schools and has high internal and external customer satisfaction.
10. Has secured the dominant position as the largest and most successful educational management organization in the Midwest.

The achievement of these benchmarks will be the foundation upon which the next phase of development for American Quality Schools can be built.

Section XIII

Conclusion: The Task Ahead

“It is not the strongest of the species that survives, nor the most intelligent, but the ones most responsive to change.”

--Charles Darwin

“Success comes before work only in the dictionary.”

--Anonymous

The strategic plan for The American Quality Schools Corporation charts an ambitious and achievable roadmap for the organization. For the first decade of existence a consistency of purpose and a disciplined focus has been a formula for successful growth. Holding steadfast to our core business of managing charter and contract schools has resulted in a gradual expansion of our ability to provide a good education to so many children who would have not had such an opportunity before. Our plan to grow even further is not for the sake of growth alone. A large number of mediocre schools would do a grave disservice not only to students, but to our organization as well. As was stated earlier in this document, our goal must be controlled growth with quality.

The steps and actions needed to achieve the goals we have outlined are numerous and will take the concerted effort of many to be achieved. At the end of this report, a scheduled timeline for taking the key action steps outlined in this report has been included.

The first ten years of AQS journey has been an exciting and rewarding time. To see what can be achieved, often in the most challenging environments, when dedicated and caring men and women work together has shown what the best of the charter school movement can be. It is with this inspiring foundation that The American Quality Schools Corporation looks forward to this next phase of operation, holding firm in Horace Mann’s belief that the public schools could be the “great equalizers” of opportunity in American society.

Action Timeline and Responsibility

The contents of this strategic plan call for action on a number of areas and topics. The following chart depicts the major ones identified in this document along with starting dates and in some specific instances completion dates. Where completion dates are established as “2014” it signifies that the activity is an ongoing one from the beginning date of “2009.” This is not meant to be a complete or comprehensive list of actions to be taken. Obviously, unforeseen events and circumstances may alter the dates or the importance of the identified action. And often, taking action on one item may lead to other steps that are not identified here.

It will be the responsibility of the AQS President to oversee and coordinate the action steps described in this strategic plan and to make scheduled reports on the progress of implementing these action items to The American Quality Schools Corporation Board of Trustees.

The AQS 2009-2014 Action Plan

Action Item	Start Date	Completion Date	Person or AQS Unit Responsible
1. Vision and Mission statements & school process	2009	2010	Dir of Special Projects, School Directors
2. Impact charter laws & certification laws	2009	2014	President, Vice Presidents, General Counsel
3. Teacher retention	2009	2014	President, Vice Presidents, School Directors, Faculty Advisory Committee
4. Customer Satisfaction data	2009 (Yearly)	2014	Dir of Special Projects
5. AQS Policy Manual	2009	2010	AQS Policy Committee, VP Finance
6. Accurate & timely budget reports	2009	2010	VP Finance & Management, Dir of Business Operations, Corporate Finance Manager, Corporate Controller
7. Updated job descriptions and HR Policies & Procedures	2009	2011	VP Finance & Management, Dir of Business Operations, Dir of Human Resources
8. AQS Public Relations materials	2009	2010	President, Dir of Special Projects
9. All AQS Professional Development plan	2009	2010	VP Curriculum, School Directors, Team Leaders
10. Administrative restructuring	2009	2009	President, Vice Presidents
11. Acquiring new schools	2009	2014	President, VP New Schools Development, VP Finance, General Counsel
12. Grant writing	2009	2014	Team led by Dir of Special Projects
13. AQS Foundation	2009	2014	Foundation Board, Executive Director
14. AQS Teacher fair	2010	2014	Dir of Special Projects unit
15. Teacher education university partnerships	2010	2011	VP Curriculum & Instruction, Regional Managers
16. Teacher candidate screening	2010	2014	Dir of Human Resources, Dir of Special Projects
17. AQS curriculum review	2009	2011	VP curriculum & Instruction, Regional Managers, School Directors
18. High School curriculum	2009	2011	VP Curriculum & Instruction, Regional Managers
19. Training & professional	2009	2017/2014	VP Curriculum & Instruction, Regional Managers,

development for teaching assistants			School Directors, Team Leaders
20. Developing academic competence model	2009	2014	VP Curriculum & Instruction, AQS Committee
21. Develop Student Services handbook	2009	2010	Executive Asst to the President
22. Finance & budgeting training	2009	2014	VP Finance, Corporate Finance Manager, Corporate Controller
23. Development of AQS orientation	2009	2010	Dir of Human Resources, AQS Team
24. Summer academy of professional development	2009	2014	VP Curriculum & Instruction, AQS Committee
25. Summer Management Institute	2009	2014	President, VP Finance, VP New Schools Development, Director of Business Operations
26. AQS President's Seminar	2009	2014	President, Executive Asst to the President, Dir of Special Projects
27. AQS Faculty Professional Development Institute	2009	2014	President, VP Curriculum & Instruction, AQS Committee
28. AQS Parents University	2009	2014	Special Projects Unit, Executive Asst to the President
29. AQS Kids College	2010	2014	Special Projects Unit
30. School climate & culture audit	2009	2010	VP New Schools Development, AQS Committee
31. AQS brand & marketing	2009	2014	President, Executive Asst to the President, Dir of Special Projects
32. Management succession process	2009	2010	AQS Board of Trustees
33. Measuring Strategic Plan success	2009	2014	President, AQS Evaluation Team, AQS Board
34. Monitoring of Actions on Strategic Plan	2009	2014	President, Executive Asst to the President, AQS Board