

SMALL BUSINESS

Going to College? First, Go to the Web

Online Start-Ups Offer Admissions Counseling for Less

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 large-

ly, 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

Advice for \$70 in a field where \$3,000 in fees is not unusual.

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.

Hormel Profit Falls in Quarter As Costs Erode Gains in Sales

By Bloomberg News

The **Hormel Foods Corporation**,

ceeded their expectations."

In the company statement, Mr.

Railroads to Shift Traffic

VANCOUVER, British Columbia, Nov. 24 (Reuters) — **Canadian National Railway and Union Pacific Railroad** struck a deal Wednesday to speed the interchange of freight traffic and ease congestion.



Stephanie Diani for The New York Times

Gregory Waldorf and his mother, Toby Waldorf, started Destination-U.com, an Internet company that helps match students with colleges. The start-up is one of several that advise college-bound students.

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."

Firms Asked for Data on College Savings Plans

By Dow Jones/AP

American Funds and Edward Jones & Company are among the financial firms that have been asked to provide information to regulators conducting an examina-

Sales and disclosures of investments are under scrutiny

plans, instead of in-state plans with better tax benefits.

Mary Schapiro, vice chairwoman of NASD, has said that an initial review found that up to 90 percent of 529 sales at certain