

Entrepreneur

## Sprout plans: Little Sprouts Child Enrichment Centers Inc.

Early childhood education center operator aims to expand nationally

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ANDOVER -- As a 5-year-old, Susan Leger-Ferraro knew she wanted to be a teacher. During the subsequent years she could often be found baby-sitting for free in her Methuen neighborhood, and upon graduating from high school, the independent 17-year-old opened Susan's Playpen -- her first day-care center -- and ran it out of a rented duplex.

Since then, Leger-Ferraro, 42, founder and CEO of Little Sprouts Child Enrichment Centers Inc. (she dropped the name Susan's Playpen in 1986) has open six early childhood education centers in Andover, Haverhill, Lawrence, Lowell, Methuen and Westford. They serve children from ages 4 weeks to 6 years.

The business also has grown to include programs for school-age children, teenagers and adults.

The Andover-based company is profitable and grew to \$5.5 million in revenue in 2006 from \$4.4 million in revenue in 2005. In 2007, the 200-person company projects it will jump to about \$6 million to \$7 million in revenue with new facilities on the horizon.

In September 2006, Little Sprouts received its second Early Reading First grant for \$3.5 million from the U.S. Department of Education, which will fund a literacy project for 260 Little Sprouts preschoolers. Last month the business won a competitive bid to establish a "preschool of excellence" at Roxbury Community College.

Leger-Ferraro is serious about expansion and is currently seeking an investment of between \$3 million and \$5 million to enable Little Sprouts to open three to five facilities each year with plans to take the brand outside Massachusetts and expand nationally.

"We want to become the educational model in early education -- that's our goal," said Leger-Ferraro.

When Leger-Ferraro launched her business in 1982, the teenager found she couldn't quite cut it paying the rent on the duplex where she lived and worked, and needed to rethink the financing of her startup.

"I was starving -- I was living off SpaghettiOs," said Leger-Ferraro. "Very quickly I learned that I needed other resources to do what I wanted to do. So at 17 I contacted the Small Business Administration."

The SBA gave Leger-Ferraro some simple and sage advice: Avoid paying rent and save as much as possible. So she moved back home with her parents for 15 months and operated the business from there. She managed to save \$12,000, more than enough for a down payment on a house in the 1980s. Leger-Ferraro found a house that she loved for \$55,000, but when it was appraised the value was \$53,000. The bank told her in order to get the loan, she needed to get the owner to make some improvements to bring up the value. Instead, Leger-Ferraro took her father and boyfriend over to the house and spent the weekend painting the house green with white trim.

"(The owner said) 'Honey, you don't even own the house!' I said, 'I have to paint it for them to give me the money,'" said Leger-Ferraro.

Leger-Ferraro did purchase that home and two years later sold it for \$110,000 and then bought her first commercial property in Methuen.

While the 1990s were a phase of expansion for Little Sprouts, Sept. 11 proved disastrous for the Little Sprouts facility in Lowell. Located in a high-rise, the center faced a multitude of bomb threats and posted losses for several years after that. Little Sprouts was forced to cut about 17 employees.

"That was probably the most discouraging time from a business perspective," said Leger-Ferraro, a divorced mother of three sons. "During that time we battened down the hatches. We started looking for other grant funding sources."

She discovered the Early Reading First grants. The company has received two of those grants for a total of \$5 million. In total, her company has raised \$8 million in grants and about \$1.5 million in



Sandie McDade-Allen  
Susan Leger-Ferraro,  
president and CEO of Little  
Sprouts Child Enrichment  
Centers, runs a family  
business with sisters Krysta  
O'Neill, COO; and Melissa  
Leger, CFO.  
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SBA loans to fund its programs.

"She's exuberant. She has boundless energy and she is very shrewd at hiring good people," said Marilyn Jager Adams, chief scientist at Waltham-based Soliloquy Learning Inc., who has known Leger-Ferraro for three years.

"My sense is that she came at this mission as much from her sympathy with parents as with her delight with children."

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