

# Little Sprouts, big growth: Child care center hopes merger will lead to national expansion

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LAWRENCE - Susan Legere-Ferraro's dream of going national is about to come true. Or so she hopes. Earlier this month, the president of the early education chain of schools called Little Sprouts announced that her company has merged with a Michigan outfit backed by \$40 million in venture-capital funding.

The goal, she said, is to tap into some of that money to expand the reach of the Little Sprouts' private, preschool education model throughout the Massachusetts and around the country. While Legere-Ferraro called the agreement with American Education Group a "merger," the Grand Rapids-based AEG referred to their purchase of Little Sprouts as an "acquisition." Neither party would reveal the selling price. Both were excited about the possibilities that come with the deal.

Legere-Ferraro said she will remain as president of Little Sprouts, which provides services to more than 1,200 children in schools in seven Massachusetts communities - Andover, Lawrence, Lowell, Haverhill, Methuen, Roxbury and Westford. She said she would also serve as a "partner" in AEG, a company founded a year ago by Pete Ruppert, 44, who at one time in his career ran the National Heritage Academies, a chain of more than 50 for-profit charter schools.

"We're really excited about Little Sprouts," said Ruppert, adding that it's the third acquisition for AEG. Ruppert founded AEG a year ago using \$40 million in venture-capital funding from two companies - Winona Capital Management and Chicago Growth Partners. Last year, the company purchased Barnstable Academy, a private middle/high school in New Jersey, as well as Tampa Day School, a kindergarten through grade eight private school in Tampa, Fla.

Ruppert said AEG picked up Little Sprouts for a number of reasons, but primarily because AEG now is a complete education provider, from preschool through high school. In a statement, Ruppert praised Little Sprouts, which has its headquarters in Lawrence.

"Since opening its doors as a single child-enrichment facility in 1982, Little Sprouts has established a reputation as the leading provider of preschool education in the Boston area while experiencing steady growth," Ruppert said. "Having won numerous awards for its preschool academic programming, Little Sprouts is separating itself from the day care industry and introducing a leading edge academic-development initiative for its students," he added.

AEG also is interested in opening an elementary or grammar school using the same model as Little Sprouts, possibly in the Merrimack Valley, using the existing preschools as feeders. He said he hopes to be able to use the Little Sprouts model as it expands throughout the rest of the country. "Our vision is to become one of the leading national players in the for-profit private school movement," he said.

He said AEG liked Little Sprouts because it was "more than just day care. If it were just a day care operation, we wouldn't be interested." Legere-Ferraro couldn't agree more. In a letter to parents announcing the merger, Legere-Ferraro said, "We consider our management team to be a group of committed humanitarians that believe in the power of literacy: social, emotional, intellectual, spiritual and physical. Little Sprouts believes in the commonality of humanity.

"We embrace that unity is best achieved through celebrating diversity. We currently operate Little Sprouts programs in seven communities, supporting families that reflect 32 cultures and 23 languages from a variety of socio-economic, religious and ethnic backgrounds. We are truly the tribe of humanity." Both Legere-Ferraro and Ruppert stressed that nothing would change at the seven schools, and that plans continue for a new facility in Haverhill.

"Our partnership with AEG will give us the resources and expertise to share the excellence that we know as Little Sprouts with many more communities across the nation," said Legere-Ferraro. "You will see our day-to-day operations and exceptional programming continue as always." "It should be seamless to families, except that you will see more Little Sprouts opening up," Ruppert said.