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Entrepreneur: Rejected idea for Synergis Education leads to venture with \$45M in backing



Norm Allgood, a U.S. Army veteran, started his company after executives at his previous employer ignored his idea.

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Norm Allgood was working for an education company in Indianapolis when he got an idea, but the powers that be wouldn't pay any attention to it. So he quit and started his own company.

The idea came to him when he noticed that some schools offered programs only during the day, while others operated only during evening hours. He thought it would be good to maximize those facilities' uses so they would not be left vacant for so much time every day.

No one seemed interested at first, "but I wouldn't let it go," he said.

He founded Synergis Education Inc. in July 2011, working with universities to fund, establish and grow higher-education programs for nontraditional adult learners. The company has amassed \$45 million in backing from investors who like the idea.

While Allgood got his start maximizing the use of vacant facilities, he is branching out to offer online programs for universities that had only physical campuses, offering blended programs nationwide.

Now, he's helping some of these university clients branch out to offer courses in health care.

During the business's first year, it generated \$1.7 million in revenue. In the second year, it posted more than \$17 million. This year, Allgood expects it to finish in the mid-\$20 million range.

It hasn't emerged from the red yet, but that's by design.

"If we wanted to, we could be in the black," he said. "But we would have to dial back our business development and new program launches, (and) that's not our DNA. We really see huge opportunity in this market in health care and business education and niche programming, but we can't do that if we just stop."

Plus, his investors have given Allgood the green light to continue to expand.

"It's really all about growth at this point in time," he said. "That's not to say we're not watching our funding. We're very good stewards of our cash, and we're not burning cash like others in the marketplace."

Of the company's 170 employees nationwide, 45 work in the Phoenix area. Most are based at its university partners' campuses, helping them grow programs on-site.

As the company continues to sign contracts, it will need to hire more people.

"We're adding 25 to 40 employees a year," Allgood said.

Jobs range from enrollment advisers and student success coaches to IT professionals who write software to digitize content for the company's university partners.

Allgood said the company had three employees in an 85-square-foot office in 2012, and now his offices span 11,000 square feet in the Bank of America building on Alma School Road north of U.S. 60 in Mesa.

The company has nine university partners, including the University of Southern California and Harrisburg University of Science and Technology in Pennsylvania.

Allgood said it's easy to throw stones at the for-profit educational sector. At the same time, that side of the industry has had a hand in reshaping how education is delivered, he said.

"But you cannot discredit the fact that the for-profit industry woke up the sleeping giant," he said. "They woke up Arizona State University, they woke up USC and they woke up all these other institutions that said, 'You know what? You can deliver your degree programs in much different ways.'"