



Opportunities  
Exchange

# Taking Control of your Child Care Business

*Why Child Care Management Software is a  
Tool Child Care Centers Can't be Without*

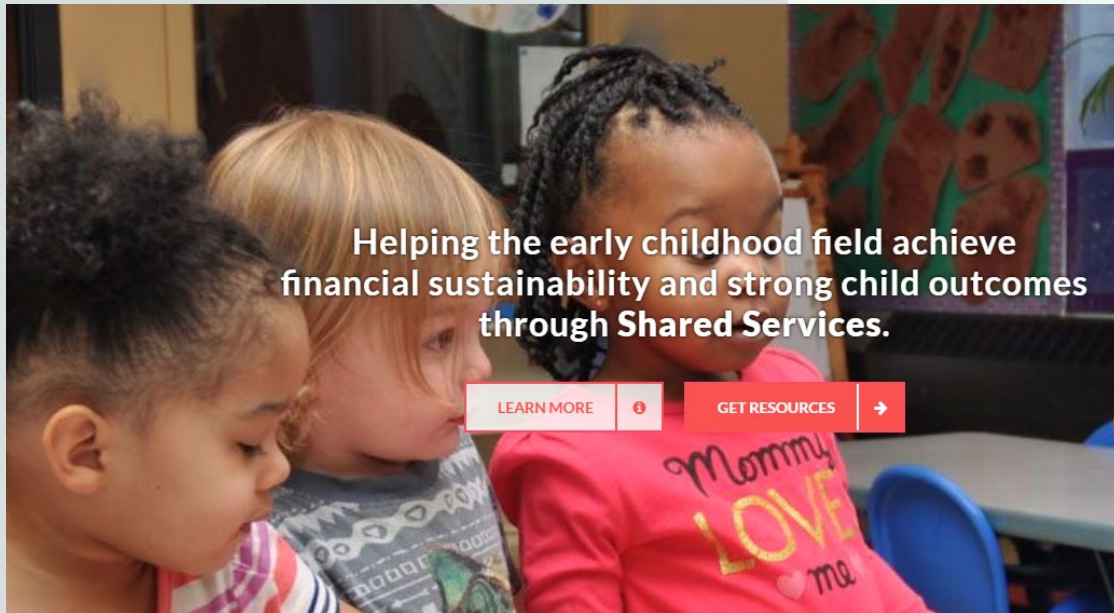
*Presented by Sharon Easterling and Christina Goodwin*

*For Let's Grow Kids | May 4, 2021*

# Opportunities Exchange: *Transforming the Business of Early Care and Education*

## What We Do

- Shape public policy and public financing in ways that incentivize high quality, sustainable care for young children
- Provide technical assistance to early childhood stakeholders who want to develop new, sustainable business models





# We Believe

- Every director deserves an administrative team.
- Every teacher deserves pedagogical leadership.
- Every child deserves a reflective teacher.



# Introductions



Sharon Easterling  
*Consultant, Opportunities Exchange  
NAEYC Affiliate Director, Preschool Teacher/Director*



Christina Goodwin  
*Director, Pine Forest Children's Center  
Preschool Teacher/Director...*

# Pathway to Quality



- Child Development expertise
- Classroom coaching
- Teacher supervision
- Instructional leadership
- Child Assessments

- Full enrollment
- Fee collection
- Cost-per-child, by age
- Fundraising
- Reporting
- Regulatory compliance



# Business software changes your role...

FROM



TO



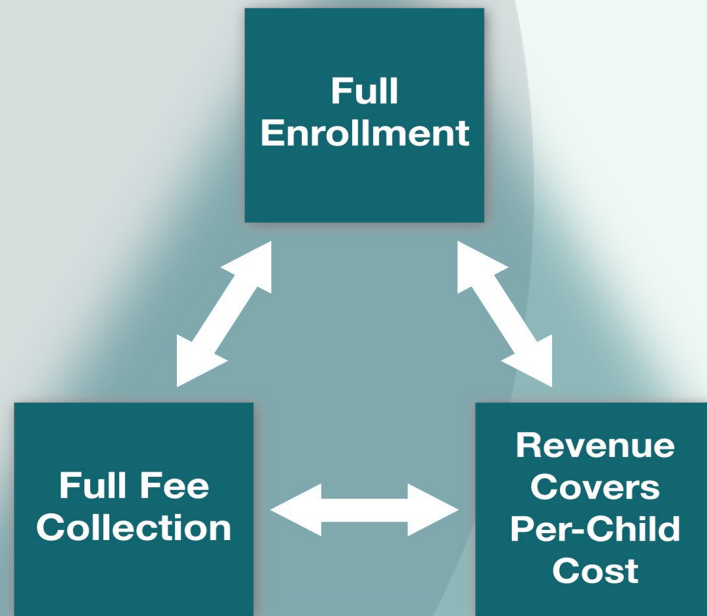
An Administrator who spends hours on tasks that could be done effortlessly through automation.



A Business leader who uses data + information to understand her business and how decisions affect her bottom line.

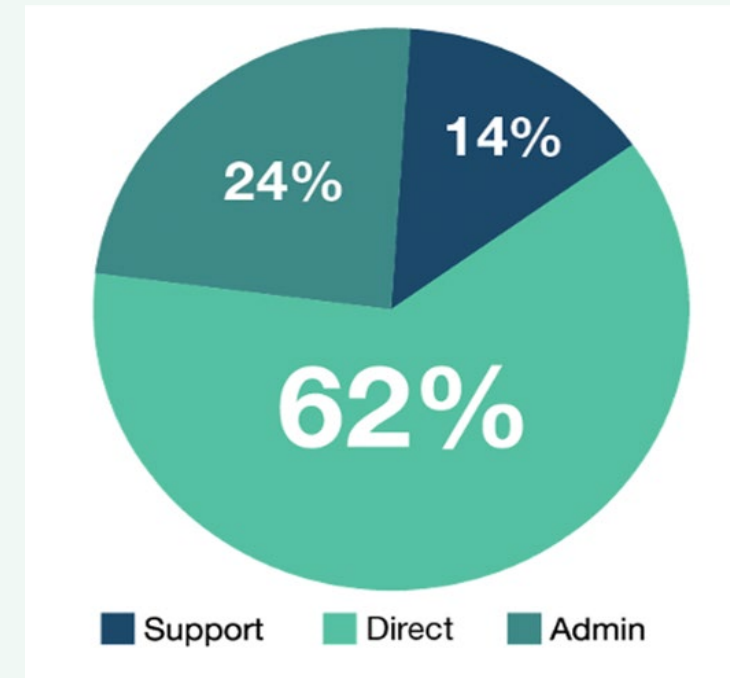
# Metrics that Matter

## Iron Triangle



## Administrative Overhead

Child Care Center Personnel Expenses



**Successful child care businesses manage the Iron Triangle and keep administrative costs low**

# Business software changes your role...

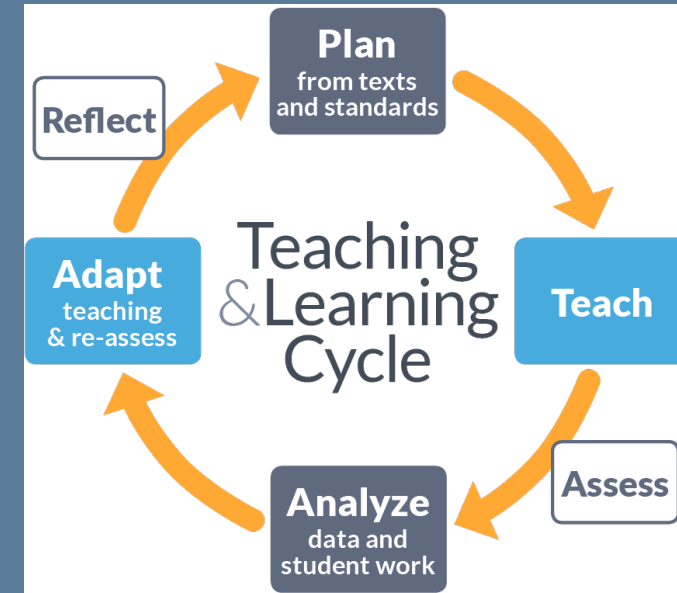
FROM



TO



An Office Manager who chases paper to document PD hours, track child assessment data, and schedule parent-teacher conferences

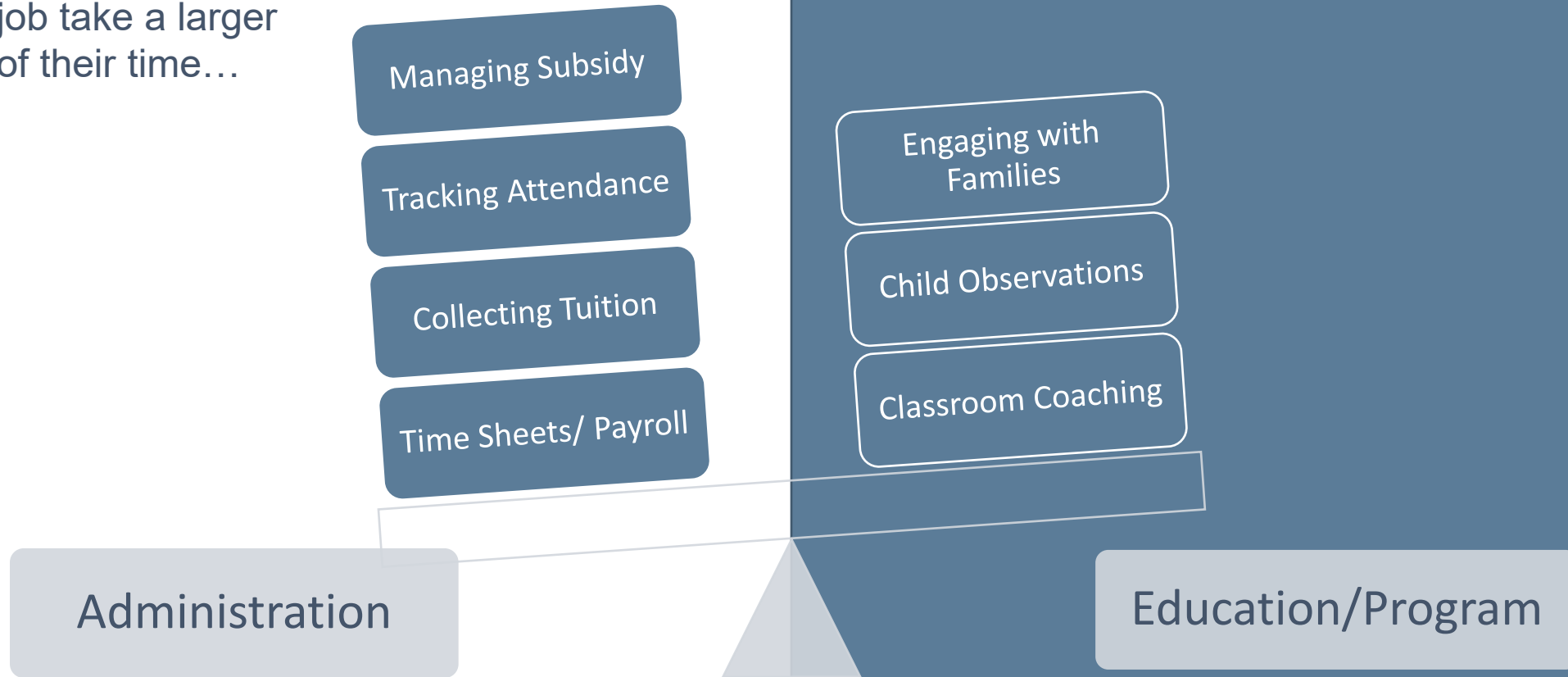


A Pedagogical Leader who spends time with staff and families to support and sustain program excellence



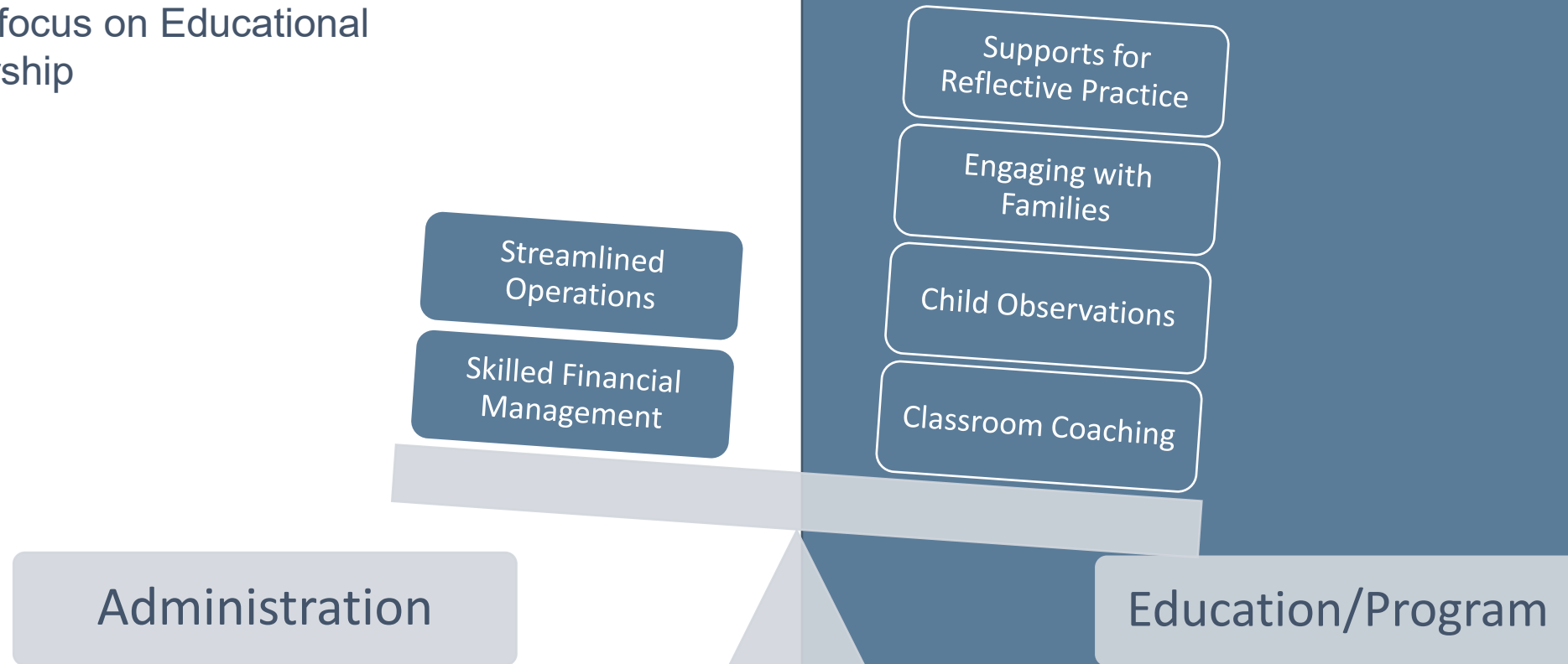
# Why Business Automation Matters

Directors **want** to Focus on Educational Leadership – but the Administrative demands of the job take a larger share of their time...



# Why Business Automation Matters

Effective use of business automation tools reduces time spent on operations and **puts hours back** into the Director's day to focus on Educational Leadership



# Automation Makes it Possible

By harnessing the power of technology:

- Automate **processes** – focus on **people**
- Spend less time **collecting** data – and more time **understanding** and **using** data



# **Business Leadership**

*How CCMS puts business data in your hands  
to help you make decisions*



# Taking Control

## What You CANNOT Control

The economy

The Covid-19 pandemic

Family wages/affordability

Overall demand from families

Competition from other ECE programs that are currently open

....and much, much more....

## What you CAN Control

Your program's financial health

- Pricing, fees, collections
- Hours, ages, # classrooms, staffing
- Marketing/enrollment
- Expenditures – for administration, classrooms, supports
- How you communicate
  - Maximizing technology (for families)
  - Data-driven (for policy makers)

**Child Care Management Software helps Directors plan for ACTION rather than REACTION**

# Measurement is the First Step

*If you can't measure something, you can't understand it.*

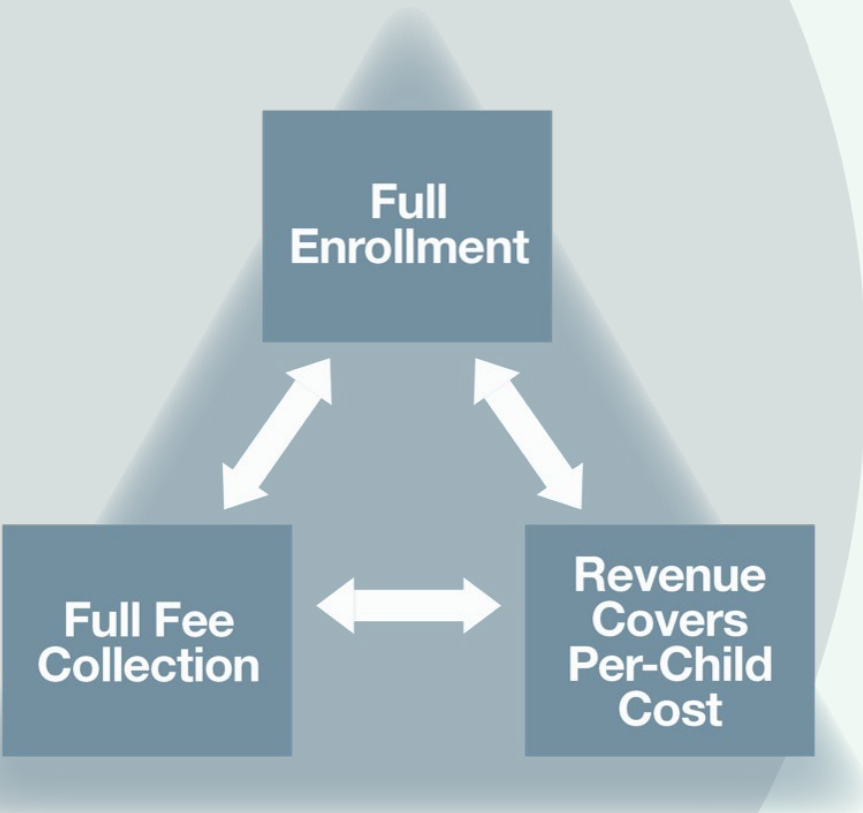
*If you can't understand it, you can't control it.*

*If you can't control it, you can't improve it.*

James Harrington  
Management Consultant

- What are the key measures that determine our financial health?
- How well are we meeting them?
- What keeps us from meeting them?
- Are we strong enough to be around for the long term?

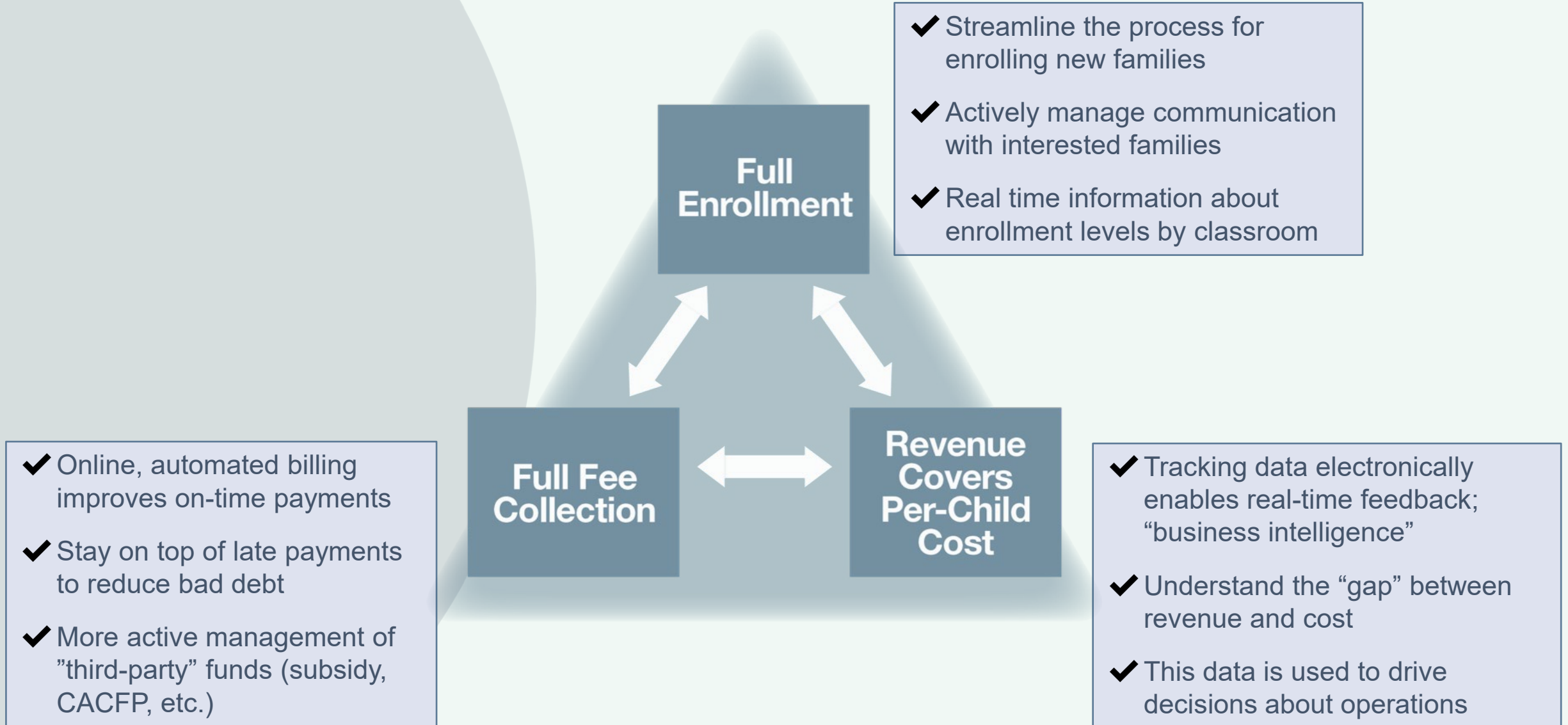
# The Iron Triangle of ECE Finance



- How much money is **owed** to you that you haven't collected?
- How **fully** enrolled are your classrooms?
- Is your **price** roughly the same as your **cost**?
- What percent of your personnel costs are going to **administrative overhead**?

**If you can't answer these questions -- CCMS can help.**

# Automation + the Iron Triangle

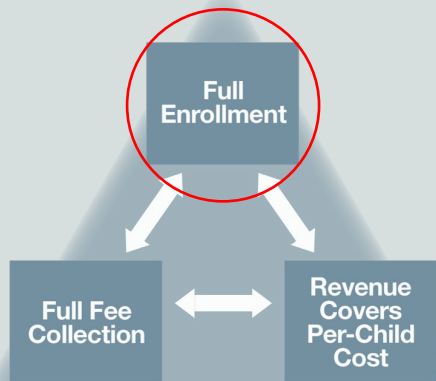




# Tracking Enrollment

What is my staffed capacity for each classroom?

How full is each classroom?



## Happy Kids Weekly Vacancy Report

Classroom	Ages	Licensed Capacity	Staffed Capacity	FTE Enrollment	FTE Vacancy	% Enrolled vs. Capacity	Monthly Revenue per child	Annual Projected loss/vacancy
Bumblebees	6 wks-12 mos	8	8	8	0	100%	\$950.00	\$0.00
Grasshoppers	12 mos-2 yrs	15	12	11	1	92%	\$850.00	\$10,200.00
Ladybugs	2-3 yrs	16	16	14	2	88%	\$825.00	\$19,800.00
Caterpillars	3-4 yrs	20	20	18	2	90%	\$768.00	\$18,432.00
Butterflies	4-5 yrs	20	20	19	1	95%	\$768.00	\$9,216.00
After School	5-8 yrs	24	24	15	9	63%	\$512.00	\$55,296.00
Total		103	100	85	15	88%		\$112,944.00

Enrollment Rate

# Action Planning

## Analysis:

Vacancy Reports show a pattern of low enrollment in school-age classrooms, which, if not checked, will threaten the center's viability.

Is it possible to fill these rooms? What have we tried?

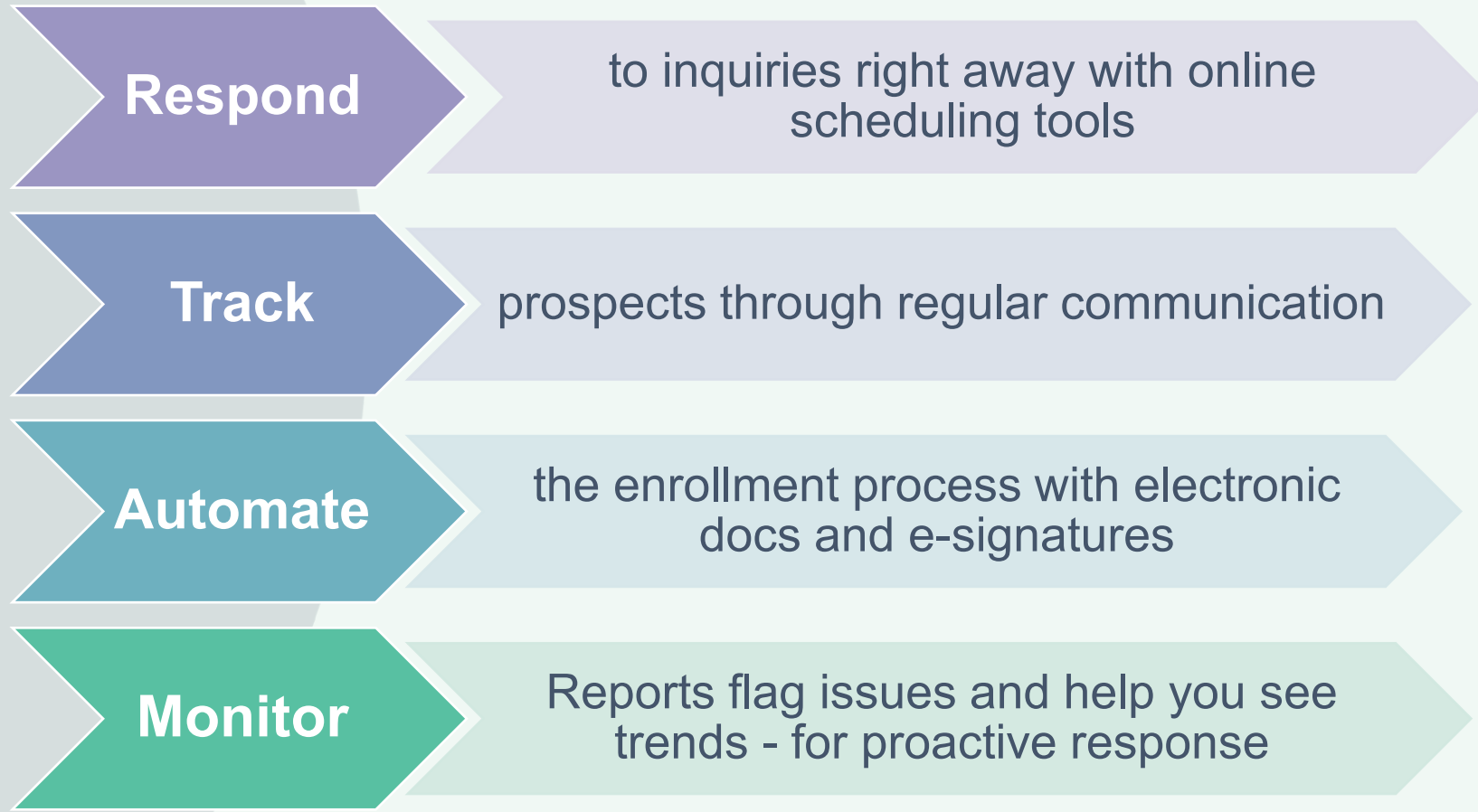
- Plan
- Implement. Review.
- Revise if not effective.

## Possible Strategies:

- Increase marketing efforts
- Close School age classroom
- Review number of SACC families with siblings in other classrooms. Will closing SACC have ripple effect?
- Lower price to attract more families
- Create incentives for current families to identify additional enrollees
- Explore staff reductions that comply with licensing

# Full Enrollment

## How CCMS supports Full Enrollment

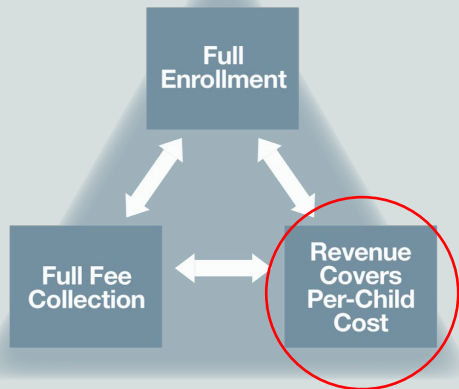


**Fill empty seats faster – keep revenue more consistent**

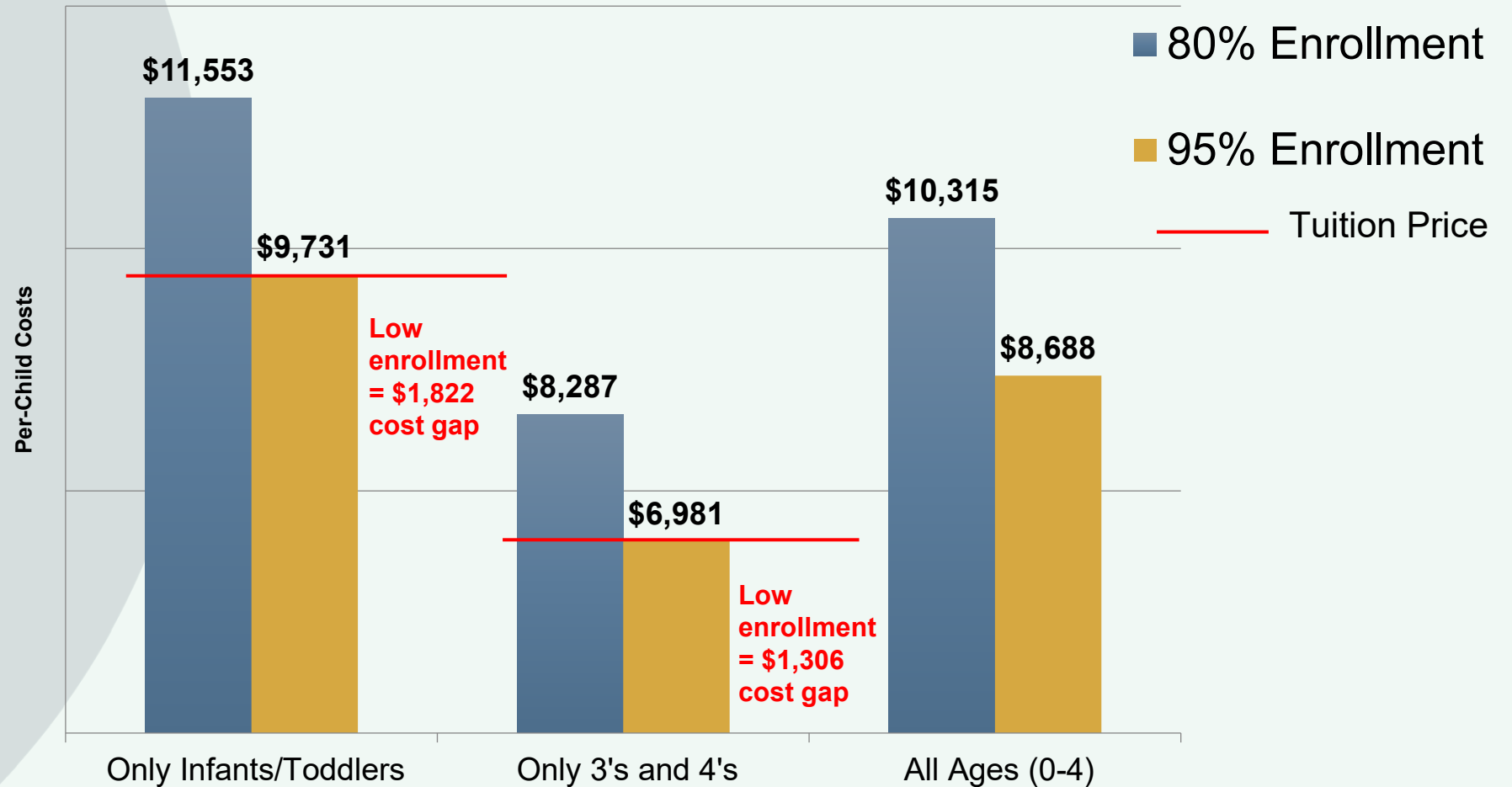
# Tracking cost per child

What is the actual cost of providing service in each classroom?

How much revenue am I actually collecting?



## Child Care Center Per-Child Cost Enrollment Levels and Age Mix





# Action Planning

Report on per child cost, by classroom:

Analysis:

- Enrollment rates have a dramatic impact on cost
- “Per child loss” – extended over a year – is not sustainable

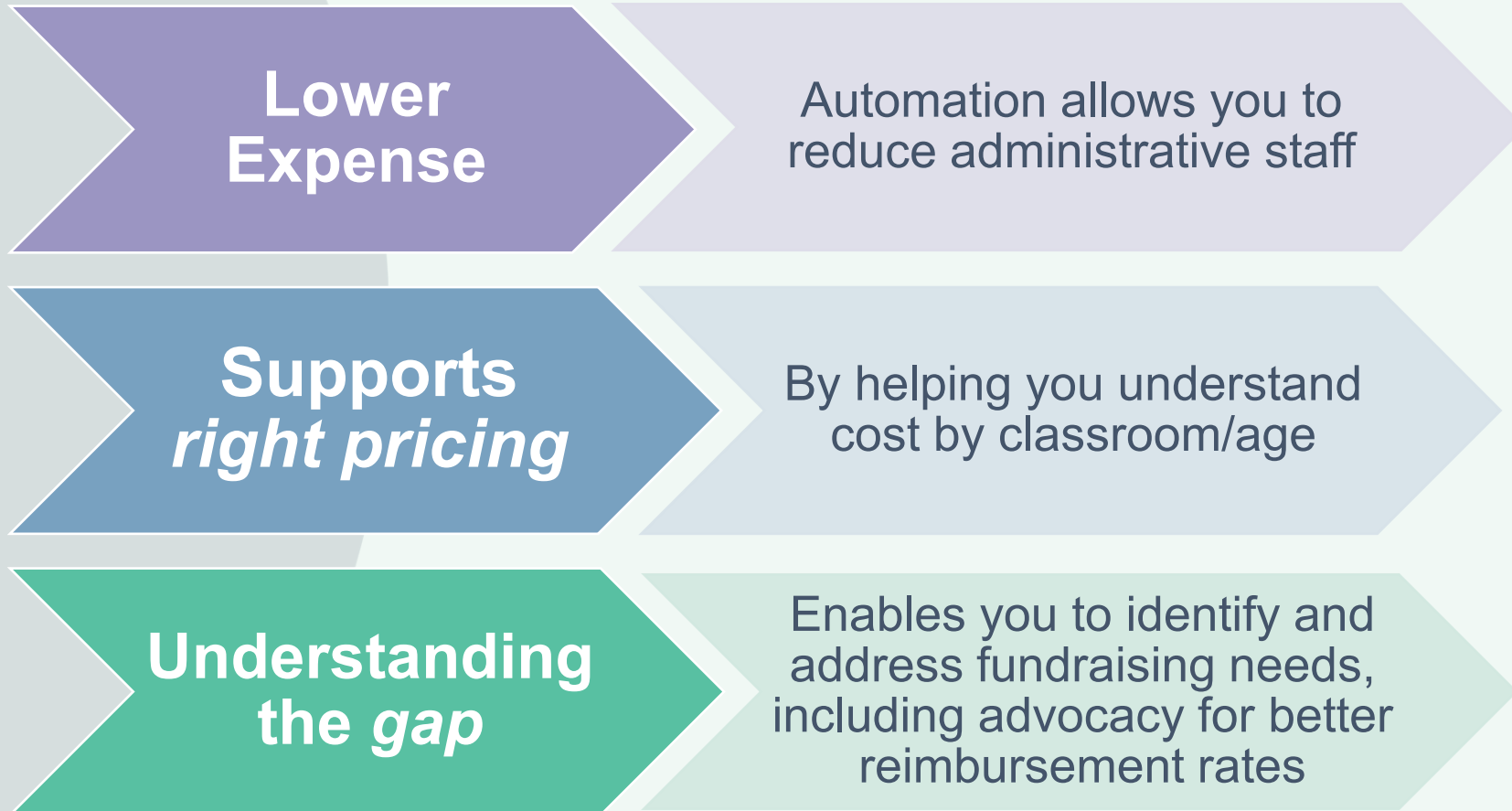
Is there a way to close the gap between what it costs to provide the service and what is collected?

Possible Strategies:

- Boost enrollment to 95%
- Raise tuition for private fee paying families
- Raise third-party funds (grants, fundraising events, sales, etc.) to cover the gap
- Re-configure classrooms and reduce staff to reach full enrollment
- Possible reduction in costs through lower administration rate

# Revenue Covers Cost

How CCMS supports revenue covering cost

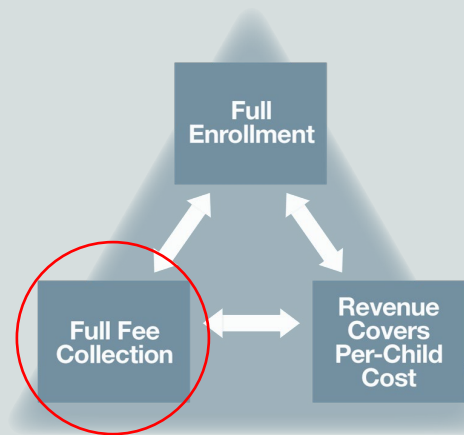


**Fill empty seats faster – keep revenue more consistent**

# Tracking Collections

What is the status for each source of revenue in my programs?

What is my rate of bad debt?



Aging Report: who owes, how much, and for how long

Account Name	0-30 days	31-60 days	61-90 days	91+ days	Total
Adams	450	450	450	1350	2700
Brown	450	450	0	0	900
Castillo	0	0	0	0	0
Dunbar	450	0	0	0	450
Evans	0	0	0	0	0
Franklin	450	450	450	0	1350
Gutierrez	0	0	0	0	0
Totals	1800	1350	900	1350	5400

# Action Planning

Aging Reports help you stay on top of money owed to you, Accounts Receivable.

- The older the debt – the less likely you will be able to collect.

Analysis:

- Most of the bad debt comes from a few accounts
- Getting accounts caught up as soon as they start to “age” is the best strategy

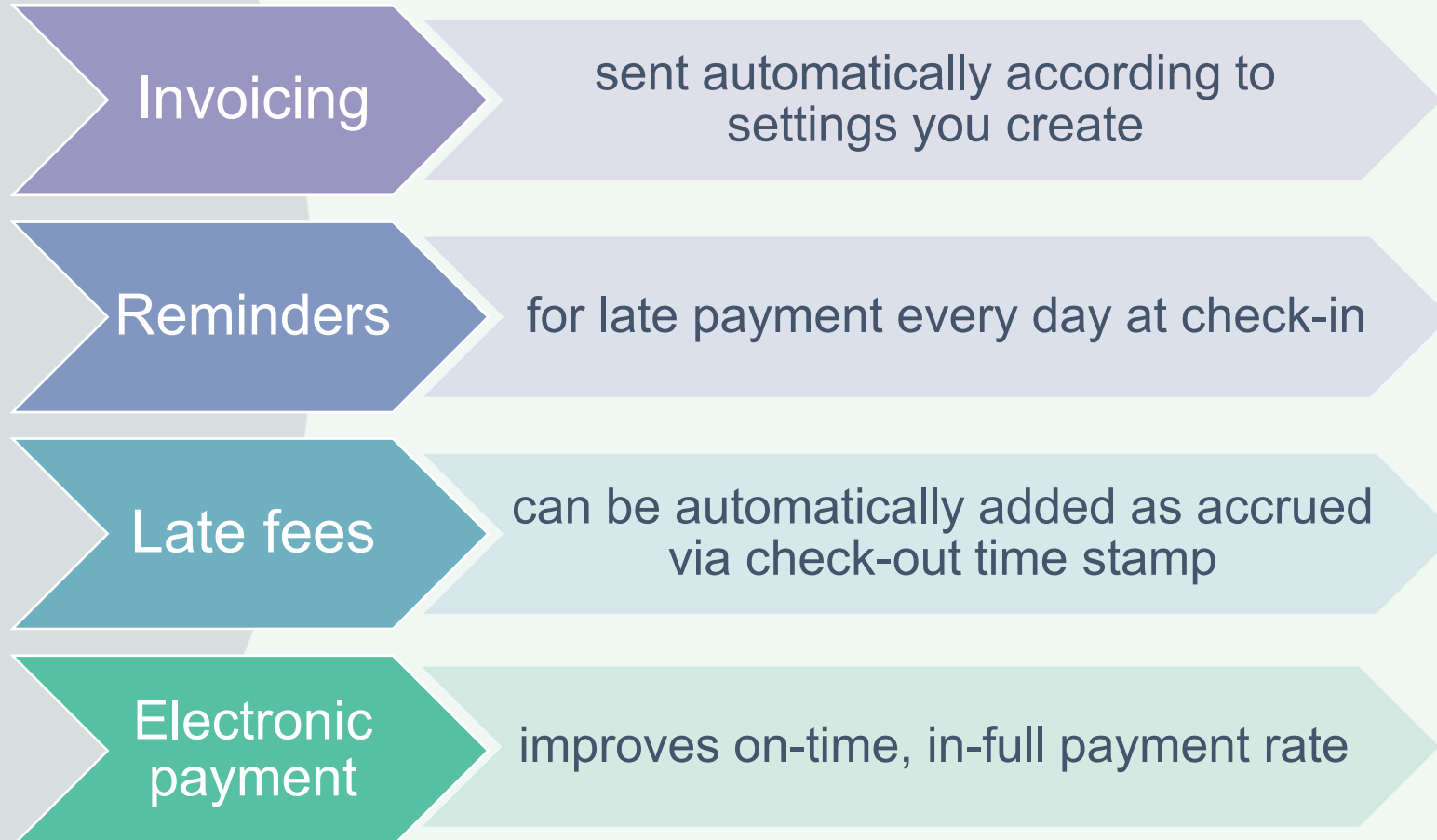
Possible Strategies:

- Keep families informed of their payment status in a timely way
- Focus on not letting bills pass the 60 day mark
- Review your family handbook for collection policies; update if necessary and enforce consistently
- Review policies for “writing off bad debt” and implement consistently



# Tracking Collections

## How CCMS Improves Collection Rate



**Real-time payment status of every enrolled family**

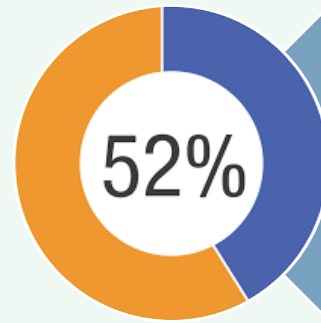
# Consider this...

Most child care leaders adopted technology as adults

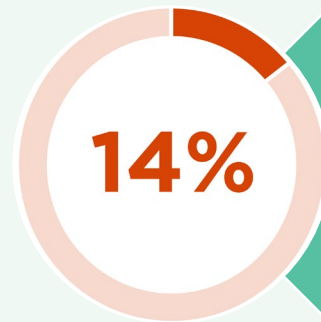
Most child care consumers are digital natives



of Millennials pay bills online or direct debit



of Millennials never write checks



of Millennials pay bills by mail

# Results: Collections

Actual results from a project supporting child care programs  
BEFORE and AFTER using CCMS to collect tuition online

Uncollected Tuition	January	September
ABC Child Care	\$ 6,526	\$ 162
Sunshine Development Center	\$10,530	\$3,794
Happy Days Child Care	\$ 4,883	\$1,325
Bring 'Em Young	\$ 3,886	\$ 543
Little Learners Child Care	\$ 1,100	\$ 425

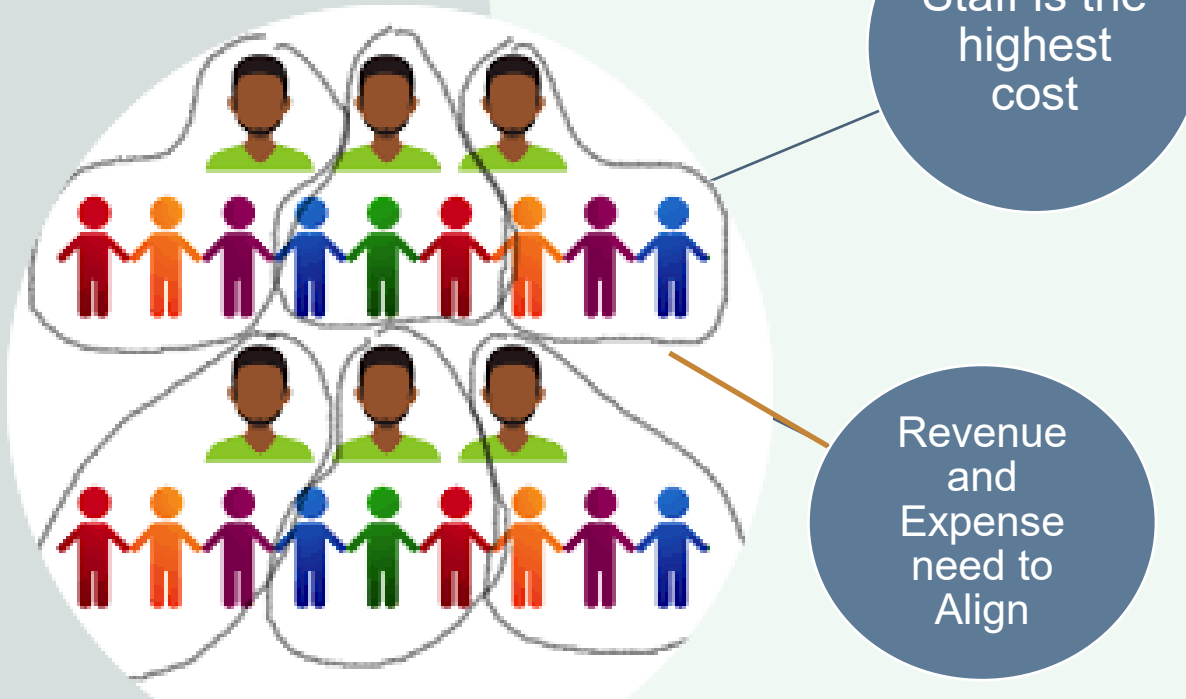
# Reducing Expense

Automation saves time. Less time = lower staff costs

Task	Before Automation	After Automation
Payroll/HR tracking	6-8 hours/biweekly	1 hour/biweekly
Tuition billing, tracking	10-12/month	.5 hours/month
Attendance tracking/subsidy billing	10 hours/week	.5 hours/week
Waitlist management/enroll new families	6 hours/month	1 hour/month
Total	48-54 hours/month .5 FTE staff	5.5 hours/month .0009 FTE

# Staff: Child Ratios

## Why it Matters



CCMS helps you manage staff-child ratios throughout the day so that you are not out-of-ratio

### **But also**

Not overstaffed in any classroom and able to make the best use of staff time

# **Pedagogical Leadership**

*How CCMS gives you time and tools to support program excellence*

# Teachers: Most important asset

## What Teachers need

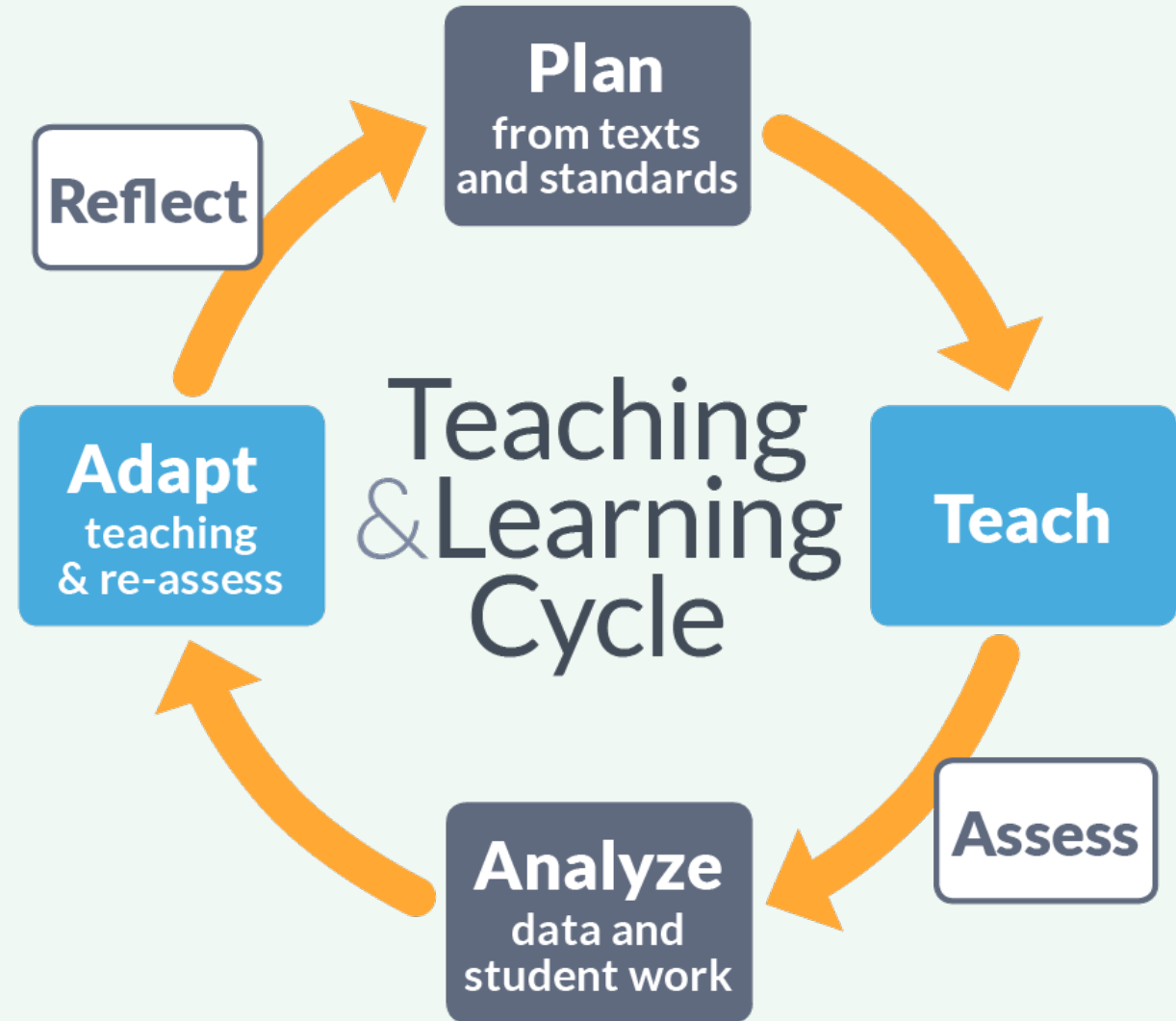
- Compensation that allows them to make a career of this work
- Health care benefits that protect their/their family's health
- Paid sick leave/paid vacation for physical and mental health
- Time off the floor for thinking/planning
- Ongoing, job-embedded professional development
- Pedagogical Leadership (Coach, Peers, Community of Practice)

**Bottom line = Time + money**



Reflective Practice  
requires that teachers  
to have time to:

- Observe
- Reflect
- Plan

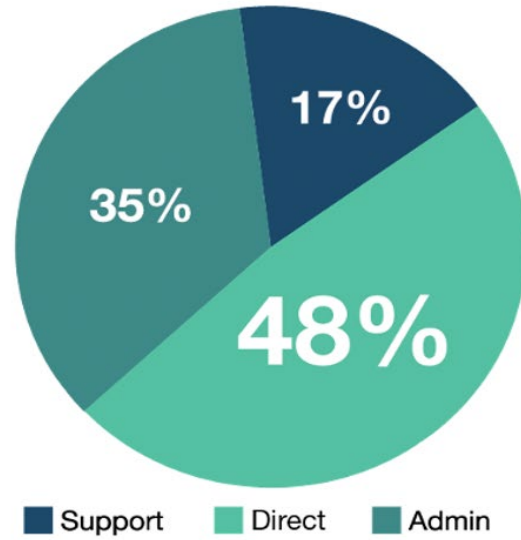


# Maximize resources for Teacher Salaries

Administrative Overhead in Small Center (75 children)

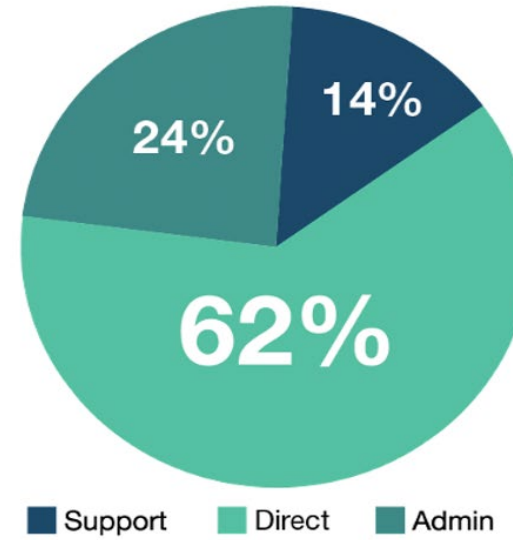
**Child Care Center Personnel Expenses**

January 2018

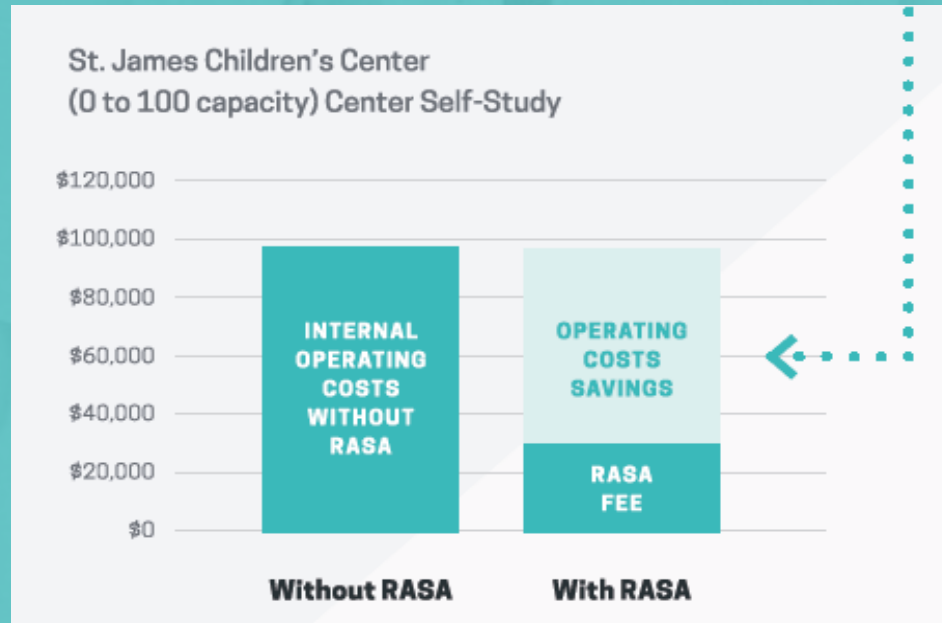


**Child Care Center Personnel Expenses**

December 2018



# Reduced Administrative Staff



St. James Children's Center reinvested their savings into a new 401k retirement plan for their staff, increased medical benefits, and offered raises and bonuses to employees.

**Program Director reported having 17 hrs/week freed up to support teachers**

SJCC saved  
**\$52k**  
in direct costs

collections moved from  
**13%-0%**  
in month one, increasing cash flow and preventing financial loss.

**408**  
labor hours saved

RASA financial  
benefits realized  
within two months



# Child Assessment

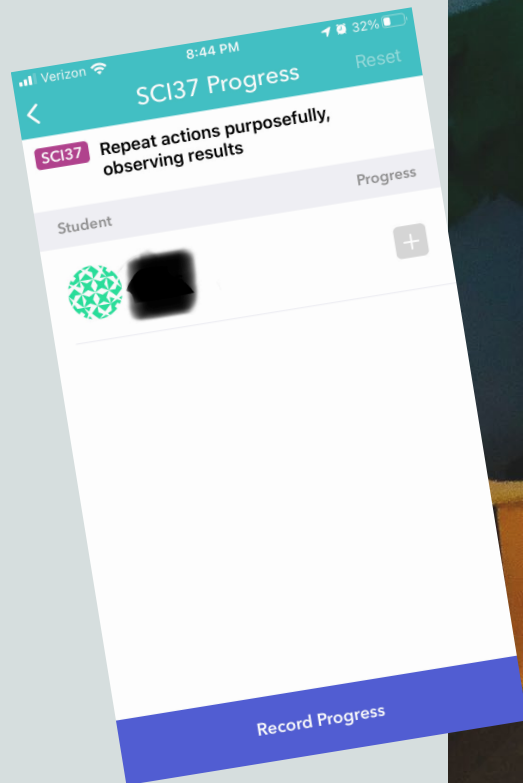
## Why it Matters

- Paper based assessments are time consuming and often not integrated into a tracking platform
- Automated systems make it possible to use the data for a range of purposes, such as:
  - Inform teaching practices
  - Communicate with families and support staff
  - Support reporting for longitudinal studies or trend analysis

Spend less time **collecting** information and more time **using** information

# What if you could...

- Capture student moments in “real time”
- Add notes (by dictating into your phone/tablet)
- Share it with families, peer learning group, etc.
- Keep a digital record for the year and track progress



Evelyn has been intrigued by the light projector in our classroom the last few days. She has been exploring light and shadow as she moves closer and further away from the light. She noted today that her 4 pony tails made a “crown on my head”. She was able to comment on some of the colors from the translucent shapes and labeled red and blue with accuracy.

Evelyn has been focused on the light for long durations and continues to come back to explore. She is able to show her friends how to make shadows and seems perplexed by how large her shadow can become as she gets closer to the light.



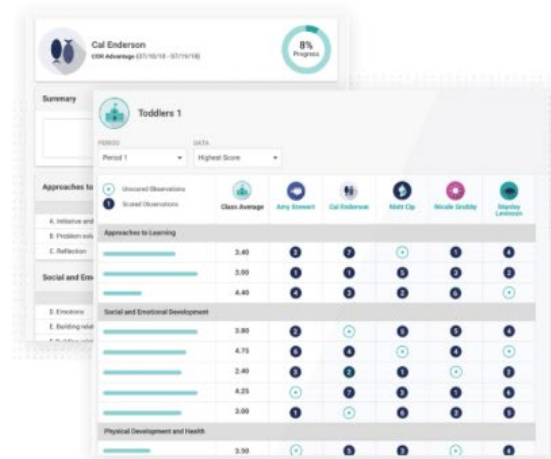
# Online Assessment Tools

Many off-the-shelf products:

- Are aligned with state Early Learning Standards
- Support documentation (photos and videos) within the app
- Can be shared with families electronically
- Change the conversations you have with parents

## Using Kaymbu

Kaymbu equips educators with the best assessment, instructional planning, family engagement, and professional development tools to drive positive outcomes for every child.



### Authentic Assessment

In partnership with HighScope Educational Research Foundation, Kaymbu's cutting-edge technology platform includes the research-backed COR Advantage assessment. Built on 36 criterion-referenced items backed by HighScope's decades of research, the COR Advantage assessment helps early childhood programs prepare children for school success.

[Explore the Assessment](#)

### Family Engagement

Kaymbu helps schools strengthen partnerships with families through easy-to-use communication tools. Instantly share photos, videos, digital daily sheets, newsletters, and more with families in over 100 languages.

[Start Connecting](#)



# Family Engagement

## What Families Need

- Communication is more effective in multiple small bites
- Families are more engaged when communication is frequent
- Paper documents are (e.g. health reports/forms/documents) easier to track in electronic form



# CCMS Parent Engagement Tools

Within the secure app:

- On-going communication (email or text) between teacher and family, including daily reports, photos, etc.
- Director can view all communications; paper trail
- Messages to individual families, classroom, or center-wide



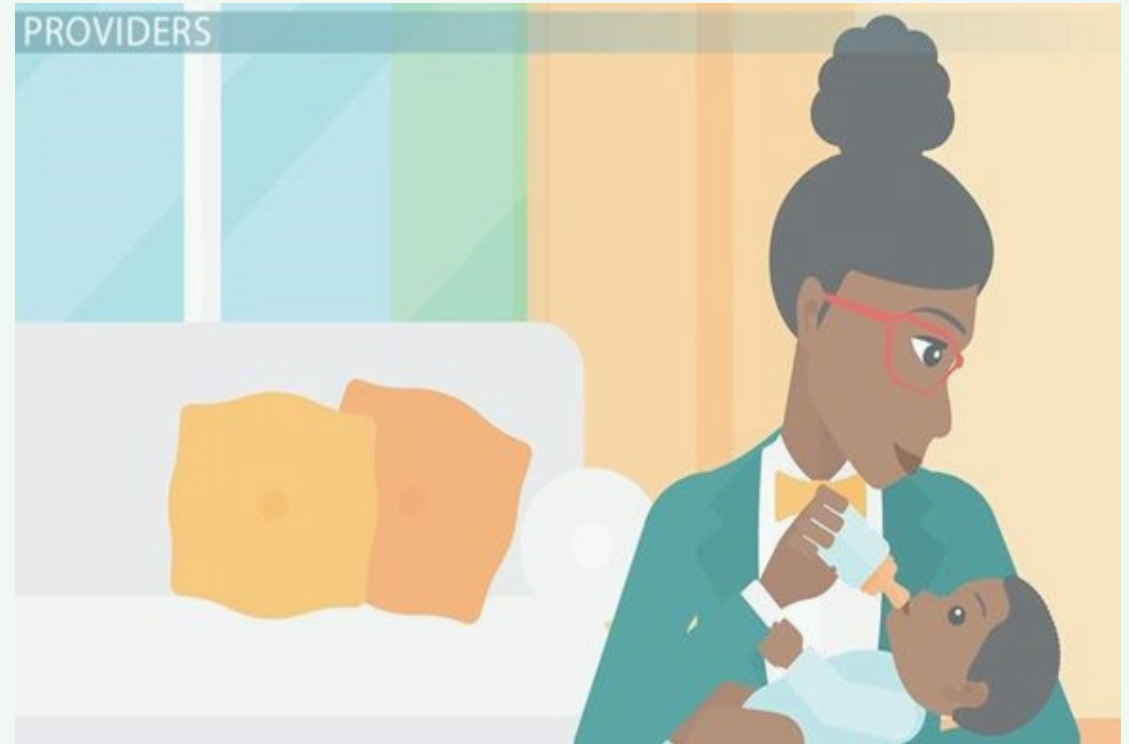
# Staff Management

## What Directors Need

- Scheduling staff in classrooms to maintain child-staff ratios
- HR support (i.e. benefits, sick leave, recruitment, furloughed employees, etc.); payroll, timesheet management
- Professional development plans, maintaining requirements, documentation
- Time to be in the classroom

# CCMS HR Management tools

- Staff data are available electronically, easily updates, and flagged for renewal
- Automated timekeeping system that can streamline payroll
- Aggregated reports on personnel – across sites, positions, etc.
- Individual reports on personnel in key compliance areas such as degrees, credentials, PD during any period of time
- Performance review data tracking

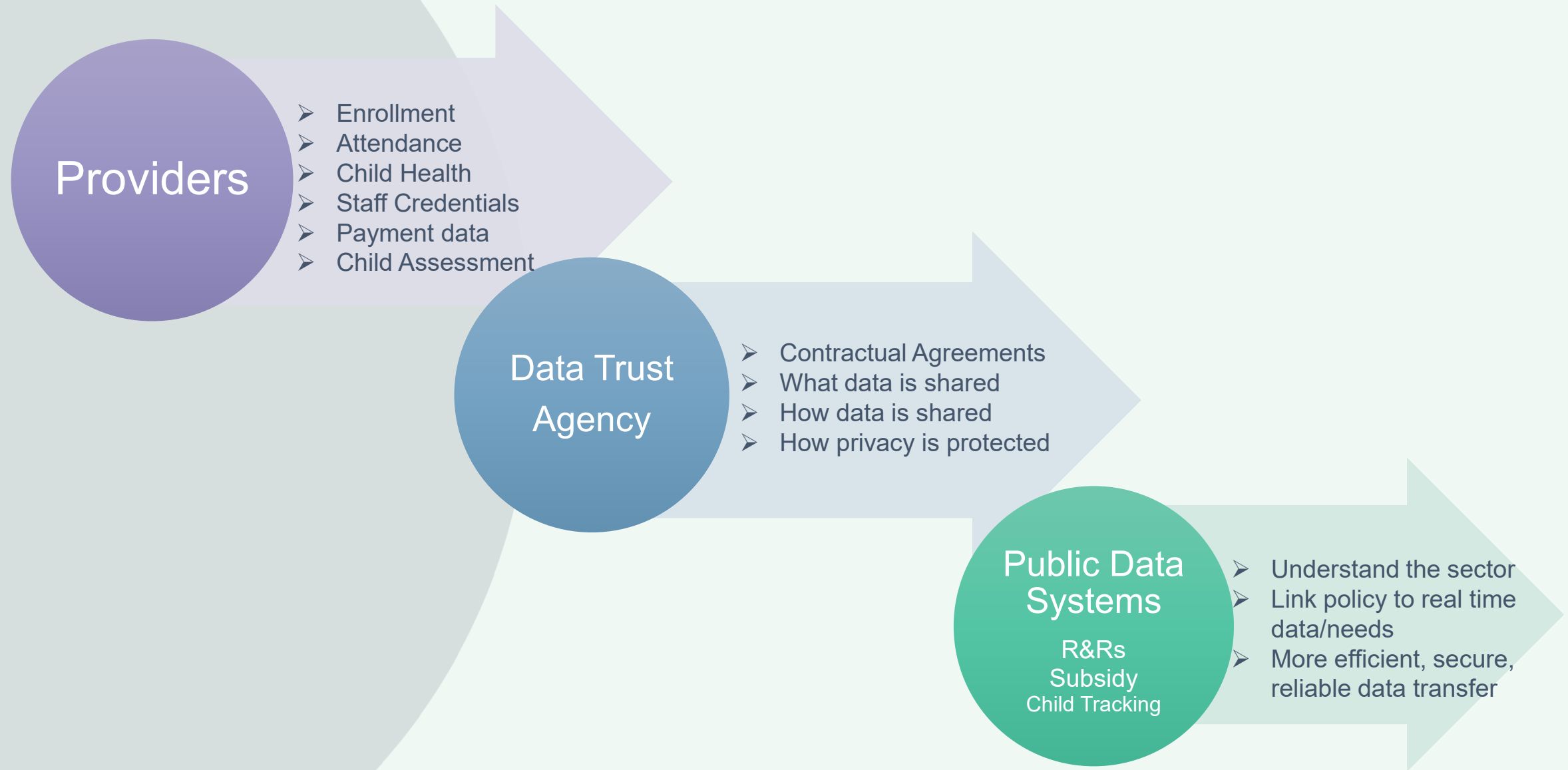




# **Building a better ECE system:**

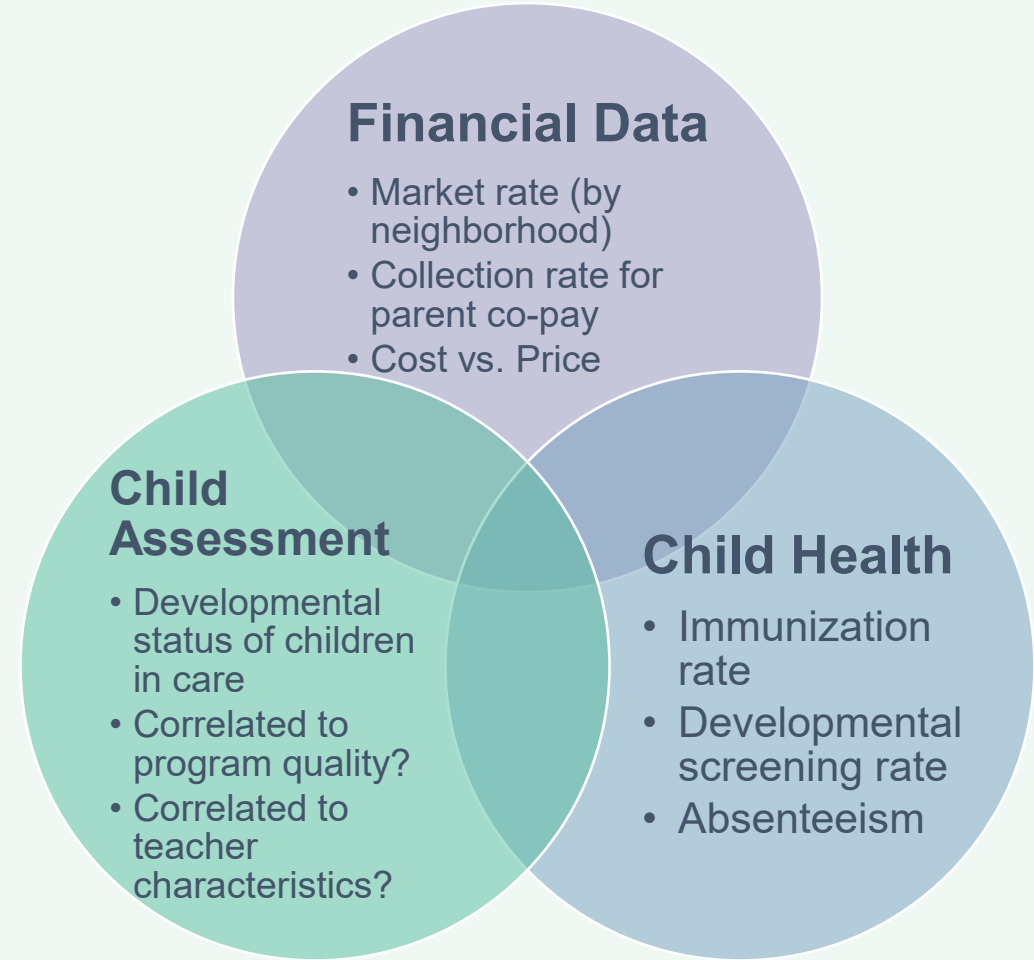
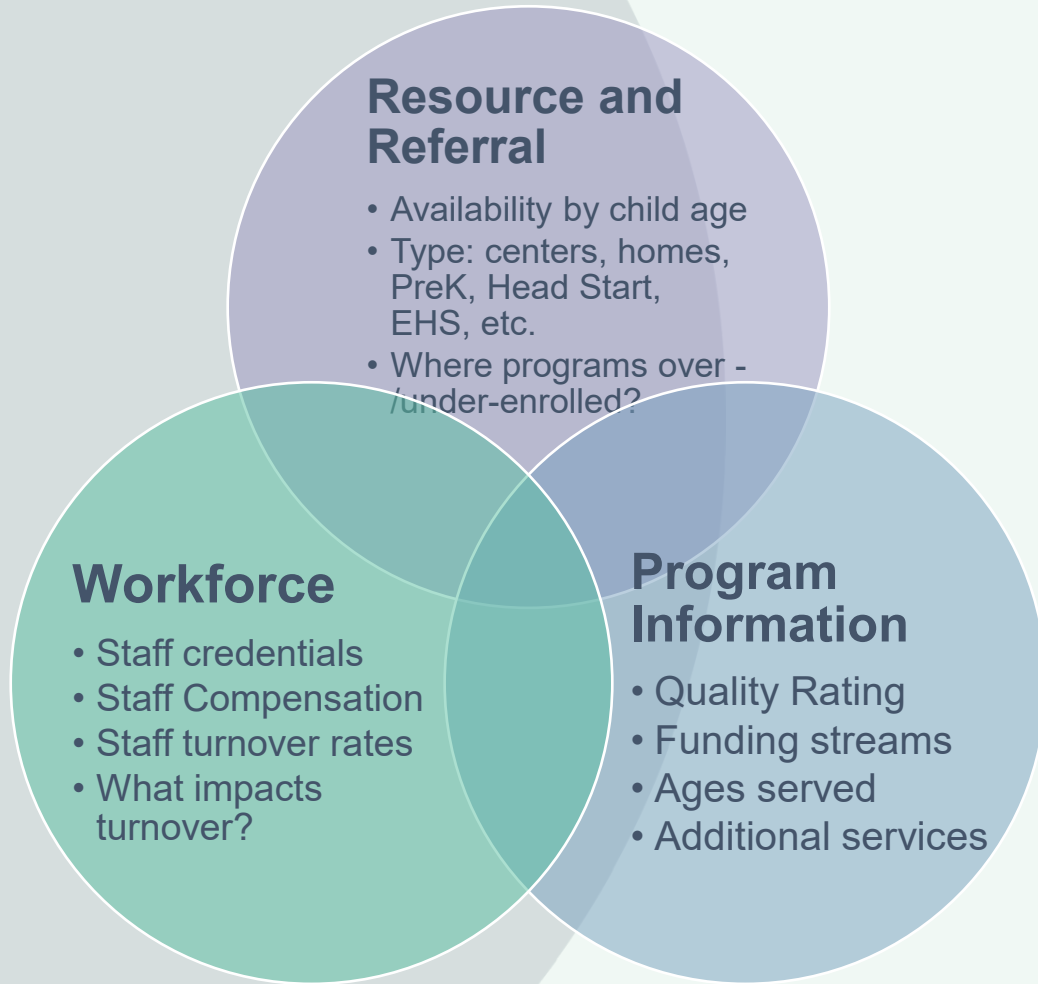
## *Connecting provider-based data and public data systems*

# Data Sharing and Automation: Building the System



**What if 80% of providers were using CCMS system that linked to data systems?**

# What could we know?



# How is Change Possible?

State policy makers allow CCMS vendors to link data through Application Programming Interfaces, (APIs) to support:

- Child Care Subsidy – electronic transmission of enrollment + attendance
- Licensing – accept electronic documentation for compliance
- QRIS – accept electronic documentation for quality rating
- PD Systems – electronic links from CCMS to PD Registry
- CCR&R – links to CCMS for real-time supply + vacancy data

**Child Care Providers work is streamlined as data is sent automatically and electronically**



You CAN take Control of your program

## Atlanta, GA: Quality Care for Children

### When the Project Began....

Average **bad debt** was \$52,532 per program

Many sites were not fully enrolled & most did not have procedures in place to track + boost enrollment

None of the sites were using automated systems to support best practice business management

Automation puts control in YOUR hands

## Business Leadership Project

### Eleven months later....

Average bad debt was \$877 per program

Providers now have systems to flag problems and address them before debt accumulates.

Enrollment (filling vacancies) grew by 34%

Overall program revenue increased by 24%  
Two programs more than doubled revenue + one almost tripled revenue.

**Programs with automation were more likely to survive pandemic**



Opportunities  
Exchange

For More Information ...

# Opportunities Exchange

Profiles, Tools,  
Resources, Metrics,  
Issue Briefs and more ...

[www.opportunities-exchange.org](http://www.opportunities-exchange.org)

