Opportunities Exchange

Rebuilding Your Child Care Business: Technology Makes it Possible

Presented for Early Childhood Investigations

Presented by Monique Reynolds, QCCC, Atlanta, Louise Stoney and Sharon Easterling, Opportunities Exchange | January 7, 2021

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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

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Opportunities Exchange

We Believe

- Every director deserves an administrative team.

- Every teacher deserves pedagogical leadership.

- Every child deserves a reflective teacher.

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Agenda

Seeing What's Possible – Monique Reynolds
*Lessons from Quality Care for Children's
Provider Resource Hub, Atlanta Georgia*

From Impossible to Possible – Sharon Easterling
Making Business Success real for your program

From the System we Have to the System we Need – Louise Stoney
How Data can Transform ECE

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Seeing What's Possible
*Lessons from Quality Care for Children's
Provider Resource Hub, Atlanta Georgia*

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Quality Care for Children

QCC works
FOR SUSTAINABLE CHILD CARE

What we do: Our Business Support Services was designed to empower child care owners by giving them the tools needed to sustain and excel their business. We provide a comprehensive strategy using hands-on support to help providers transform the way they manage their business through four main areas:

Provider Resource Hub
Provider Business Exchange
Provider Back Office Support
Business Automation & Coaching

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Possibilities......

GROWTH

VACATION

WORK | LIFE

Retirement
TH 401K

PLANNING

BALANCE

WORK HARD
It's the ticket to success

ACTION

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Business Automation

Provide grant funds for programs to convert to automation and assistance with set up.

✓ Procare and Wonderschool child care software

✓ Pay full year subscription and/or purchase hardware if program has system

✓ One-On-One Training Assistance

✓ Back Office Support

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Step 1: Assess & Analyze

It is what it is……and that's OKAY!

- ✓ Business Financial Health Assessment
  - ✓ Iron Triangle Model
  - ✓ Budget
- ✓ Identify problems and challenges
- ✓ Analyze the issues
- ✓ Develop plan of Improvement/ACTION

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Step 2: Organize

The Woe of Business Operations

- ✓ Plan out separate modules
- ✓ Gather materials needed
- ✓ Internal system set-up
- ✓ Schedule time
- ✓ Set hard deadlines
- ✓ Leadership team approach

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Step 4: Reflect

We Did It!

- ✓ Celebrate the conversion
- ✓ CRY
- ✓ Lessons Learned
- ✓ Plan/Schedule Possibilities
- ✓ No turning BACK!

EVERY ACCOMPLISHMENT STARTS WITH THE DECISION TO TRY.

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Work smarter! More efficiently!

Step 3:
Conversion to Technology

✓ Group/Individual Module Training

✓ Assign out task per module

✓ Mastery of modules- process. Reach out-Help Desk-View CCMS videos related to the task

✓ Stick to deadlines

✓ Accountability Partner/ Coach

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Progress Maintenance Rule

Step 5:
Monitoring

✓ Weekly, Biweekly, Monthly

✓ Track and note benchmark results
   ✓ Financial Health Score

✓ Adjust where needed

✓ Follow and enforce the system created

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Benefits:
Lower Administrative Cost

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

Streamlining time-consuming tasks to lower your overhead costs

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Benefits: Steady Cash Flow

- Cash is King

- Ability to pay bills on time and in full

- GREAT Financial revenue report

- Access to Capital when needed

Boost collections and strengthen enrollment to increase revenue

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Benefits: Accurate Operations Data

- Enrollment & Vacancy List
- Collections Report
- Third Party Billing
- Labor Cost-Payroll Records
- Remote Monitoring/Dashboard
- Expenses & Account Ledger
- Communication System

- Compliance Reports
  - Attendance Tracker
  - Employee Trainings
  - 1st Aid/CPR Expiration
  - Immunization Records
  - Meal Tracker (USDA Food Program)

Provide actionable, accurate, and timely data needed to make smart decisions
"What gets measured, gets managed." – Peter Drucker

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Results to Date: QCC Business Leadership

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

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

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Are you READY? Let's learn more!

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**Moving from
Impossible to Possible**
*Making Business Success real
for your program*

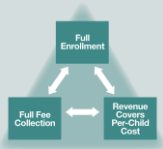www.opportunities-exchange.org   20

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How to make this work for you...

*Everyone doesn't have access to a Monique in their
community...so how can you begin to implement these
strategies in your own program?*

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Assess: Can you answer the Iron Triangle metrics?

- 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.

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Automation will transform your program

- Save time
- Saves money
- Increases Revenue
- Gives you data you need to make business decisions

You can't afford to be without business software tools

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Research and select a CCMS

Website: Capterra

https://www.capterra.com/child-care-software/

- Listing of available products
- Compare up to 4 products at a time
- User Reviews

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Research and select a CCMS

Shared Services Central

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Child Care Management Software FAQ

Child Care Management Software - What you Need to Know

Reach out to OppEx for more detailed resources

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Research and select a CCMS

- Talk to colleagues – Who is using a CCMS? What is their experience?
- Identify most important features: i.e. - billing, subsidy management, family communication, food program, etc.
- Reach out to a few vendors and ask for a demo, free trial, etc.

Select a product and get started

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Focus on one component at a time

- Child and family records
- Attendance tracking
- Billing and collections
- Family engagement
- Food program management
- Marketing, enrollment, waitlist management
- Staff management

Each step you take brings you closer to best business practices

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Child/Family Records

Create an online version of your enrollment form
- Many systems allow electronic versions of all the forms families must sign

Send a link to each family to fill out
- Create incentives for families to respond in a timely way

When they send it back you now have a record for that child
- Families can update information annually, or when there is a change

All records are integrated for every other program component
- Billing, food program, child assessment, etc.

By having families complete the form, you also ensure that families will engage with the CCMS

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Attendance Tracking

Parents sign in/out with unique "PIN", QR code, signature, fingerprint
- Ask about "touchless" sign-in options

Attendance records used for more efficient subsidy billing + reporting
- Electronic signatures more secure than pen/paper

Time stamps can automatically add late fees
- Parents receive details accounting of all charges in billing period

Opportunities Exchange and others are working to increase states' acceptance of electronic signatures

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Billing and Collections

Set up Invoicing for each family, specify:
- What they pay
- How often they pay (weekly, bi-monthly, monthly)
- Decide when you want the invoices to be emailed to families
- Invoices will be created sent automatically

Collections:
- Ask (or require) families to pay electronically
- Families can choose manual or automatic payments

Families have 24/7 access to their account status and end of year tax information

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Consider this...

69%
of Millennials pay bills either online or with direct debit

52%
of Millennials NEVER write checks

14%
of Millennials pay bills by mail

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Family Engagement

Communication is key – especially in these uncertain times
• Targeted, timely, frequent, messaging

Meeting Covid requirements can be burdensome
• Touchless sign-in/out with a smartphone
• Daily health checks that parents can verify electronically

Information can be sent via mobile app on phones/tablets
• Photos, videos, text, hyperlinks, etc.

Families who are concerned about the safety of group settings want and need frequent updates

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Food Program Management

Some providers choose not to participate – and lose potential revenue
• Automation makes participation easy and prevents errors

CCMS supports menu planning with approved items
• Ensures you meet requirements; makes participation easy and prevents errors

"Meals/snacks served" are automatically populated with attendance data
• Children who are marked "present" are noted as "served"
• Time stamp ensures accuracy (i.e.- breakfast served 7:00-8:30, a child arrives at 8:50, breakfast service not included)

Reports downloaded to sponsor or uploaded into reporting systems
• CCMS saves hours of time in documentation

CCMS helps you make the most of your food program $$

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Marketing, Enrollment and Waitlist Management

National average enrollment is 50% of pre-pandemic levels

Families need to find you & enroll as seamlessly as possible
- Parents can view a calendar and schedule a virtual tour

Enrollment process can be shortened from weeks to days
- Paperwork completed online and uploaded into your system

CCMS manages part-time slots to ensure maximum enrollments
- Right size classrooms with staff-child ratio tools

"Every seat filled" matters now more than ever

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Staff Management

Staff time sheets generated by electronic sign in/out
- Reports electronically transferred to payroll service – greatly simplifying the process

Electronic tracking of what tasks staff are performing
- For job sharing teaching/admin responsibilities

Manage COVID-19 policies and schedules
- Bringing staff back in less than full employment; sharing tasks + jobs
- Scheduling, tracking assignments, maintaining ratios in small consistent groupings
- New training requirements

The cost savings in payroll processing alone can typically more than pay for the CCMS subscription fee

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Business software changes your role...

FROM ⟶ **TO**

An Administrator spends hours on tasks that could be done in minutes or seconds through business software

A Business leader understands her business and how decisions in specific areas will affect her bottom line

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From the System We Have to the System We Need
How data can transform ECE

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Lack of Data Leads to Misguided Policy + Finance

- Few states have data on ECE capacity by age of child
- Almost no state has data on ECE enrollment by age of child

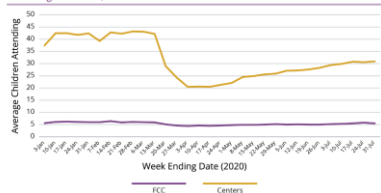Supply + Demand of Licensed child centers + Family Child Care Homes in Los Angeles, CA
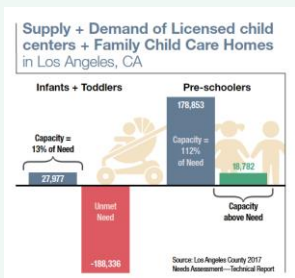
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Systemic Solutions Require Systemic, Real-time Data

Figure 4: Average Weekly Attendance, January to July 2020, Early Learning Ventures, Colorado Providers

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Data Sharing and Automation: Building the System

Child Care Center data collection → **Data Trust** → **Customer Interface** CCR&R – Parents - Providers

Electronically via CCMS

Ensures legal, confidential, sharing of data

Parent search, public accountability, Community planning

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Collecting Real-Time Supply + Demand Data is Possible

Example from TX Emergency Child Care Data System

Supply

Open providers	#	%
Center providers	334	47%
Family home providers	372	53%
Willing to extend hours	82	12%

Available Slots (vacancies)	sites	slots
Infant	289	1,382
Toddler	367	2,309
3-5 years old	373	3,112
School-aged	306	2,825
Total		9,628

Data by City	Sites	Infant	Toddler	3-5 Yrs	School-aged	Total Vacancies
Aledo	1	8	2	10	25	45
Arlington	101	327	536	744	586	2,193
Azle	4	8	41	46	80	175
Bedford	15	55	82	123	113	373
Benbrook	3	4	7	9	10	30

Demand

Eligible applications	
% pending placement	2%
% enrolled	86%
Total	88%

Application by Industry	#	%
Healthcare	587	34%
Local State Govt.	122	7%
Restaurant, Grocery, Food	198	11%
First Responder	75	4%
Gas Station	20	1%
Childcare worker	237	14%
Mail Delivery	65	4%
Military	17	1%
Maintenance	2	0%
Finance	79	5%
Construction	16	1%
Transportation	43	2%
Warehouse	68	4%
Leasing Agent	11	1%
Other	202	12%

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With Good Data Public Policy CAN Support ECE Business Success

Full Enrollment

Full Fee Collection

Revenue ensures sustainable earnings

- Systemic data on enrollment (by age) will help programs effectively plan and stay full
- Payment based on enrollment (vs attendance) + affordable co-pays will boost collections
- Funding informed by supply + demand data, and rates informed by provider cost, will boost revenue

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How is Change Possible?

Ask public and private funders to support CCMS with grants for software licenses and hands-on technical assistance to help with onboarding and launch. Funding could come via:

- QRIS – as part of incentives + supports
- Quality Grants – under CCDF, CARES or PDG
- Professional Development Systems – linked to training and TA
- Director Credential – college credit for CCMS coaching

Helping YOU become a better child care business is the key goal!

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How is Change Possible?

Encourage state policy makers to create Data Trusts and work with CCMS vendors on data links (called Application Programming Interfaces, or 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

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