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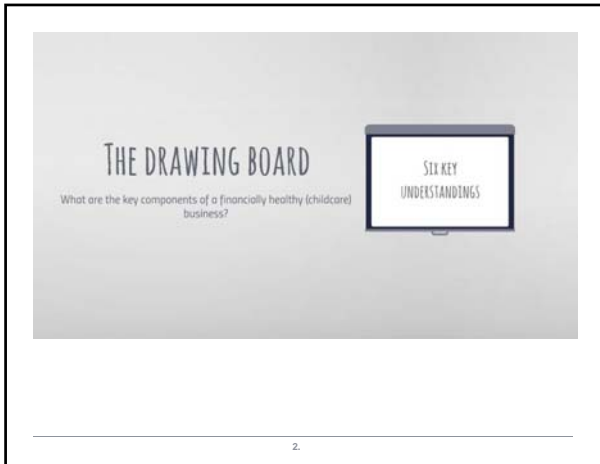
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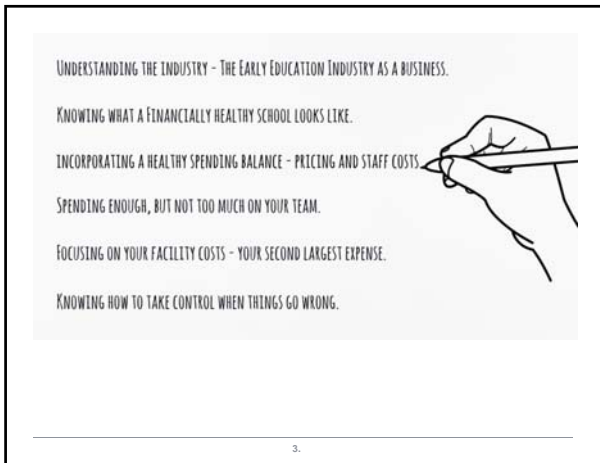
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THE STATE OF THE INDUSTRY

What is trending and how do I keep up?

- 1 OPERATIONAL SHEETS
- 2 TRANSACTIONAL SHEETS

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OCCUPANCIES ARE HIGH

Parents are Working and Infants and Toddlers are Booming!

Sorry we're full!

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THERE IS MORE CONFIDENCE IN INCREASING TUITION RATES AND REDUCING DISCOUNTS

Tuition

Jul Aug Sep

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### FEDERAL LEVEL SUBSIDY FUNDS ARE STABLE AND RISING

Three Main Revenue Sources:

- Child Development Block Grant
- Head Start
- USDA Food Program

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### EARLY HEAD START COLLABORATIONS ARE INCREASING IN POPULARITY

Let's all work together to serve children--Build a relationship!



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### WE'RE SEEING A LARGER FOCUS ON BRANDING

- Don't be left behind when new and shiny comes to town!
- Branding is more than colors and signage.
- Get your tour stops in order!
- Train your team on phone and touring skills.

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THERE IS A NEW DEVELOPMENT OF  
STEM / STEAM BRANDS

Tell parents what you are doing in the classroom!!



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OUTDOOR CLASSROOMS ARE BECOMING  
MORE POPULAR

Just an extension of the indoor learning...



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CREDIT CARD FEES ARE INCREASING

Today's parent group loves points!!



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### THERE ARE MORE STRUGGLES WITH STAFF CULTURE

Surprise! :-)



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### FRANCHISES REMAIN THE FASTEST GROWING SEGMENT OF THE INDUSTRY



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### NATIONAL COMPANIES ARE BUILDING IN NEW MARKETS

Be Ready with Updated Facilities



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PRICING IS HIGH BUT STABLE FOR BUSINESSES AND REAL ESTATE ASSETS

It's a Seller's Market for Sure!!



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THERE ARE MORE OPTIONS FOR REAL ESTATE FUNDING AND SALES

Lenders Are Lending and Investors are Investing!



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THE NUTS AND BOLTS

What does a healthy school look like?



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REVENUE	70 - 90%	OCCUPANCY
STAFF COSTS	50 - 55%	
OPERATING COSTS	11 - 13%	
FACILITY COSTS	22 - 25%	
ADMIN COSTS	2 - 4%	
<b>PROFIT</b>	<b>15 - 30%</b>	<b>✓</b>

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NOTHING ELSE MATTERS IF WE DON'T GET THE TWO KEY CONCEPTS RIGHT..

1. Occupancies must be high!
2. Tuition rates must be set to reflect actual cost of services!

Are mine right?



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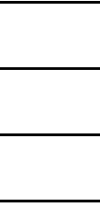
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**THE APPROACHING TSUNAMI**

How can I keep from drowning?

LET'S STRATEGIZE

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WHAT STRATEGIES CAN I PUT IN PLACE TO HIRE AS NEEDED BUT BALANCE COSTS AT THE SAME TIME?

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STAFF COSTS ARE RISING FASTER THAN TUITION RATES CAN KEEP UP WITH....

WHAT CAN I DO?

1. Set Tuition Rates to Reflect Actual Cost of Services
2. Employ Techniques for Incoming Families and "Legacy" Existing Families
3. Analyze Charges in Other Areas for Opportunities
  - Annual Registration Fees
  - Late Payment Fees
  - Late Pickup Fees
4. Consider Other Sources of Revenue
  - Fundraising
  - Grants
  - Rent Income
5. Minimize Discounts
  - Vacation or 'Free' Days
  - Staff Discounts
  - Multiple Child Discounts
  - Industry Discounts
  - Agency Discounts

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THE COST OF MY STAFF

How much should I be spending on my people?

LET'S LOOK AT THE PERCENTAGES

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	NET REVENUE	\$ 1,500,000	
STAFFING COSTS	SALARIES	\$ 675,000	45.00%
	PAYROLL TAXES	\$ 63,450	4.23%
	EMPLOYEE BENEFITS	\$ 30,000	2.00%
	STAFF TRAINING	\$ 750	.45%
	MISCELLANEOUS STAFF COSTS	\$ 4,800	.32%
	TOTAL STAFFING COSTS	\$ 780,000	52.00%

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### HOW DO I GET STAFF COSTS UNDER CONTROL

- Use a system to make a staff schedule plan.
- Employ a system of "Management by Walking Around"
- Train your team to be a part of the solution!



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### THE COST OF MY FACILITY

Are there metrics to help me spend correctly?

LET'S CALCULATE...

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GROSS REVENUES AT 70% OCCUPANCY.....  
 ...THEN RENT OR MORTGAGE AT 12-17%

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**EXAMPLE**

Busy Little Ants has

Licensed Capacity	120	
Average Weekly Tuition	\$280	

At 70% Occupancy the Gross Revenue Would Be...

**\$1,223,040**     $(120 \times \$280 \times 52 \text{ weeks} \times .7)$

Therefore the rent or mortgage range is...

**\$146,765 - \$207,917**     $(\$1,223,040 \times .12 - .17)$

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...AND THEN YOU HAVE EVERYTHING ELSE



PROPERTY TAXES    TELEPHONE    AUTO EXPENSE    SUPPLIES    FOOD    INSURANCE

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IT STARTS WITH...

## THE FEELING OF GAINING CONTROL

How in the world do I manage all of this?

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### GET STARTED BY...

- Maximize Enrollment
- Employ Revenue Strategies
- Get Current on Staffing Strategies and Manage Costs
- Produce Timely and Accurate Information
- Track Progress and Implement Changes

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### CONTACT US, WE WANT TO CHAT WITH YOU!

Visit Our Website: [www.hingebrokers.com](http://www.hingebrokers.com)  
 Email Us: [info@hingebrokers.com](mailto:info@hingebrokers.com)  
 Call us: 864.554.4498

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