





## POLL

1. I use Child Care Management Software designed primarily for centers (ProCare, Smartcare, EzCare, etc.)
2. I use Child Care Management Software designed primarily for family child care (KidKare, Brightwheel, Wonderschool, WeeCare, etc.)
3. I use software designed primarily for Head Start (ChildPlus, COPA, etc.)
4. I use software designed to communicate with families only (Kid Reports, Tadpoles, etc.)
5. I don't use any software products to manage my early childhood program.

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## Why Business Automation Matters

- ◆ Child Care Business Model is Challenging
  - Market based pricing may not cover the full cost of care – especially for infants + toddlers or higher quality standards
  - Small centers (less than 100 children) typically don't have sufficient scale to break even
- ◆ Small percentage of the sector utilizing CCMS
  - Estimates as low as 20-30%
  - Many programs that have CCMS systems are not fully maximizing the benefits of the tool

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## Enabling Child Care Industry Recovery



- Child Care Management Systems
- Business training
- Shared services
- Data interoperability
- Strategic cost modeling
- Staffed Family Child Care Networks

Learn more at [www.childcareaware.org](http://www.childcareaware.org)

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### Challenge: Not enough time

ECE Program  
Director  
Job Description



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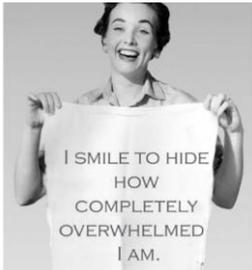
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### Challenge: Not enough money



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### Why Business Automation Matters



Saves Time: Automating operations greatly reduces the amount of staff time needed



Saves Money: Reduced labor translates to cost saving for administrative tasks



Increases Revenue: Automated payments reduce bad debt, reconciliation of subsidy reimbursement, etc.



Skilled Financial Management: Data available in electronic format can be analyzed, informs financial decisions

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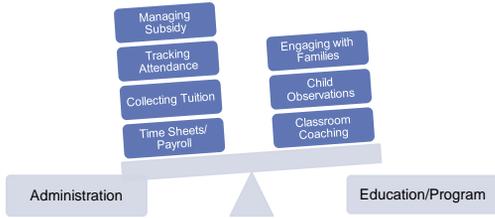
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## Why Business Automation Matters

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



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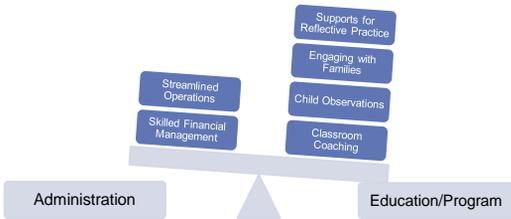
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## Why Business Automation Matters

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



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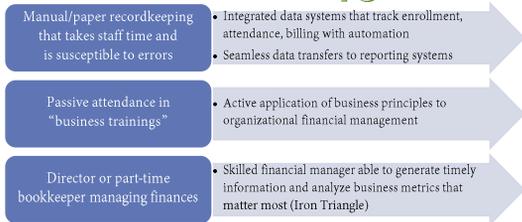
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## Business Leadership: Business Automation + Financial Management

**FROM** → **TO**



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# TECHNOLOGY

## Solutions to Provider Challenges

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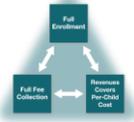
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### Challenge: Billing and Collections

#### Why it Matters

- Every \$ counts!
- Parent billing can put providers in the conflicting roles of family support and collection of parent fees
- Subsidy billing can be tedious, time consuming and requires careful monitoring for timely and accurate payment

The Iron Triangle of ECE Finance



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### Solution: Electronic payment system

- Invoice automatically generated (no staff time, no paper/postage, no tracking)
- Increases on time/full payment
- Reduces the need to communicate for non-payment
- Parents manage payment record (including tax information)



**Notes from the field:** In every instance of moving from paper to electronic billing, OppEx has observed that collection rates significantly improve

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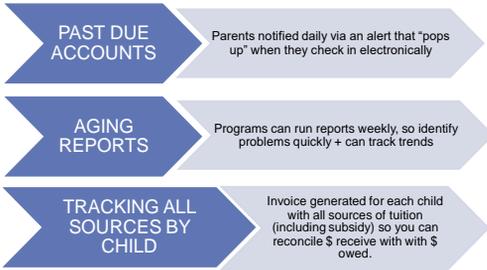
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### Additional CCMS Solutions for bad debt




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### Consider this...




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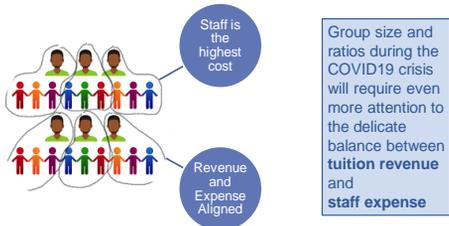
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### Challenge: Right Sizing Classrooms

Staff Child Ratios: Why it Matters




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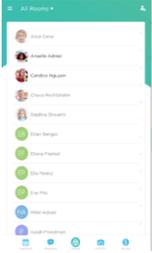
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### Solution: Staff-child ratio management



**Track Your Student-to-Staff Ratio**  
With our real-time staff and student attendance system, you can easily track ratios and ensure you are always licensing-compliant.  
Set up alert monitoring to get notified when overstaffed or understaffed.

- Many CCMS systems give you real-time data about staff-child ratios for every classroom in your program
- Use this information to stay on top of staffing needs throughout the day

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### Challenge: Staying Full

#### Why it Matters

- Budgets are based on STAFFED capacity
- If you are paying for staff in a classroom that is not fully enrolled, you are **losing money**
- Part-time slots -- and ANY gaps in filling slots -- contribute to less-than-full enrollment

Child care demand may be half or less than pre-COVID19 levels for the foreseeable future

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### Solution: Data Management

- **Data** – Track your vacancy rate, by classroom, each week and use these data to drive decision-making
- **Technology** – Use a CCMS that has vacancy reports, staff assignment tools, on-line enrollment for families, etc.
- **Trends** – Use data to understand times of the year when enrollment goes up and down, and plan classroom staffing accordingly.

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## Solution: Enrollment + Waitlist Management

- **Respond** to calls and schedule tours right away with automated scheduling tools
- **Track** prospects through regular email communication
- **Automate** Online tools (application, tour scheduling, and more) allow you to streamline the enrollment process and keep family info in one place

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## Challenge: Know your cost per child

### Why it Matters

- Per child cost varies by age of child (as a function of staff-child ratios)
- Understanding the cost by child and classroom is vital to making good business decisions
- Must know the \$\$ "gap" before you identify ways to fill it

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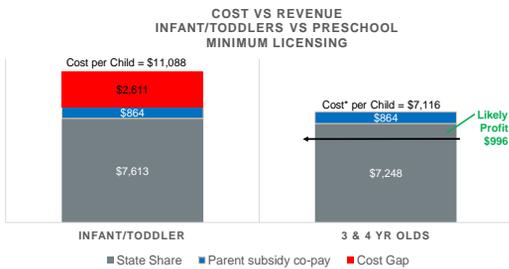
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## Know your true cost per child




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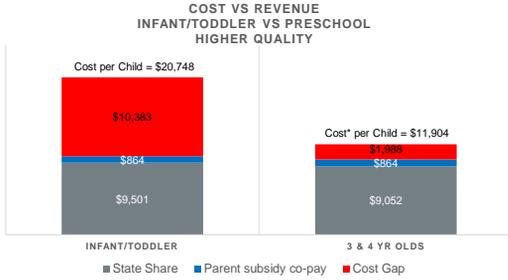
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## Know your true cost per child



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## Solution: Electronic recordkeeping



$$\frac{\text{Classroom expense}}{\text{\# of children}} = \frac{\text{Cost}}{\text{per child}} \quad \text{Classroom revenue} - \text{Classroom expense} = \text{Profit/loss}$$

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## Challenge: Complying with Regulations, Standards, and Reports

### Why it Matters

- Managing paperwork steals precious time from your work as a Pedagogical Leaders
- Keeping records in a CCMS is only efficient if you don't have to perform duplicate tasks, manually enter information, submit paper records, etc.

Additional time, tracking, procedures during COVID-19 will increase the need for efficient administration

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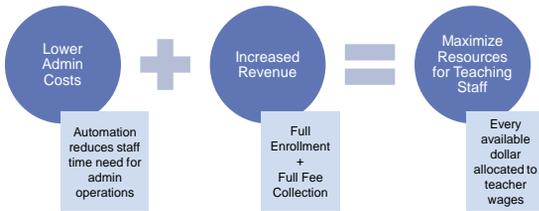


## Challenge: Provider compensation

	With Business Leadership	Stand-Alone	
Market price avg monthly tuition (per child)	\$600	\$600	
Total capacity of home	12	12	
% of market tuition captured	100%	90%	Iron triangle
Actual monthly tuition charged	\$600	\$450	
Vacancy rate	5%	25%	
Total potential revenue	\$82,080	\$61,560	
% of tuition collected (bad debt)	100%	90%	
<b>Estimated Annual Revenue</b>	<b>\$82,080</b>	<b>\$55,404</b>	
<b>Expenses</b> (Assistant wages, materials, services, etc.)	<b>\$34,150</b>	<b>\$31,907</b>	
<b>Net Revenue to FCC Home Provider</b>	<b>\$47,930</b>	<b>\$23,497</b>	

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## Solution: Re-Allocation of resources



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## Solution: Business Automation

### Lower Administrative 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
<b>Total</b>	<b>48-54 hours/month</b> <b>.5 FTE staff</b>	<b>5.5 hours/month</b> <b>.0009 FTE</b>

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## Challenge: Family communication

### Why it Matters

- Communication is more effective in multiple small bites
- Families are more engaged when communication is frequent
- Paper-based communication documents (e.g. health reports/forms/documents) can be streamlined

Post COVID-19, families will be concerned about using group care; regular communication will be critical

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## Solution: Parent Engagement tools

- On-going communication (email or text) between teacher and family, including daily reports, photos, etc.
- Messages to individual families, classroom, center-wide

Ability to immediately communicate with families will be essential during COVID-19 pandemic

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## Challenge: Staff Management

### Why it Matters

- Complex data tracking for – HR, legal, professional development plans, payroll, etc.

COVID-19 challenges include:

- Bringing staff back in less than full employment; sharing tasks + jobs
- Scheduling, tracking assignments, maintaining ratios
- New training requirements

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## Solution: HR Management tools

- Personnel files are electronic and up to date
- Tracking staff sign in/out is automated; reports are generated for electronic transfer to payroll service
- Ability to electronically record what tasks staff are performing (if they are sharing teaching/admin responsibilities)
- Multi-sites – can track personnel in all sites across the system

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# Questions




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Early Childhood Investigations Webinar presented by Opportunities Exchange | June 2, 2020

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## Explore CCMS

- Opportunities Exchange website:  
[www.opportunities-exchange.org](http://www.opportunities-exchange.org)
  - [Making Business Leadership Real](#)
  - [Issue Brief: Business Automation](#)
  - [Child Care Management Software - What you need to Know](#)
- Capterra – software comparison tool:  
<https://www.capterra.com/child-care-software/>

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