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

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.
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
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

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
Step 1: Assess & Analyze
- Business Financial Health Assessment
- Iron Triangle Model
- Budget
- Identify problems and challenges
- Analyze the issues
- Develop plan of Improvement/ACTION

Step 2: Organize
- Plan out separate modules
- Gather materials needed
- Internal system set-up
- Schedule time
- Set hard deadlines
- Leadership team approach

Step 4: Reflect
- Celebrate the conversion
- CRY
- Lessons Learned
- Plan/Schedule Possibilities
- No turning BACK!
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

Work smarter! More efficiently!

www.opportunities-exchange.org

✓ 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

Step 5: Monitoring
- Weekly, Biweekly, Monthly
- Track and note benchmark results
- Financial Health Score
- Adjust where needed
- Follow and enforce the system created

Progress Maintenance Rule

✓ Weekly, Biweekly, Monthly
✓ Track and note benchmark results
✓ Financial Health Score
✓ Adjust where needed
✓ Follow and enforce the system created

Benefits: Lower Administrative Cost

<table>
<thead>
<tr>
<th>Task</th>
<th>Before Automation</th>
<th>After Automation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll/HR tracking</td>
<td>6-8 hours/biweekly</td>
<td>1 hour/biweekly</td>
</tr>
<tr>
<td>Tuition billing, tracking</td>
<td>10-12/month</td>
<td>.5 hours/month</td>
</tr>
<tr>
<td>Attendance tracking/subsidy billing</td>
<td>10 hours/week</td>
<td>.5 hours/week</td>
</tr>
<tr>
<td>Waitlist management/enroll new families</td>
<td>6 hours/month</td>
<td>1 hour/month</td>
</tr>
<tr>
<td>Total</td>
<td>48-54 hours/month</td>
<td>5.5 hours/month</td>
</tr>
<tr>
<td></td>
<td>5 FTE staff</td>
<td>0.0009 FTE</td>
</tr>
</tbody>
</table>

Streamlining time-consuming tasks to lower your overhead costs
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

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

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

Programs with automation were more likely to survive pandemic

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
Are you READY? Let's learn more!

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

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?
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.

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

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
Research and select a CCMS

Opportunities Exchange
www.opportunities-exchange.org

Child Care Management Software FAQ
Child Care Management Software - What you Need to Know

Reach out to OppEx for more detailed resources

---

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

---

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
Child/Family Records

- Create an online version of your enrollment form
- Send a link to each family to fill out
- Create incentives for families to respond in a timely way
- Update information annually, or when there is a change
- Bill, food program, child assessment, etc.

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

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

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

Billing and Collections

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

Collection:

- 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.
Consider this...

69% of millennials pay bills either online or with direct debit
52% of millennials use direct checks
14% of millennials pay bills by mail

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 or phone/tablets
- Photos, videos, text, hyperlinks, etc.

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

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 served" 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 $
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
- 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

Staff Management

- Staff time sheets generated by electronic sign in/out
- Electronic tracking of what tasks staff are performing
- Electronic tracking of staff time sheets
- For job sharing teaching/admin responsibilities
- Bringing staff back in less than full employment, sharing tasks/part-time
- Scheduling, tracking assignments, maintaining ratios in small consistent groupings
- New training requirements

Manage COVID-19 policies and schedules

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

Business software changes your role...

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

TO
A Business leader understands her business and how decisions in specific areas will affect her bottom line
From the System We Have to the System We Need
How data can transform ECE

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

Systemic Solutions Require Systemic, Real-time Data

Figure 4: Average Weekly Attendance January to July 2020, Early Learning Ventures, Colorado Providers
Data Sharing and Automation: Building the System

- Child Care Center data collection
  - Electronically via CCMS
- Data Trust
  - Ensures legal, confidential sharing of data
- Customer Interface
  - Child Health Providers
  - Parent search, public accountability, Community planning

Confidential & Proprietary information of Bowtie, BrightHive, BridgeCare & Childcare Aware of America, © 2020

Data Sharing and Automation: Building the System

Confidential & Proprietary information of Bowtie, BrightHive, BridgeCare & Childcare Aware of America, © 2020

Example from TX Emergency Child Care Data System

<table>
<thead>
<tr>
<th>Supply</th>
<th>Infant</th>
<th>Toddler</th>
<th>3-5 yrs</th>
<th>School-aged</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aledo</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Arlington</td>
<td>101</td>
<td>327</td>
<td>536</td>
<td>744</td>
<td>2,193</td>
</tr>
<tr>
<td>Azle</td>
<td>4</td>
<td>8</td>
<td>41</td>
<td>46</td>
<td>80</td>
</tr>
<tr>
<td>Bedford</td>
<td>15</td>
<td>55</td>
<td>82</td>
<td>123</td>
<td>373</td>
</tr>
<tr>
<td>Benbrook</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>9</td>
<td>30</td>
</tr>
</tbody>
</table>

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%)

**With Good Data Public Policy CAN Support ECE Business Success**

- 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

Example from TX Emergency Child Care Data System

<table>
<thead>
<tr>
<th>Supply</th>
<th>Infant</th>
<th>Toddler</th>
<th>3-5 yrs</th>
<th>School-aged</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aledo</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Arlington</td>
<td>101</td>
<td>327</td>
<td>536</td>
<td>744</td>
<td>2,193</td>
</tr>
<tr>
<td>Azle</td>
<td>4</td>
<td>8</td>
<td>41</td>
<td>46</td>
<td>80</td>
</tr>
<tr>
<td>Bedford</td>
<td>15</td>
<td>55</td>
<td>82</td>
<td>123</td>
<td>373</td>
</tr>
<tr>
<td>Benbrook</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>9</td>
<td>30</td>
</tr>
</tbody>
</table>

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%)

**With Good Data Public Policy CAN Support ECE Business Success**

- 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
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!

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

For More Information ...
Opportunities Exchange
Profiles, Tools, Resources, Metrics, Issue Briefs and more ...

www.opportunities-exchange.org