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Coach's Corner

Business Practices

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For many early childhood educators, “business practices” is not a favorite topic. Most of our focus is on the education and care of the children we serve. But it is important to remember that good business practices lead to higher-quality programs. After all, early childhood education programs are also businesses and if you are a family child care educator or the owner of a center, you are a business owner. If you haven’t spent much time working on business practices, it may feel a bit overwhelming. No worries! DIEEC is here to support you with information, resources, and professional development.

What are Business Practices?

The areas of business practices that we have been focusing on are marketing, fiscal management, and recruitment and retention. Each of these areas are vitally important to a successful early childhood education program. Many of you have probably done some work around these areas, even if you didn't realize it. You will never regret dedicating time and energy to the business aspect of your program.

- Marketing- This area of business practices focuses on two major audiences- external and internal. External marketing is what we typically think of when it comes to marketing. It includes marketing to prospective families, community organizations, and referral agencies. Some ideas for external marketing may include- creating a brand (logo, mission statement, etc.), identifying your program's features and benefits, and using marketing tools such as social media, phone calls, community partnerships, or a website. Internal marketing focuses on your current families and staff. While working to recruit new families or staff, it is important to take care of the ones you have already! For current families, this can include annual surveys, social events, and sharing resources. For staff, this can include staff meetings, events, professional development opportunities, and gestures of appreciation. Another internal marketing audience is past families. Keeping in contact with past families is a great way to gain word of mouth referrals.
- Fiscal Management- This area of business practices includes all things financial including budgeting, projecting revenue/costs, and financial reports. Fiscal management is crucial to running a successful business. We will talk about this more in depth below!
- Recruitment and retention- This area of business practices focuses on finding and hiring qualified staff, as well as, maintaining your current staff. Some key elements to consider are up to date job descriptions, hiring protocols, and recruitment strategies. Remember, it is much more efficient and cost effective to work on retaining qualified educators, than to be constantly focusing on recruiting new educators.

Center-based Considerations

Budgeting can look very different from program to program. The number of children and staff in your program have a major effect on your revenue and expenses. When budgeting for a center it is good practice to budget at 85% capacity, even if you are typically at maximum enrollment. Enrollment can change quickly so it helps to budget below capacity. It can also be helpful to identify trends in enrollment. For example, if your enrollment decreases in the summer you will want to factor that into your budget.

Family Child Care (FCC) Considerations

Similar to center-based programs, FCC educators should consider budgeting for one child less than capacity. In addition, it is good practice to pay attention to the number of families in your program. If your capacity is 9 and 3 kids are in the same family, it would make a significant impact if that family were to leave. Another thing to consider in family child care is the difference in direct and shared expenses. Direct expenses are expenses that are only for the FCC program. Shared expenses are a combination of business and personal expenses. For example, rent/mortgage could be a shared expense.

We have learned many valuable lessons while dealing with the pandemic over the past 16 months. One of the biggest takeaways is the importance of having savings or some sort of emergency fund. Having sound business practices in place helps us make these things happen. If your program is interested in learning more about business practices, please check out our PD offerings below!



Professional Development (PD)

- Strengthening Business Practices: Fiscal Management (Part 1 and 2) – Budgets, Planning, Projections, Financial Reports and Internal Controls for Center-Based Administrators- Live Virtual PD
- Strengthening Business Practices: Marketing Your Program for Center-Based Administrators- Live Virtual PD
- Strengthening Business Practices: Staff Recruitment and Retention for Center-Based Administrators and Large Family Child Care Providers- Live Virtual PD
- Strengthening Business Practices: Fiscal Management (Part 1 and 2): Budgets, Planning, Projections, Financial Reports and Internal Controls for Family Child Care Providers- Live Virtual PD
- Strengthening Business Practices: Marketing Your Program for Family Child Care Providers- Live Virtual PD

to register for any of these workshops visit: www.dieecpd.org

Resources

- [Tom Copeland's Taking Care of Business- The Nation's Leading Expert on the Business of Family Child Care](#)
- [Small Business Development Center](#)
- [Small Business Administration](#)
- [Stand By Me](#)