

Characteristics of a Successful Shared Services Hub

Mission Driven -- Have the desire to work with other ECE organizations to improve business and/or pedagogical performance and see this as part of their mission rather than as an opportunity for increased funding. In other words, Shared Services for ECE is not a social enterprise; the Hub agency must be willing to provide the service at cost and use any revenues generated from efficiencies or additional fundraising to re-invest in the participating sites to boost quality.

Fiscally Sound, Efficient and Effective – The Hub agency must be in strong financial shape as measured by “Iron Triangle.” This means they must be keenly focused on keeping all classrooms fully enrolled, collecting all revenues in full and on time (including parent fees), and they must know their cost-per-child in every classroom and have a fiscal plan for either setting rates that cover costs or raising third party funding to fill the gap.

Additionally, the Hub agency should have fiscal management automation systems in place and experience with, or the ability to quickly get up to speed in managing, a wide range of early care and education funding streams – including School Readiness, PreK, Head Start, foundations, private fees, etc.

Willing to Innovate – A successful Hub agency is not rooted in the status quo but willing to explore different models and methods of sharing staff with other centers/ECE organizations to attain both economies of scale and economies of specialization.

Supportive Board – A successful Hub agency should have a board that is supportive of Shared Services in both concept and practice, and willing to support it as a mission rather than a revenue-generator.

Effective, Qualified Staff -- Launching Shared Services requires staff that: understand the concept of Shared Services in general and fiscal/program management in particular, are willing to innovate, and excited to be part of a new, national movement. Staff does not need to be on-board currently; but the agency needs to be able to recruit the right leadership.

Trust Within the Community -- The Hub agency must have, or be able to build, trust among small ECE centers and/or homes in the community, local funders, policy makers and others. They should be viewed as a collaborator and have skilled upper management able to navigate the politics of ECE provider communities.

A successful Shared Services Hub does **NOT** need not be:

Located in the Target Community - It is entirely possible for a Hub agency located outside the target community to successfully provide Shared Services. Services such as fiscal management can easily be done remotely, and depending on travel time staff for quality support and even center management can be shared across sites. A successful Hub must be able to garner support, and provide services, in the target community; they do not necessarily need to be physically located there.

An ECE Provider – While there are some clear economies of scale and economies of specialization when an existing ECE provider takes on the role of a Shared Services hub, it is not essential. In some cases, the smaller centers and/or homes that join the Alliance as participating members feel less threatened by a Hub that is not a service provider (and therefore not a potential competitor.) The bottom line is capacity, efficiency and effectiveness—can the potential Hub quickly come up to speed in providing the essential Shared Services and can they do so at an affordable price?