Using Shared Services Principles to
Reorganize Business Operations at Multi-Site Centers

Background
Shared Services is a framework that allows multiple early care and education sites to pool needs and share resources – including staff, information, skills and funds – in order to improve the capacity to provide high quality care. By participating in an Alliance, ECE businesses become stronger, more accountable, more financially sound and efficient, and better equipped to offer affordable, high-quality services for children and their families.

Alliances offer a range of services and purchasing options to their members, including shared purchasing options and group discounts. Alliances can also forge collaborative strategies for a range of management and program supports.

Purpose of a Reorganization
Shared Services is a capacity-building strategy. Reorganizing using Shared Services principles helps the organization achieve greater capacity to deliver high quality care, through:

1. Scale – reduces costs, and reduces time on task and errors,
2. Specialization:
   • Centralized staff increases expertise, efficiency, accuracy
   • Program leaders focus on teaching and learning
   • Professionals focus on what they like to do and do best

Steps for Reorganization
The purpose of this guide is to provide multi-site early care and education organizations (multi-sites) with a general outline of how to use a Shared Services framework to restructure operations. Each multi-site is different, but in general, the steps for reorganization are:

1. Identify the potential operational areas that could be centralized
2. Identify the tasks, processes, and staffing changes needed to strengthen each operational area
3. Develop the detailed description of job changes and changes in staffing. Describe how roles and processes will change in as much concrete detail as possible.
4. Estimate implementation costs and develop a plan to obtain necessary resources.
5. Develop a work plan to implement staffing and process changes, starting with changes that are low-cost or no cost.
6. Continue resource development efforts and implementation of staffing or process changes.

The amount of time required to reorganize business operations varies based on the many factors that make each center.

Step 1: Identify the potential operational areas that could be centralized
One large multi-site organization describes deciding what to centralize like this: "Whatever doesn't have to happen in the classroom or at a particular site can potentially be centralized and scaled."

Begin by making a list of all the tasks/functions that must occur in order to keep the centers open and operating smoothly. This might involve an exploration of each job, the detailed responsibilities included in that job, and a rough estimate of how much staff time it takes to perform the task. Don't censor yourself at first; just brainstorm a list. OppEx has a Shared Services Audit Questionnaire that we have used to help guide this process.

Look over your brainstormed list and think about the feasibility of centralizing each of these tasks – what makes sense to centralize in the short-term? What would be a longer-term goal? What tasks would require an investment in automation? What might require additional scale? Where is there a natural opportunity to begin because a particular staff person has passion around this task and would love to take the lead? What tasks will be more difficult, and might lend themselves to Phase 2 implementation? And what tasks just shouldn't be centralized because there is a strong case for performing them at each site? Explore the pros and cons of each task, and slowly build a list of items to address in the short- and longer-term.

Tasks that are often centralized include the following:
- Billing and Fee Collection – for parent fees
- Billing, reporting, and management of grants and contracts
- Administration of the Child and Adult Care Food Program
- Fiscal oversight
- Marketing and Enrollment
- Staff Recruitment and/or Hiring
- Substitutes – Recruitment and Scheduling
- Staff Orientation
- Purchasing
- Quality Assurance (including interface with licensing, QRIS, etc.)
- Professional Development (including individual staff professional development plans)
- Human Resources
- Development/Fundraising
- Children's Health Supports
- Family Support Services
- Janitorial
- Maintenance

Tools available on the Opportunities Exchange website that might help with this process:
- Shared Services Audit Questionnaire
- Sharing Staff Roles and Responsibilities Across Sites: Lessons Learned from Intensive

- Shared Services Alliances
- Presentations from 2015 National Shared Services Conference:
    - o Business Leadership in Action: Lessons from the Field
    - o Pedagogical Leadership in Action: Lessons from the Field
    - o Launching Shared Services: Multiple Pathways
- Child Care TN Current and Future Activities
- Chambliss Administrative Responsibilities

Step 2: Identify the tasks, processes, and staffing changes needed to strengthen each operational area

Look over your brainstormed list and think about the feasibility of centralizing each task – what makes sense to centralize in the short-term? What would be a longer-term goal? What tasks would require an investment in automation, especially if there is a need to have all sites using the same system? What might require additional scale? Where is there a natural opportunity to begin because a particular staff person has passion around this task and would love to take the lead? What tasks will be more difficult, and might be more appropriate for Phase 2 implementation? And what tasks just shouldn't be centralized because there is a strong case for performing them at each site? Explore the pros and cons of each task, and slowly build a list of items to address in the short- and longer-term.

Part of this assessment process involves thinking carefully about the human resources currently available in your organization. Do you have site directors that really enjoy the business side of things, and others who prefer to roll up their sleeves and work closely with teachers and children? Shared Services is rooted in the concept of specialization, that is, allowing staff to focus on what they do best and most enjoy. To this end, you might want to conduct a brief survey of your staff aimed at helping you learn more about their interests.

Tools available on the Opportunities Exchange website that might help with this process:
- Sample survey from one multi-site that used Shared Services principles to reorganize
- Time Saving Benefits of the ECE Shared Resource Platform (the "Knowledge Hub")
- Child management software – e.g. ProCare, EZCare, Child Care Manager; Minute Menu (for USDA Food Program management)
- Recruiting Staff and Substitutes
- Sound Child Care Solutions Relief Squad Orientation
- Child Care Food Program Support

Step 3: Develop the detailed description of job changes and changes in staffing

Once you have a list of potential tasks to centralize, and a deeper understanding of who might perform these tasks, you can begin to craft an alternative staffing structure. This step involves building an organizational chart and more detailed job descriptions, thinking carefully about caseloads and supervision structures, and so forth.

Tools available on the Opportunities Exchange website that might help with this process:

- ECLC Organization Chart
- TCG Organization Chart
- Chambliss Center for Children Organization
- Alliance Job Descriptions—Chambliss Center for Children

Step 4: Estimate implementation costs and develop a plan to obtain necessary resources

Now look at your newly proposed org chart and staffing patterns and think about what it will take to make the shift from what you have now to where you want to be. Will you need to purchase new technology software or hardware? Hire new staff? Invest in additional staff training? Based on the Shared Services you have identified as first steps as well as short-term and longer-term tasks, begin to build a budget for implementation of each shared service. Some costs will be one-time expenses that might be considered "start up"; others will require on-going operating revenue. To this end, crafting a three-year budget is recommended so that you can include both short and longer-term cost estimates.

Once you have built an expense budget and have an estimate of how much funding will be required to support shared expenses, begin to explore revenue sources. Most Alliances rely on a mix of grants/contracts and membership fees; however sources and fee structures vary widely. Establishing a viable structure for membership fees is challenging and is a process that will likely evolve over time with input from member organizations. Recognize that your initial budget is a first attempt. Remember that a key benchmark for a staff-sharing Alliance focused on business leadership will be to strengthen the "Iron Triangle" and boost revenues in participating programs, thereby enabling them to pay membership fees and still invest in teachers and classrooms. It will take time to see these results; however setting financial performance goals is an important step and will help to benchmark progress as well as identify challenges to be addressed.

Tools available on the Opportunities Exchange website that might help with this process:

- Copy of business plan for Philadelphia Early Learning Alliance
- Strategic Investment Letter of Inquiry – Seacoast Early Learning Alliance
- "The Iron Triangle: A Simple Formula for ECE Finance" webinar, June 13, 2014
- The Iron Triangle: A Simple Formula for Financial Policy in ECE Programs, by Louise Stoney and Anne Mitchell
- "ECE Cost Modeling" webinar October 10, 2014: Presentation, Audio recording
- Pricing and Quality Practices among key Alliances

Step 5:   Develop work plan to implement staffing and process changes.

Once a basic plan for what you want to do and how much it is going to cost has been outlined, the next step involves creating a more detailed work plan that identifies the steps involved, or essentially who will do what and by when. Work plans are living documents that should be revisited every week or so, to make sure you stay on track, and are likely to be revised over

time. But having a map helps make sure that you know where you are going and the steps involved in getting there.

Tools available on the Opportunities Exchange website that might help with this process:
- Implementation Plan – State Early Learning Alliance of NH (previously Partnership for Effective Early Learning, and Seacoast)
- Business Plan Outline – Philadelphia Early Learning Alliance

Step 6: Begin to implement the workplan, track progress, and continue resource development efforts and outreach.
The work plan described in Step 5 should be specific enough to use as a document to track progress. We recommend that you re-visit the plan weekly, checking off what has been done and identifying tasks for the upcoming week.

It is also helpful to develop longer-term benchmarks that can be used to identify progress, track progress over time and made mid-course corrections. Examples of benchmarks used by multi-site centers that use a Shared Services framework include the following:
- Enrollment, as a percentage of staffed capacity – the goal is to minimize slot 'vacancy'. Best practice is to review these reports weekly and benchmark at least 85% enrollment.
- Revenue Collection – best practice is to keep bad debt below 5%. To manage effectively, government payments must be reconciled monthly unless state self-corrects.
- Cost Per Child by Classroom - calculating cost by classroom helps determine what to charge as well as to identify classrooms that are chronically losing money.
- Instructional Goals – Typically include measures such as: CLASS or ERS or PAS scores, child assessment data (e.g. TS GOLD), licensing status (upcoming renewals, health/immunization records, etc.), staff professional development plans/goals,

Helpful resources:
Business Leadership: Using Metrics to Drive Quality and Sustainability

Multi-Media: Putting it All Together
Sometimes it is hard to imagine an organizational or staffing structure, a way of delivery services that is new. To help you envision what a Shared Services Alliance might look like "in action" and to hear from folks involved in building these Alliances, below are links to video clips that you might find helpful:
- Building Quality through Shared Services – a multi-media learning tool featuring Sound Child Care Solutions in Seattle, WA
- The Children's Home Model (Chambliss Center for Children, TN))
- Seacoast Early Learning Alliance (NH)
- Shared Solutions Alliance (OH)