

Shared Services is a new approach to early care and education management and leadership that centralizes key functions to save dollars, strengthen management capacity, improve early learning and ensure sustainable, high quality programs.

A SHARED SERVICE Alliance is a community-based partnership comprised of small businesses, whether nonprofit or for-profit, working together to share costs and deliver services more efficiently and effectively. By participating in an Alliance, small early care and education (ECE) businesses become stronger, more efficient, and more capable of offering affordable, high quality early care and education.

THE CHALLENGE

Most early care and education (ECE) services are delivered in very small programs, led by individuals trained in child development, and often not skilled in managing the business side of early care and education. The average ECE program serves fewer than 75 children and cannot generate enough revenue to support expert program leadership. With limited resources to support strong fiscal and program management, quality suffers: revenues further decline and teachers do not get the support they need to guide children's behavior, effectively implement curricula, and offer child and family supports. These challenges pose a serious threat; weak management is the primary reason ECE programs fail. Even administrators of programs who are at the top of a state Quality Rating

and Improvement System (QRIS) or have high environmental rating scores may fail to see fiscal trouble until it is too late.

A NEW APPROACH

A growing number of ECE leaders, funders and policy-makers across the US are exploring the Shared Services strategy. At its core, Shared Services is a simple idea: organizations can reduce costs and improve the strength of management and the quality of services by sharing administrative functions with other organizations that provide the same types of services. By joining forces, ECE programs are able to stay small, preserving intimacy important to families, while also able to improve long-term financial strength and management capacity and the ability to provide a high-quality service.

The Shared Services approach is a paradigm shift, challenging the widely held assumption that ECE businesses work best as small individual businesses operating independently. ECE Alliances can take many forms, but have the following in common:

- ▶ **Reduced or shared costs** through joint purchasing, bulk buying, staff sharing, centralized administration, or some combination of these
- ▶ **Shared capacity-building** in program, administration, or both, through use of common tools and systems, shared mentoring and supervision, and/or collaborative improvement processes

In short, Shared Services centralizes management functions to save dollars, build professional management capacity, and offer staff opportunities to focus their expertise and work in teams.

RANGE OF ENTRY POINTS

Shared Services opportunities exist at the national, state and local levels, as exhibited in the diagram at left.

ECE organizations engage in Shared Services in different ways. At the local level, a large center may provide comprehensive management services for a network of center- or home-based child development programs in their community. Or a group of ECE providers might form a consortium and create a shared management entity or central office. This "Intensive Shared Services" approach, focused on sharing staff within a local community, offers the greatest opportunity for improved administrative efficiency and effectiveness and stronger classroom quality. A key example is Sound Child Care Solutions in Seattle, WA, which has received classroom assessment scores that are among the highest in the city. Many Alliances across the US have taken this intensive approach; profiles of these alliances can be found at www.opportunities-exchange.org.

Many ECE programs are not ready to participate in an Alliance that shifts the traditional business model in such

LEVELS OF SHARED SERVICES

National

- ▶ Shared Services on the Web (generic)
- ▶ Cost savings, tools, R&D, etc.

State

- ▶ Shared Services on the web (customized)
- ▶ State-specific software for data collection, reporting and fiscal management
- ▶ QRIS links, state R&D, state-specific tools, cost savings, etc.

Local

- ▶ Shared staff (administrative and/or program)
- ▶ Local cost savings (staffing/substitutes, janitorial/maintenance, etc.)
- ▶ Support for marketing, enrollment, etc.

a profound way. To address this need, some Alliances begin by offering Shared Services on the web. Alliances in seven states (CO, FL, GA, KY, LA, NH, and PA) are currently taking this less intensive approach, using customized versions of a national Shared Services web platform, www.ECESharedResources.org. At the national level, research, collaborative learning activities, and website development efforts focus on identifying and developing tools and resources that can be shared across states and ECE modalities. These statewide and national tools and strategies lay the groundwork for and service the development of Intensive Shared Service Alliances.

STEPS TO ENGAGE IN INTENSIVE SHARED SERVICE ALLIANCES

Engaging organizations in creating these local, staff-sharing alliances takes careful and thoughtful planning. While some Alliances emerge on their own as a result of factors unique to a particular community or set of individuals, most require some sort of inducement—a carrot, a stick, or both—to go through the difficult and time-consuming change process. The source of the inducement is most often funders—private, public, or a collaboration of the two—who see the need and opportunity to improve the sustainability of high quality care.

For most organizations, the change process involves a series of steps:

1. **Awareness** of the concept
2. **Interest** in exploring the concept
3. **Experimentation** with different business models, including shared staffing
4. **Implementation** of a local shared-staff Alliance

While creating local shared-staff Alliances is the ultimate goal, this cannot be achieved by starting at the Implementation stage. Time and effort are required to move organizations down the path from awareness to implementation. Attempting to incentivize organizations to create a staff-sharing Alliance without the requisite

change management work makes long-term sustainability highly unlikely.

ROLE OF THE SHARED SERVICES WEB PLATFORM

The www.ECESharedResources.org web platform was initially developed, and is managed, at the national level. While the platform was originally perceived by many primarily as an opportunity for shared and discounted purchasing, its value to providers is now known to be far broader. The national site contains several management tools—for staffing, teaching and learning, and business operations—that provide not only significant time savings and contributions to working smarter, but also important components in a quality improvement effort. The platform's greatest value is derived when an Alliance—such as SharedSource Pennsylvania or Early Learning Ventures in Colorado—offers the platform statewide, customized to integrate with state systems such as subsidy management and Quality Rating and Improvement Systems (QRIS).

The Shared Services web platform is often used as an initial engagement tool to create awareness of the Shared Services concept. Once providers have been introduced to the platform and begin to use the content, the concept of shared resources as a way to improve quality and help providers work smarter becomes clearer. At this point, the benefits of sharing resources more deeply through shared staffing and back-office operations becomes easier to understand and more compelling. This process of moving from a state-customized platform to the development of local staff-sharing Intensive Shared Service Alliance is currently in development in each of the states where the web platform has been introduced.

SUPPORTING SUSTAINABLE ECE QUALITY

Pursuing a Shared Services strategy can be time-consuming and difficult. However, the potential rewards are critical: shared resources leading to sound business and program management, resulting in sustainable, high quality early care and education. ✨

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