Shared Services 101:
A Powerful Framework for Strengthening Early Care and Education
What is Opportunities Exchange?

- Nonprofit consulting group working with ECE sector
- Mission is to improve outcomes for children by promoting the development of Shared Service Alliances
  - Technical assistance to ECE providers interested in transforming the business of early care and education
  - Work to shape public policy and public financing in ways that incentivize high quality care for young children
Shared Services: Supporting the Mission of High Quality ECE

“Building adult capabilities improves child outcomes.”
(Jack Shonkoff, Harvard University Center on the Developing Child)

Shared Services helps improve child outcomes by improving ECE capacity in pedagogical and business leadership.
Shared Services Helps Programs Deliver Strong Leadership

Pedagogical Leadership
- Child development expertise
- Classroom coaching
- Teacher supervision
- Instructional leadership
- Child assessments

Business Leadership
- Full enrollment
- Fee collection
- Cost-per-child calculations
- Fundraising
- Reporting
- Regulatory compliance

High Quality ECE
What is Pedagogical Leadership?

The word Pedagogy means the theory and practice of education.

Pedagogical Leadership refers to how we lead teaching and learning in early care and education programs.
Pedagogical Leadership: How Shared Services Helps

- Site Directors can serve as instructional leaders (when freed up from multiple administrative tasks)
- Shared, embedded quality improvement staff can support teachers to strengthen teaching and learning
- Teachers have time ‘off the floor’ to think and plan; opportunities to reflect on their work in professional learning communities
- Children receive the individualized, reflective teaching they need to succeed

A Shared Services framework enables professionals to focus on what they like to do and do best
Business Leadership: Focus on the Iron Triangle

The Iron Triangle of ECE Finance

- Ensure full enrollment, every day in every classroom
- Collect tuition and fees, in full and on time
- Revenue covers per-child cost (tuition, fees, and 3rd-party funding)
Business Leadership: How Shared Services Helps

- Automation/technology reduces time on task and errors
- Centralized, dedicated staff to focus on fiscal management allows for greater expertise, efficiency, fewer errors
- Centralized, dedicated staff to focus on enrollment helps keep slots full
- Centralized, dedicated staff to focus on fundraising to fill gaps
- Joint procurement and shared staff can reduce costs

*A Shared Services framework enables professionals to focus on what they like to do and do best*
ECE Capacity: Our Challenges

• Financing defined by what parents and/or public funders can (will) pay
• Standalone centers or small multi-sites with high administrative costs
  • Limits capacity to focus on professional development and staff wages
  • Makes it difficult for directors to serve as instructional leaders
  • Prevents directors from focusing on what they do best
  • Time required for paperwork/administrative tasks “starves” the mission of high quality ECE
Most child care centers are small, and a single director is responsible for multiple tasks.
Shared Services: A Solution

- Shared Services helps address these challenges.
- When we identify and pool our needs, we can feed our missions.
- What will we gain?
  - Sustainability
  - Higher quality
  - Improved child outcomes
  - Career pathway where staff can grow as professionals
Shared Services: Our Core Values

• Every director deserves an administrative team.
• Every teacher deserves pedagogical leadership.
• Every child deserves a reflective teacher.
Shared Services: How does it work?

Shared services is a way to feed the mission by pooling needs with others.
This is an ECE center, and the circle is its mission, however you define it, such as:
• Educating kids
• Caring for families
• Serving the community
In the white space are all the things that support the mission, such as:

• Recruiting and enrolling children
• Collecting fees
• Hiring and training staff
• Building maintenance, etc.
Everyone wants to feed the mission; everyone hopes their center can have a bright mission: strong, sustainable, and successful.
But no one should be expected to excel at both the mission and all the things that support the mission.

- There’s not enough time.
- There’s not enough money to hire staff to do all those things.
- There’s no reason anyone should be expected to have all the skills needed in both circles.
When too much time and effort are feeding the support rather than the mission, then the mission begins to starve.
One solution is to pool needs with other centers, so that everyone meets those needs together.
When centers share staff and tasks, more time, money, and emotional energy is available to feed the mission.
There’s more than one way to pool needs and feed the mission.
Sharing Capacity to Feed the Mission: Some Examples

Economies of Scale

- Bulk buying to reduce costs
- Automated financial transactions to save time
- Collaborative contracts for support services (e.g. snow-plowing, property management, maintenance) to reduce costs and save time
Sharing Capacity to Feed the Mission: Some Examples

Economies of Specialization

• Central staff with expertise and time to focus on administrative tasks
• Site-based staff with expertise and time to focus on improving teaching and learning
• All staff able to grow as professionals, focus on what they like to do and do best, work in teams with skilled supervision
A Range of Approaches and Entry Points

- Web-Based ECE “Knowledge Hub”
- Peer Group Best Practices Sharing
- 1 or 2 Shared Resources, e.g. maintenance, training
- Shared Back-Office
- Shared Core Values; program leadership works as team; shared staff in many areas

Sharing Information → Networking → Sharing Staff
A Range of Approaches and Entry Points

Sharing Information → Networking → Sharing Staff
Alliances across the U.S.
States with Web-Based ECE “Knowledge Hub”
May 2015

 opportunities
Exchange

1. States with Web-Based ECE “Knowledge Hub”
3. Alliances across the U.S.
4. Opportunities Exchange

- Visual representation of states with Web-Based ECE “Knowledge Hub”
- Map of the United States with stars indicating states

5. Map highlights 15 states with Web-Based ECE “Knowledge Hub”

- States include: [list of states]

6. [Additional information or analysis if available]
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Sharing Information → Networking → Sharing Staff
Examples

- San Francisco Early Learning Alliance (first steps)
  - 2 centers that were part of funder-convened group
  - Shared floater and maintenance person
- Philadelphia Early Learning Alliance
  - 6 organizations that had worked together on professional development
  - Decided to explore more intensive Shared Services
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Sharing Information → Networking → Sharing Staff
Benefits: Intensive Staff-Sharing Alliances

- Greater functional expertise
- Less duplication of effort
- Stronger sustainability
- Greater job satisfaction
- More focus on teaching and learning
- Better outcomes for kids
Example: Sound Child Care Solutions

Seattle consortium (501c3) of 6 center licenses with centralized administration (28 classrooms in diverse neighborhoods)

- Central functions (shared):
  - Financial – payroll, benefits, billing
  - Bulk purchasing goods and services
  - Professional development system
  - Accreditation support
  - Mentoring
  - Staff recruitment and substitute pool

- Directors’ time freed up to focus on teacher supervision, family relationships, quality early learning

- Critical element: intense focus on shared core values

Check out video: http://opportunities-exchange.org/wp-content/themes/vulcan/multimedia/
Results: Sound Child Care Solutions

- Time - Reduction in staff time on administration, operations, HR
- Revenues – Stronger revenues due to better management, reinvested in teaching and learning
- Core values – Directors’ time freed up to focus on pedagogical leadership, family relationships, racial equity
- Teachers – Low turnover, reflecting stronger professional development and teacher mentoring, higher staff salaries and benefits, internal career ladder
- Child outcomes – top ERS scores in Seattle
Example: Chambliss Center for Children

Chattanooga, TN

Large child care center provides management to 5 off-site centers and 9 PreK classrooms – 650+ total children

- Contract sites maintain non-profit status, board
- Small sites have shared directors
- Central services:
  - Training and professional development
  - Classroom observations and child assessment
  - Financial
  - HR and staff recruitment
  - Food program administration
  - Fund development
  - Maintenance
Results: Chambliss Alliance

- **Time** – Reduced staff time on administration, operations, HR
- **Revenues** – Stronger enrollment and fee collection; all sites more sustainable, better access to capital and grants
- **Teachers** – Staff in smaller sites now have better wages, health and retirement benefits, career ladder
- **Access to services** – at-risk children and families now linked to comprehensive health, mental health and social services
- **Child outcomes** – children score well on kindergarten screening
Example: Early Connections Learning Centers
Colorado Springs CO

- Non-profit multi-site ECE corporation
  - 7 sites in community, schools, courthouse
  - Network of 41 family child care homes
- 375 children, mostly low-income
- All centers are NAEYC accredited
- Key focus on family engagement (including home visits)
- Although a multi-site organization, previously not organized with a Shared Services framework
- Reorganized in 2009, centralizing most functions
Early Connections’ Centralized Functions

• Joint marketing, centralized website
• Enrollment, tracking by center and classroom, scheduling of orientation
• Food program management, meal purchasing, CACFP administration, group purchasing of supplies
• Billing and subsidy administration
• Fee collection, late fees and discharge
• HR and benefits
• Maintenance
Results: Early Connections

- Cost savings
- Bad debt decreased to approximately 2%
- Teacher salaries increased, and able to offer health insurance and other benefits
- Center directors now focus most of their time on supporting teachers, instead of on administration
  - More time for coaching/mentoring
  - Learning communities across sites
Example: Seacoast Early Learning Alliance
New Hampshire

- One PT staff to oversee + support from fiscal agent
- Contract with Great North Advantage (property management company) for: insurance, risk mitigation, HR, marketing, regional purchasing (heating fuel, sand/mulch, auditor, waste removal, cleaning service), facilities project bidding & project oversight
- Contract with CCA Global for ECESharedResources web-based services
- (Alliance members also collaborate on grant writing, training, and communities of practice)
- Original group was 10 centers; currently 35 member centers and growing…
$5,200 annual savings on commercial insurance

Three members are saving 17-24% on their food costs – one reinvested their annual $26,000 into serving more whole grains and fresh fruits & vegetables

A teacher is saving $630 per year on her own home and auto insurance

A member saved $2,000 just last month on a Discount School Supply order

$2,400 annual savings on credit card fees

Deep discounts for heating fuel for programs and for their teachers

$1,000 saved per year with cleaning company

12% annual savings on trash removal
Factors That Can Derail Shared Services

- Creating back-office as another layer of bureaucracy without members reducing staff or shifting responsibilities
- Begin with most challenging issue (e.g. staffing and substitutes)
- Prices too high too soon – members very price sensitive; can’t see value business management
- Weak partner in key role – if key partner is not strong enough it can place Alliance at risk
- Lack of trust and shared vision among partners
Summary:
What is (and is not) Shared Services?

Shared Services IS..
• A change in roles/responsibilities
• A capacity-building strategy
• A way to reallocate resources from administration to classrooms, and focus more deeply on child outcomes

Shared Services is NOT…
• Simply a way to save money
• Just a provider network
• A franchise or a project or a template
• The same in every community
Measuring Success

• Evaluation is key for participants, funders

• Types of data:
  • Enrollment vs. capacity
  • Revenue collection
  • Cost per child
  • Time savings and reallocation
  • Pedagogical, e.g. ERS, CLASS
  • Child outcomes, e.g. kindergarten readiness
Explore Shared Services

- Opportunities Exchange website: www.opportunities-exchange.org
  - Profiles of current alliances
  - Tools, such as examples of management agreements
  - Articles and presentations
  - Videos and multi-media