



Shared Services in Early Care and Education: Introduction and Alliance Examples

Across the U.S. a select group of early care and education (ECE) leaders are utilizing a Shared Services management approach to build financial sustainability and enhance the ability to deliver high quality services. Shared Services helps preserve two of the key strengths of ECE businesses – autonomy and diversity – while at the same time allowing providers to take advantage of the economies of scale needed to offer high quality services to children and families.

The Shared Services model helps child care providers improve their bottom line by:

- Reducing operating costs through economies of scale in business functions such as payroll, benefits management, banking, janitorial services, food services, and bulk purchasing
- Enhancing revenue through increased automation, improved collections, enhanced marketing, high enrollment, and more effective human resource practices

Shared Services helps improve program quality by:

- Leveraging the professional management and economic strength of larger organizations, making it easier for small sites to meet quality standards, gather and report data, and offer a range of supports to children and their families
- Reinvesting savings in program enhancements such as staff compensation and benefits to attract more stable and more highly qualified staff

What Does a Shared Services Alliance Look Like?

Shared Service Alliances are networks of small ECE centers and/or family child care homes within a community that share costs and administrative and program services. Alliances use a range of business models but have a common purpose: to strengthen child care businesses so that they are more efficient and thus more financially sustainable, and better able to deliver high quality services. For example:

- In Chattanooga, Tennessee, a large nonprofit child development center called the Children's Home/Chambliss Shelter provides comprehensive management services to 10 independent nonprofit child care centers. Centers affiliated with the Children's Home Alliance have been able to raise teacher wages and benefits, lower staff turnover, and raise the quality of services that the centers provide – largely because of the scale and professional staff that come with the Alliance's shared management structure.
- The Infant Family Day Care (IFDC) Alliance in Fairfax, Virginia helps its member home-based ECE providers operate at capacity enrollment by providing expert marketing. The Alliance requires all its members to meet IFDC's quality standards. Thus, IFDC not only helps families find high quality care, but also helps providers find the market they need to run successful small businesses. In a field where turnover is a serious problem, IFDC providers stay in the child care field 2.6 times longer than the national average.
- The child care centers that participate in Seattle's Sound Child Care Solutions (SCCS) Alliance are located in diverse neighborhoods and retain their community and cultural identities (including their own names); however they are linked by an administrative hub. In addition to offering the centers a host of fiscal and program management services,



classroom supports, coaching, and assistance in earning national accreditation, SCCS supports a strong anti-bias curriculum.

- The Early Learning Ventures Alliance at Early Connections Learning Centers in Colorado Springs, CO is a multi-site non-profit network of centers and family child care homes. ECLC provides Alliance members with a range of fiscal, administrative and program support services, including extensive training and accreditation facilitation. ECLC is focusing its expansion efforts specifically on family child care homes, with services such as billing and fee collection, a substitute pool, and family supports.
- In Pennsylvania, SharedSource Philadelphia was formed through a collaboration of the Delaware Valley Association for the Education of Young Children (DVAEYC) and Public Health Management Corporation (PHMC). The Alliance operates on two levels. A web portal delivers a range of administrative tools and supports (such as employer/employee handbooks, marketing templates and employment guidance) as well as competitively priced services (such as bulk purchasing for food, classroom supplies, credit card processing, and others) specifically designed for ECE businesses. At the same time, PHMC provides a small group of centers with in-depth support for billing and fiscal management via a new Pennsylvania-specific web-based child care management tool, ChildWare.
- In Atlanta, the Georgia Alliance for Quality Child Care is sponsored by Quality Care for Children (QCC), a child care resource and referral agency. As in Philadelphia, the Alliance operates on multiple levels. A web portal delivers products and services for ECE businesses, with the goal of attracting members statewide through collaborations with other child care resource and referral agencies. In Atlanta Metro, Alliance services are coordinated by QCC in partnership with other agencies such as United Way. And QCC will help to create a third level, Peer-to-Peer Shared Services, by matching needs and existing resources among child care providers in close proximity to one another.

The examples above illustrate a wide range of Alliance approaches. A Shared Services Alliance can and should be structured to address the needs and characteristics of the particular community where it will reside, taking into account the issues facing child care businesses as well as the capacities of organizations that can provide services and administrative consolidation.