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The Early Childhood Education (ECE) Business Self-Assessment Tool

Assessing business management practices to support an effective and sustainable ECE center

Workshop Practice Exercises

ABC Early Learning Center

ABC Early Learning Center is a small private early childhood education center providing infant, toddler, and preschool services to 27 children. The center has been in business for seven years and has a staff of 4 including the Director who also teaches. The Director, Sally, recently read a magazine article about the importance of effective business management.

“It’s been some time since I thought about my business management practices,” she said. “The last time might have been when I started the center.”

She remembered receiving a business self-assessment tool designed specifically for child care centers at a workshop a year or two ago and hoped she could still find it!

Practice Exercise 1

Sally is reviewing her personnel management practices. She's always had job descriptions for every staff position. She started off with some great examples from another early learning center where she worked. Her old boss was happy to share resources with her.

Sally realizes she has not looked at the job descriptions in a while. She digs in and quickly notices that the titles for most of the job descriptions are no longer accurate. She also realizes that the state required minimum annual in-service professional development hours has changed and is not correctly reflected on the job descriptions. She does give these job descriptions to staff. Hopefully, they don't think she's losing it!

1. How should Sally rate herself on Row 1 of the Staff Hiring and Orientation table on the next page?

Sally loves new employees! She loves teaching and enjoys sharing her passion with new teachers, especially those just starting out. She hopes she can turn them into lifelong teachers. Sally thinks orienting new employees to the policies of the center is important and is always reviewing and tweaking her written orientation process to make it engaging and informative. She wants to ensure her teachers understand the center's approach to early childhood education so they implement it faithfully. She also thinks teachers can learn a lot from each other and ensures there is a staff meeting the first week of a new employee's tenure. It provides an opportunity for all staff to engage with the new employee, share stories about themselves and their role at ABC Early Learning Center.

Sally's husband, George, helps her with new employee paperwork. He works in an insurance office pushing a lot of paper so he's an expert! He has always encouraged her to make sure employees fill out new hire forms right away so Sally includes all relevant employment forms in the new employee's first-day package.

Upon reviewing the self-assessment Sally realizes that she's never asked new employees if the orientation process is helpful. She thinks that employees are getting what they need to start off right but now she's not so certain.

2. How should Sally rate herself on Row 2 of the Staff Hiring and Orientation table on the next page?

3. After scoring each row, Sally needs to total her score for Staff Hiring and Orientation. How did she do?

4. What changes or additions should Sally make to her Staff Hiring and Orientation practices to achieve a higher score?

Staff Hiring and Orientation

Staff Hiring and Orientation assesses whether a program has a formal or informal process for the hiring and orientation of new staff, whether there is a written job description or orientation procedures, and whether staff orientation is consistently implemented. A high score indicates that a system exists to ensure that hiring and orientation procedures are consistently implemented and that these procedures are periodically reviewed.

<p>1 – The center does not have a written job description for each teaching and administrative staff position.</p>	<p>2 – The center does have a written job description for each teaching and administrative staff position.</p>	<p>3 – Yes to 2, <i>plus</i> each job description outlines the duties and responsibilities specific to that position and the minimum qualifications and education needed to fill that position.</p>	<p>4 - Yes to 3, <i>plus</i> each written job description is reviewed annually.</p>
<p>1 - There is not a written orientation process for new staff.</p>	<p>2 - There is a written orientation process for new staff and every new employee begins orientation on or before the first day of work, including completing all relevant employment forms (e.g. I-9, W-4, benefits) on day one of employment.</p>	<p>3 - Yes to 2, <i>plus</i> the orientation process includes opportunities for new staff to interact with other staff.</p>	<p>4 - Yes to 3, <i>plus</i> the orientation process is interactive providing opportunities for constructive feedback to and from new staff and the orientation process is reviewed annually.</p>

STAFF HIRING AND ORIENTATION SCORE: _____

MAXIMUM STAFF HIRING AND ORIENTATION SCORE: 8

Practice Exercise 2

Sally is excited. She's knows she needs to make some improvements in her **Staff Hiring and Orientation** practices but the process of assessing them was fun and informative. She wants to learn more!

She's moving on to money matters next. As much as Sally loves orientation of new employees she dislikes budgeting. She's stuck with it though. George is willing to help out on employee paperwork but he is not a fan of number crunching. Sally's former boss was not much for budgeting either so she received no help there. However, Sally knew it was important to start a business that was financially sound so she created a budget her first year in business and she creates a new budget every year.

When Sally budgets, she spends a lot of time figuring out her fees. She estimates how many children she will enroll in each program throughout the year and budgets about 90% of that for income; she is always worried she won't reach full enrollment. She checks the rates of other early learning centers to make sure her fees are competitive. She tries not to raise fees each year because families complain so she does the best she can to keep fees the same, which usually means keeping costs low.

Sally's biggest expense is payroll. Early learning centers run mostly on staff. One of her three employees has been with her since year one. The other two have been with her less than two years. Sally likes to give her employees raises each year but that is not always possible. She starts the year's budget using the current salary and then hopes she can adjust it after adding all other expenses to the budget.

Once she figures out her income and inputs salaries she works on other expenses. Sally knows how much things cost in the past and expects costs to pretty much be the same each year. So she records what she anticipates spending in the appropriate expense line item in her budget and hopes that after subtracting expenses from income she has a positive balance. Usually, she does.

Sally notices the assessment tool mentions aligning the annual budget with work plan goals. She is not sure what a work plan is.

- 1. How should Sally rate herself on the Budget Planning table on the next page?**
- 2. What changes or additions should Sally make to her Budget Planning practices to achieve a higher score?**

Budget Planning

Budget Planning is about the center's budget process, the information used to build the operating budget, if the budget is aligned with the center's goals, and whether procedures are in place to monitor budget-to-actual performance and support positive cash flow. A high score means that the budget is balanced, built off of the operational data of the center, and that bookkeeping practices are in place to ensure effective monitoring of revenue and expenses.

<p>1 - We do not have an annual budgeting process.</p>	<p>2 - An annual budgeting process exists and is led by or includes the center's Director and the budget is reviewed and approved at the board of director level (if applicable).</p>	<p>3 - Yes to 2, plus the annual budget is balanced (revenue minus expense equals profit/net income) and the budget was built off of relevant data, such as historical budget performance, industry comparisons, confirmed vendor costs, and pertinent projections such as the # of children enrolled, # of employees at average \$ hourly rates, # of materials used at average \$ cost, etc.</p>	<p>4 - Yes to 3, plus, annual work plans are aligned with the budget.</p>
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BUDGET PLANNING SCORE: _____

MAXIMUM BUDGET PLANNING SCORE: 4

Practice Exercise 3

Sally loves putting out the center's newsletter. Last year she bought a new laptop and it came with a neat design program. She did not realize how much she loved playing with graphics and fonts! Producing the newsletter has become a favorite monthly task. Typically, Sally highlights which children are transitioning to a new room, important dates for parents to remember, such as picture day and holiday closings. She'll include helpful reminders, such as the proper attire for outside play in the snow, and she includes a comment box encouraging parents to share their thoughts on activities and programs at the center. She adds lots of great photos of the kids too! After she prints the newsletter, she places a stack of them in the center's entryway and encourages parents to take a copy at drop-offs and pick-ups. Parents seem to enjoy the newsletter – most take one – and occasionally she gets a helpful comment from a parent. Sally likes getting feedback about the center and its programs from parents and staff.

Staff share their thoughts on the center's activities and programs at staff meetings. The last item on the agenda each month is open sharing where staff exchange ideas on program improvements, discuss challenges that week, and talk about upcoming program changes. Sally thinks it's great that staff have input into what's happening at the center.

- 1. How should Sally rate herself on the Program Evaluation table on the next page?**
- 2. What changes or additions should Sally make to her Program Evaluation practices to achieve a higher score?**

Program Evaluation

Program Evaluation addresses the degree to which staff and parents are involved in evaluating the program and how management decisions are influenced by these evaluations. A high score indicates that a formal evaluation process is in place and that the data generated from evaluations are used to inform program changes and improvements.

<p>1 – Staff do not formally evaluate the center’s program.</p>	<p>2 – Staff do formally evaluate the center’s program.</p>	<p>3 – Yes to 2, plus formal evaluation includes the use of a written assessment tool and is conducted at least annually.</p>	<p>4 – Yes to 3, plus findings from staff evaluations are used to inform program changes and improvements and the results of evaluations are shared with staff.</p>
<p>1 – Parents do not formally evaluate the center’s program.</p>	<p>2 – Parents do formally evaluate the center’s program.</p>	<p>3 – Yes to 2, plus formal evaluation includes the use of a written assessment tool and is conducted at least annually.</p>	<p>4 – Yes to 3, plus findings from parent evaluations are used to inform program changes and improvements and the results of evaluations are shared with parents.</p>

PROGRAM EVALUATION SCORE: _____

MAXIMUM PROGRAM EVALUATION SCORE: 8

(Over)

Finding Guidance and Resources on Best Practices in Business Management

Sally can use the *Business Management Resource Guide for New Hampshire Child Care Providers: Supplement to the Early Childhood Education Business Self-Assessment Tool* to help her find resources to improve her **Staff Hiring and Orientation**, **Budget Planning**, and **Program Evaluation** practices.

- Pages 12 and 13 provide guidance and resources on job descriptions and staff orientation.
- Pages 6 and 7 provide guidance and resources on budget planning.
- Page 16 provides guidance and resources on program evaluation.

Where else can Sally get information?