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*Change can be difficult both personally and professionally*

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# Growing Pains and Growing Gains

by Pauline Davey Zeece

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*I feel like I'm riding on a runaway train this week. Three years ago I was a new director of a medium-sized center. Today my board just approved a third child care site — all infant care in a downtown location! I've gone from calculating budgets with a pencil to a computer spreadsheet, from managing 18 people to managing 62, from spending some time in the center each week observing staff and children to spending all my time trying to stay ahead of the paperwork. No one has been more surprised at how my job has changed than I!*

Barb, a bright, competent, exhausted director spoke honesty of her experiences. Her commitment was evident in everything she said — and so was her frustration. But the growth of her program is part of a larger national trend — child care centers in the United States have been increasing in size and complexity over the past decade. Today, more than ever before, directors are faced with the challenge of learning how to prosper and to survive personally and professionally as their child care centers expand. Such challenges can be addressed by looking at how administrators consider the program, the finances, and the people they manage.

## The Program

### Getting with the program . . .

For some child care centers, growth occurs in a slow and systematic way. Others sprout without clear direction. Developing or reviewing program philosophy provides an identifiable baseline — a program touchstone. A well formulated

philosophy is influenced by the priorities parents and planners set for children (Sciarra and Dorsey, 1990). As such, it defines not only *what* happens in a program, but *why* things occur. From such a philosophy statement, goals can then be constructed. By setting measurable goals, directors not only establish a positive direction in which to lead a program, but they also set up criteria

by which a total effort may be evaluated.

Though measurable goals are important in every program, these are especially valuable to rapidly expanding businesses.

Both short and long term success are better evaluated when an administrator can set goals such as:

- In one year infant enrollment will increase by 15%.
- By the end of six months a long range equipment purchasing plan will be developed.
- In one year our center profit margin will increase from 2% to 3% (remember that elusive concept called profit margin?)

There is a more pragmatic side to effective goal setting. Financial solvency is more apt to be tied to businesses which have well written program goals, rather than to those centers whose directors mean well and only hope to do better each year.

### Not just another pretty place . . .

Growing sometimes causes staff and administrators to lose touch with

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what makes a program unique. A program personality can get buried beneath the trappings and tribulations of expansion. When this occurs, both staff and families find themselves asking such things as “When did we start doing that?” or “We used to be the only center in town where . . .” Awareness of the uniqueness of a program is essential to healthy program development, especially as a business expands. If program uniqueness is supported and nurtured, it can become a rich source of positive self-esteem for children, families, staff, and even administrators.

**Change means more than just a few good cents . . .**

The nature of child care programming is dynamic. This means that a program never stays the same. Growth, especially rapid growth, affects every part of an operation. It is helpful to understand the nature of change as it occurs in a child care setting.

Here are some things to consider:

**Change evokes mixed emotions.** Thus, fear, excitement, sadness, and joy may all be the soulmates of the same change. Closely related to this is the idea that change affects each person differently. While some staff may feel joy, others may be overwhelmed with anxiety about relocation. One group of teachers may feel sad at the loss of a space, others may be relieved that a noisy corner will no longer be a problem.

**Change creates discomfort.** Even changes perceived as positive may be unsettling. Because change affects people differently, administrators are most likely to be successful when they monitor the impact of program growth on staff — even after the dust of an initial change has settled. Reassurance and acknowl-

edgment of contributions are also good techniques to engage as changes evolve.

**Change happens best slowly with opportunities for input given to those most clearly affected.** If expansion means doubling enrollment, it makes sense that classroom teachers should be consulted. If renovation involves upgrading a kitchen, the cook’s ideas about how the space should look are probably more insightful than a director’s or an architect’s.

**Change ideally engages global thinking and flexibility in planning and action.** Storm (1987) suggests

process, rather than an event. Things that work well stay; things that no longer make sense can be modified or eliminated. Thus, changing offers a legitimate opportunity to examine the current system to make wise programming decisions.

## **The Finances**

### **Penny, penny, who’s got the penny . . .**

Managing the finances of an expanding child care center is complex. A director must play the role of the ultimate pragmatist — capable of dealing with all the financial exigencies of running a business. Directors

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*“The only sense that is common in the long run, is the sense of change— and we all instinctively avoid it.”*  
— E. B. White

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that managing change involves developing a goal statement, collecting information, generating and selecting options, and implementing a plan of action. All of this happens best when a director works to see the “larger picture” and is willing to entertain multiple sources of input, new ideas, and new solutions to situations which emerge as a program grows.

**Change provides opportunity for understanding not only where you are going, but where you have been.** Change does not mandate reinvention of the wheel. Rather, it provides the opportunity to check and see if the in-place wheel will still support the weight of the wagon! Bigger does not and should not automatically mean different. Becoming a larger operation is best viewed as a

of every size center need to know not only where the money comes from and where it goes, but how it gets from point to point. For example, inefficient petty cash management can be problematic in a small center, but disastrous in a large operation. Errors in benefits of six employees may cause financial stress; errors in 58 paychecks may result in financial ruin.

Skilled directors consider financial costs and benefits associated with all facets of program expansion. They understand the weak spots and break-even points and know where (if ever) there is any slack in a budget. Most of all, effective administrators understand that being *cost efficient* (managing a program’s finances well) and *cost effective* (getting the most out of every program

dollar) is better in the long run than merely being *cost beneficial* (running in the black) (Halpern, 1982).

Budgeting should be taken seriously and effective money management should be considered a prerequisite skill, rather than an administrative interest. Wolf's (1984) eight step plan is a good starting point for beginning budgeters. But remember, the cardinal rule of budgeting always applies: **Never plan to spend more money than you make — there is no child care tooth fairy or Santa Claus!**

### Profit is not a dirty word . . .

Closely associated with effective budgeting is the notion that profit is not, in and of itself, bad. Exploitation and greed are wrong, but planning to make ends meet and to have something left over as profit or to put into an "if we had a few extra dollars, we could" slot is reasonable. Because child care by its nature provides a service which nurtures, directors who manage money well are sometimes accused of being heartless or even exploitive if their businesses break even or show a gain at the end of the year.

If a program pays workers fairly and provides quality services to children and families *and* has something left at the end of a fiscal year — HALLELUJAH. Caldwell and Boyd (1985) posit that professional conflict over profit has actually led to minimal costing of child care services. They further contend that child care services which cost little tend to be minimally valued. Some pretty powerful food for thought, isn't it? But remember, profit or not, there is nothing noble about deficit spending. Left unchecked, it can lead even the best program into ruin.

**You can teach an old director new tricks and a new director old tricks . . .**

There is always something new to learn about being a child care director. Although effective money management is complex, it is not magical. Rather, it involves the acquisition of a specific set of skills and information. These may be fine tuned to meet the unique needs of an

centers to get the best possible deal.

4. Zero-base your budget. This means you must come up with a justification for *everything* you spend. Tally and see if there are any surprises or any hidden

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**“It's the most unhappy people who most fear change.”**  
— Mignon McLaughlin

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expanding program. Some ways directors can do this include:

#### *Learning a new money management skill.*

1. Attend a class or a mini-course on accounting.
2. Try a management workshop.
3. Ask a colleague — or better yet, form a support group or directors' network to share information and offer support. Don't overlook your own staff or board as a source of expertise.
4. Go to the local library or bookstore and find a book to read. Learn the jargon.
5. Check the local Small Business Administration or Chamber of Commerce for resources.

#### *Putting a new idea or technique into practice.*

1. Now that you have all this new, exciting information, try it out!
2. Let a bid or ask for program discounts for larger purchases.
3. Try bulk buying — maybe this will entail joining with other

extras. If you are not already, become an expert recordkeeper.

5. Understand the real cost of quality. Use the information you gather to help others better understand why quality program-ing is expensive.

#### *Updating a tried and true system.*

1. Hire a consultant or an accountant to evaluate the effectiveness of your present system. To minimize costs, compile a list of questions before the visit. Be sure all your records are available and in reasonable order and don't keep secrets.
2. Invest in new technology. Try computerization of your records. If you already do this, check to see if any software updates are available.
3. Develop one and five year spending plans with your staff. Discuss how these might be affected by changes in the program, in the economy, in the general community.
4. Calculate and understand how much it costs the program for the director to handle all the finances. It may be that with expansion the

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cheapest and wisest thing to do is to hire an accountant or a book-keeper.

## The People

### Say what? . . .

People and their actions are the strength of every child care program. One of the most feared dangers of expansion is the loss of contact with staff. When directors understand not only what people in a program do, but how they feel about their jobs, a center prospers. When directors become distant or unapproachable, everyone suffers. Thus, communication becomes vital to expanding programs.

To keep communication healthy:

**Analyze how communication flows within your program.** Where do you get information? How do you learn about staff problems, successes, concerns? How do you convey to staff your problems, successes, concerns? Has any of this changed with expansion? If yes, does everyone know that the communication system has changed? Are you sure?

newsletter, evaluation of YOUR performance)? Do you realistically allocate time to make meaningful contact with staff? Do you know what would cause you to cancel this time? Why?

**Be sure that everyone knows what you do.** A few years ago, I had an irate student march into my office and tell me that I just didn't care about students. When I asked her why she felt that way, she told me all I did was sit in my office all day. From that time on, I tell student teachers each semester that directing the lab program is just one-fourth of my job and that I also am responsible for lecturing and research. The point is simple. A director cannot be sure that others understand all the intricacies of managing a child care program. Explaining to staff what a director's job generally involves, especially during and after an expansion, creates both awareness and trust. It can also provide input on how to manage an evolving role.

### Do what? . . .

As a child care program gets larger and more complex, it becomes

be utilized as compliments and strengths, rather than deficits.

It is naive, however, to assume that competition does not or will not occur, especially as a program becomes larger and more diversified. Thus, the danger of identifying staff *only* as the "infant teachers" or the "preschool room" or the "after-school staff" surfaces. It is helpful for directors to be able to identify and group staff in a variety of ways (e.g., morning staff, all staff with expertise in music). Establishing committees which represent a cross section of staff helps to ensure that problems are solved fairly and that information is shared within and throughout the program in a professional way.

It is equally important that directors monitor their own behavior to ensure that no favoritism is occurring, as this can be very destructive. This is particularly important if a director has come through the ranks and is identified with one specific part of a program.

### Directors are people too . . .

Have you ever had someone tell you in anger or envy that it must be nice to be the boss? And how many times have you been willing (or even eager) to drag that person into your office and demand that the switch occur *right now*? The reality is that being boss is full of dichotomies. It requires a willingness to be caring and tough, to be insightful and forgiving, to be tired and enthusiastic, and to be human.

There is a romantic notion that being the boss is easy — *this is not true*. Directing a child care program, especially one that is in the throes of change and growth, is very difficult work. It requires a sustained investment, not only in the program and staff but in yourself. It requires the

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**“Man has a limited biological capacity for change. When this capacity is overwhelmed, the capacity is in future shock.”**  
— Alvin Toffler

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**Evaluate the message your policies communicate to staff and parents.** Do you say you want to know, but never have time to listen? People will judge your sincerity by your actions, not your words. Do you provide a mechanism for multiple ways for people to share their ideas (e.g., surveys, note boxes, employee

critical that a director invests in the power of collectivism. With such a commitment, an administrator conveys the message that this is *our* center and fosters the development of a unit identity. At the same time, staff are helped to see that they each have an important place within the larger group and that differences can

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insight to recognize those things you can impact upon and those you cannot. It mandates the development of the ability to use old skills to solve new problems and new information to shape the future of a program in meaningful ways.

And, finally, being an effective administrator requires that you protect yourself as a person, as well as a director. Recently the administrator of a large program confided in me that she had spent the entire fall putting out fires. Her days became longer as a series of crises plagued her program, her family and friends saw her less and less, and her free time and weekends simply disappeared. The demands of her job had engulfed her. Sadly, she reported that one of the biggest stresses she felt was being deprived of the time to be human.

While no one can tell another how to live his or her life, it might be wise to mention here that allowing an administrative role to consume your life is not without costs. Some costs may be readily apparent, like stress, fatigue, and frustration with work. Others may be more subtle, like insomnia or loss of self-worth. Some may be very serious and personal, like the onset of illness or the disillusionment of family relationships. Others may be professional, like the loss of closeness with staff or the loss of objectivity about what a reasonable workload is for others.

### And So . . .

Program expansion may indeed cause pains and gains. Expansion presents unique opportunities and challenges, none of which may be met without costs and benefits to a director. But benefits may be maximized and costs minimized when administrators look closely at how growth affects the program, the finances, and the people within a child care center.

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