

Sixteenth Annual Management Software Buying Guide

The Special Nature of Management Software

by Michael Kalinowski

For 16 years, *Child Care Information Exchange* has offered directors guidance on selecting center management software. This year, we decided to turn to the vendors, and asked each of them questions. Here is a summary of their responses.

What PERCENTAGE of child care centers use management software today?

Responses to this question ranged from a very small percentage up to 40%. The true answer is that no one really knows. As Bill Clinton once said, "It depends on your definition of . . ." a) centers, and whether the term includes YMCAs, Head Start programs, home and group home programs, corporate and college based programs, etc.; and b) center management software, and whether that includes business applications such as Microsoft Word or Peachtree Accounting, templates developed by a friend or relative, or software programs written exclusively for a single child care program. My own guess is that about 15% of state licensed centers utilize a specialized child care management software package, meaning there is still a great untapped market.

What will this look like in TWO YEARS?

There is also little consensus on this point, with some vendors predicting a significant increase in sales and others anticipating only a small increase. My own crystal ball suggests a relatively slight increase in sales in the short term.

When using management software, what are the MOST IMPORTANT FACTORS for child care directors to consider?

Four factors were cited most frequently by vendors:

- Ease of use
- Reliability

- Customer service
- Product flexibility

This demonstrates a renewed commitment to customers and a sensitivity to learn from their experiences and frustrations. Over the past decade I believe attention to customer service has significantly increased.

What do you consider to be the greatest WEAKNESSES of the products currently on the market?

Vendors highlighted three issues:

- Lack of flexibility
- Limited features
- Programs based on "first generation PC systems"

I would add two more concerns to this list. The first is an emphasis by a few companies on marketing at the expense of customer support. I believe another weakness is the number of firms, although fewer than a decade ago, that consistently maintain relatively small client bases, making service and innovation, not to mention long-term economic viability, difficult.

The greatest STRENGTHS?

Vendors list the following as their top strengths:

- Expanded features
- Reliable support services
- Continued improvements
- Value

In the words of one established vendor, "If you compare the functionality and price of these products to similar products in other industries (doctors, schools, etc.) you would find that value is much greater in the child care field." I agree with vendors on this point.

How can software companies take advantage of the INTERNET to enhance what they offer clients?

Some vendors increasingly rely on the Internet; others are more cautious, believing that many child care providers do not yet have easy access to the Internet. Ways companies utilize or plan to utilize the net include:

- Regularly updated FAQs (Frequently Asked Questions)
- Sales information
- Downloadable product demos
- Searchable HELP files
- Tech support
- Downloadable upgrades
- Product enhancements
- Customer account information
- Communication with parents

What CHANGES have you made to your program in the last two years?

The expansion of data fields, increased access to data, security improvements, electronic tuition collection via automatic bank draft or credit card, updating of multiple records, and faster or more efficient generation of reports were all mentioned.

What significant ADDITIONS do you see coming to management software in the next two years?

A few vendors did not want to share their planned improvements, while others divulged they are working on automated sign in/out, greater flexibility, child security, more staff-to-child ratio tracking, and "process driven" enhancements.

What is the best way for vendors to provide SUPPORT and SERVICE to their customers?

Several vendors believe that a combination of telephone, e-mail, and on-line support is necessary. Another espouses a dedicated and patient technical support staff. In the words of my own favorite response, "In our firm, we don't see the sale as the end result, but only the beginning of a long [and] mutually prosperous journey . . ." (cue violins here).

What one MAJOR BENEFIT has management software added to the day-to-day operations of child care centers?

There is reasonable agreement on this important issue:

- Less time spent on common administrative tasks
- Better access to information to make better decisions
- Greater productivity
- Being in control of your business.

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