

times are tough . . . and opportunity abounds!

“Good management begins with good people”

by Dennis Vicars

It does not take Warren Buffett to proclaim that hard economic times are upon us. A worldwide economic crisis has left major companies unable to acquire financial capital to meet operational necessities, let alone expansion or development. The aftermath of all this is further reduced consumer confidence, greater reluctance to make purchases, and ultimately job losses and business failures. Not a happy story, especially for those of us who provide families with a vital service — quality early care and education — which allows the world to go to work — assuming there is a job to go to in this recession.



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Payment Program (PACEAPP). Dennis' 25-year career in early care and education has included child care corporate executive, preschool company founder, legislative advocate, and political strategist for children's issues. His unique understanding of the field has provided him opportunities to be a speaker and workshop host for various organizations, including National Association for the Education of Young Children (NAEYC), National Child Care Association (NCCA), and Professional Association for Childhood Education (PACE). Dennis has assisted on numerous advisory boards, including the states of Maryland, Virginia, California, Oregon, and Washington, and was co-chair for Governor Meecham's Arizona early care regulations overall in the early '80s. Dennis served on California's Master Plan for early childhood education as well.

So what does all this mean to the early care and education provider? Declining enrollment, reduced work schedules, continued high costs for operations, disgruntled staff, apprehensive parents, and continued economic declines. Call me a contrarian, which I am, but there appears to be certain opportunities here. I make this statement with full respect for the families and schools/centers that are suffering the consequences of a huge and scary economic downturn. However, certain opportunities are present if one is open to finding them.

I have learned that most owners or managers can operate reasonably well in an up economy. The real test of leadership is how well an enterprise can succeed when enrollments are not falling through the front door. I recently spoke to the president of a large national provider who shared with me all of the plans he had put into effect: the 'reductions in costs,' 'non-purchases,' 'all projects on hold,' and 'no more expansion until this thing is over' plans. When asked what I thought of his effort, my first response was, "Wow! I guess parents are going to stop having children and 'reductions' will enhance your present parents' attitudes toward your 'cost-cutting' strategies." The point being this: Yes, being strategic with purchases and cost consciousness is an imperative during an economic downturn. However, those decisions should never be felt by the children

and families we serve and opportunities should be taken advantage of while other schools/centers are taking on a bunker mentality.

In this particular instance, the company has been in growth mode from their beginning. They are strongly financed and plan to 'continue growth again, once this thing is good again.' Guess what? Land costs, construction costs, and landlord receptiveness will never be better than now. Anyone can make a deal when things are 'good again.' Controlling long-term fixed costs (i.e., buildings, play equipment, indoor furniture, computers, and kitchen equipment) are best done when leverage can be applied to the 100 vendors who are standing in line waiting for your business. When things are 'good again' that line disappears. Opportunity is seeing around the corner before arriving at the end of the block.

So, how about those of us who have no intention of expanding, but are watching enrollment melt (or assuming it will) on a daily basis? Where are the opportunities in this situation besides cutting costs everywhere? Again, strategic cost-cutting can be good, as long as it does not negatively impact children or parents. But what a great opportunity to do what all your competitors are not doing. While your competitors are cutting back on janitorial, you are waxing your floors more often.

While others are reducing ‘unnecessary administrative help,’ you are enhancing customer service at your front door with a cheerful, helpful administrative person who makes your families feel welcome and warm. While others have cut all marketing costs, you have doubled yours because not everyone has lost their jobs, and parents will continue to have babies and search out those early care and education facilities that enhance, not reduce the child/parent experience.

Hard times are just that — hard. For most, sticking their head in the sand and ‘waiting this thing out’ is a plan of survival. For others, keeping your head up with eyes wide open for opportunities is a chance to succeed abundantly. Here are a few opportunities which might be available:

- Staff are on board with a full understanding of the financial demands and current economic reality of the school/center.
- All staff is committed to absolute excellent service, school/center cleanliness, and frugality.
- All staff is involved in marketing of the school/center on a daily basis — both internally and externally.
- All operational procedures are analyzed for greater efficiency with marketing activities tracked daily.
- Vendor contracts are reviewed for possible reductions or renegotiation, including landlords.
- Vendors are on board with increased quality, especially janitorial.
- Parent communication is increased through personal contact and Internet communication.
- The program is interviewing for higher-quality staff.
- You offer ‘enhancement’ part-time schedules for parents losing jobs.
- As director/owner, daily marketing is your number one priority.
- You increase the number of ancillary services offered to help families (i.e., morning coffee, ‘free’ parent’s night out, etc.)
- You increase weekend events at the school/center such as organizing a job fair for parents.
- You become politically active at the local level.
- You increase your school/center’s profile through community activities with staff participation.
- You personally attend various community groups as the ‘expert’ in early care and education.
- You commit to being a little bit better in everything you do instead of being the best in one thing.
- You leverage additional benefits from existing vendors.
- You increase the range of services you offer to families, where possible.

The list of opportunities to improve and gain enrollment is endless for those bold enough to step forward and work a little harder at the things they can control, as opposed to the passive that are ‘waiting for things to get better.’ What a great time to stand up while the competitor sits.