

The Strategic Planning Process

By: Dawn K. Martini Volume 1 Issue 4 January 2007

Strategic Planning has become an integral part of the child care industry. Child care centers all over the country, especially those in states with quality initiative programs, have begun to make charting the course of their businesses a priority. In an effort to promote and sustain quality early care and education programs, non-profit organizations such as the United Way have invested large quantities of money in the child care industry in the area of Strategic Planning. Many new business savvy for-profit owners have taken lessons from other industries which have used Strategic Planning to build healthy and profitable companies and are engaging the Strategic Planning.

At its core, a Strategic Plan is a road map for the company. The Strategic Plan outlines and sets markers for achievement of specific goals over time. Typically the Strategic Plan is set out as one, three and five year benchmarks, although some businesses push forward and include a 10 year benchmark as well.

As a process, Strategic Planning forces the owners and administrators of child care programs to focus on key issues effecting the growth and development of their businesses as a whole. In child care it is important to consider the entirety of the business when Strategic Planning. For too long child care business owners have not paid much attention to business and employment practices as keys to developing a healthy and successful early care and education business.

The Owner/Administrators begin the Strategic Planning Process by establishing the current position of the business and setting a solid foundation from which to work in relation to the following indicators: Agency Mission, Financial Stability, Range of Services Provided, Curriculum, Facilities, Population Served and Administrative/Human Resource Systems.

With the above indicators in mind owners move onto selecting a Strategic Planning Team. The Strategic Planning Team will meet several times over the course of the process to discuss goals, barriers and action steps. It is the Strategic Planning Team that sets the roadmap for the business for presentation to the owners/BOD approval or adoption as the official Strategic Plan for the business.

The methodologies for developing a Strategic Plan vary depending upon the particular style of the facilitator. Finding a facilitator that compliments the personality of the business and the owners/administrators, who is also knowledgeable about the child care industry can greatly impact the success of the overall process. The facilitators role is to tap into and draw out the richness and creativity of the Strategic Planning Team Members and to direct the teams energy into developing a comprehensive Strategic Plan. It is not the facilitators role to develop the Strategic Plan for the business. Setting the course of the business from an outside perspective would not result in a personalized, effective and useful Strategic Plan.

Please look for Strategic Planning articles in upcoming issues as they will delve into specific areas of the Strategic Planning Process.

Strategic Planning: Set the Foundation

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When beginning the Strategic Planning Process it is important to take a long, hard look at the current state of affairs before delving into grandiose plans for the future. Everyone can dream big dreams for their agency, but Strategic Planning is a more structured and realistic process, which begins with the business planted solidly on a strong foundation. It is important to know where the agency is so you can determine where you want it to go and how best to get there.

The business owner/administrator should begin the Program Review by gathering all important agency documents and conducting a thorough review and critical analysis of them. The Crucial Documents, as we refer to them, include: Agency By-Laws, if the agency is a for-profit or non-profit corporation, Organizational Chart, Personnel Policy Manual, Parent Handbook, Contract for Services/Fee Agreement, Budget, Profit and Loss Statement, Job Descriptions and Performance Appraisal Instrument.

It is often recommended that agencies hire an outside firm to conduct the critical analysis of the Crucial Documents. The outside firm should be well versed in the child care field so as to understand the unique demands, regulatory requirements and customer relations issues this field presents. The reason for the outside critical analysis is to have someone removed from the agency review the documents to see if they can be understood, are well written using consistent language throughout and express what the author intends for them to express. It is also important to have an outside firm read and analyze the documents to highlight any missing/recommend practices and/or illegal practices because the administrators drafting the documents are not frequently employment or contract law specialists or licensing regulation experts.

One of the mistakes child care administrators tend to make in these agency documents is to use abbreviations commonly known in the industry. Someone outside the industry would be lost trying to understand what is meant. It is important that these documents be understood by persons outside the industry in the event that it must be used in a Unemployment Compensation case, a private lawsuit filed by parents etc. Another common mistake is to use terms interchangeably throughout the document, like staff, teacher, employee and/or faculty instead of choosing one term "staff" and using it consistently throughout. By using terms consistently throughout the document you make it easier for the reader to understand and follow along.

It is important to conduct a Cost of Care Analysis and Break-even Analysis to establish the financial health of the agency. The Cost of Care analysis will help to determine how much it costs to care for one child for one day. That figure is the amount, at current enrollment the center would need to collect to simply break-even. The Break-even Analysis is used to determine the cost of growth.

By determining the current state of affairs, the agency can work on repairing cracks in it foundation and then move forward with planning for the future.