

THE BASICS of GROWING a CHILD-CARE BUSINESS



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Marnie Forestieri

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INTRODUCTION

In every industry, the spread of new digital technologies is transforming how customers find local businesses. Child care is no different. New technologies are forcing child-care centers to rethink the traditional paths to enrollment. Marketing strategies that worked in the pre-digital era no longer perform, as new technologies are changing consumer behaviors dramatically and turning the child-care marketing playbook upside down.

Welcome to the new era of instant gratification, booking experiences, TikTok videos, and social media in which the relationship with customers is shifting to two-way communication. Parent reviews shape the reputation of your program, and your digital-marketing strategies drive your offline sales.

The twenty-first century is a time characterized by constant change. Every month we see emerging technology and marketing trends. In the book *The Age of Spiritual Machines: When Computers Exceed Human Intelligence*, Ray Kurzweil explains, “We are entering the age of acceleration. Because of exponential growth, the 21st century will be equivalent to 20,000 years of programs at today’s rate of progress and will require organizations to adapt faster and faster. Therefore, there will be only one constant element in the organizations of the 21st century: change.”

Market demands will require programs to adapt. Programs that fail to do so might close due to financial pressures. The challenge—and the opportunity—is to meet the new expectations of the next generation of parents. Millennials and the generations that follow them are taking center stage in child-care marketing, customer service, and recruitment. As the first generation of parents to grow up in the world of the internet, Netflix, and Google, today’s parents are the ultimate judges of your child-care center’s online marketing skills. Beyond their affinity for technology and mobile devices, they bring along behaviors and attitudes that require businesses to adapt to meet their expectations.

In the new marketing era, every area of your operations is interconnected. What happens in customer service will affect your enrollment pipeline. Bad customer service leads to negative reviews; good customer experiences lead to parent advocates. Brands are no longer in control of their own reputations.

Child-care marketing encompasses all aspects of your operation. Like any service business, the foundation of a long-term marketing strategy depends on the ability to provide consistent customer experiences and excellence in education. This new journey will require the entire team to work together as the digital market offers consumers a two-way communication channel in which every department in your organization shapes the reputation and success of your center.

In his article “The Digital Transformation Journey: What It Means and How It Looks,” Saeed Elnaj (2019) describes digital transformation as a journey, not a destination.

DEVELOPING THIS SERIES

This book is the third in the Basics of Child Care series on starting, operating, and growing a child-care business. To provide information relevant to child-care operators and directors who want to understand the management side of the operations, we sent out a needs-assessment survey to providers serving different market segments. One of the survey findings is that, regardless of the organizational structure or business model, all child-care providers face the same challenges: operations, marketing, finances, and customer service.

In most cases, directors who responded to our survey say they report to an owner who handles the business side of the operation. One of the challenges of this dual-management system model—an investor/owner and a child-care director—is that it prevents directors from having a holistic view of the company. The high costs of setting up a program and the lack of understanding of the industry’s business side, financing options, and challenges of opening a new business have kept educators from understanding the total picture. Owners handle the business side of the operation, including selecting a location, marketing the facility, securing financing, setting and processing payroll, collecting money, and paying business expenses. Educators manage staff, provide customer service, and are accountable for program quality metrics.

Nevertheless, directors know from experience that decisions made in one company area will affect the rest of the organization. Child-care directors who understand the business side of the operation can operate more efficiently and respond faster to market trends, as twenty-first-century organizations will demand that internal departments be interconnected. In the same way, child-care owners who understand the skills, knowledge, and techniques needed to support children's development and learning can design and grow high-quality programs with their administrative decisions.

HOW THIS BOOK IS ORGANIZED

Each chapter focuses on specific areas of operations, offering terminology and concepts to help you understand the ins and outs of the child-care business. You will find the following features throughout the book:

- ▣ **Terms to Know:** vocabulary related to the key concepts
- ▣ **Main Questions:** key questions that shape each chapter
- ▣ **Case Study:** real-life or fictional scenarios that illustrate key concepts
- ▣ **Build Your Knowledge:** questions and exercises to help you apply the concepts you are learning

Your digital transformation journey doesn't have to be daunting. Embarking on this exciting and transformational journey begins with a customer-centric mindset. Going through the process will not be easy; it may be the hardest thing you have ever done. It will require every member of the school family to be involved. You will need to reveal your weaknesses and fears.

Take it from someone who has undergone the same process many times: it is worth every headache, frustrating moment, and sleepless night. Now, are you ready to take your business to the next level?

1

UNDERSTAND THE ADVANTAGES OF DIGITAL MARKETING



MAIN QUESTIONS

- » What are the advantages of digital marketing?
- » What are the challenges of the new generation of parents?
- » What are the characteristics of the new generation of parents?
- » What are the mindsets required to succeed in a world of constant change?
 - » What is a customer-centric mindset?

TERMS TO KNOW

- » **Customer engagement:** delivering connected experiences to your customers instead of single, one-off, or fleeting transactions
- » **Digital marketing:** internet-based platforms and channels, such as websites, blogs, targeted emails, and social media

- » **Digital transformation:** the integration of digital technology in all areas of the business
 - » **Growth mindset:** “In a growth mindset, people believe that their most basic abilities can be developed through dedication and hard work—brains and talent are just the starting point. This view creates a love of learning and a resilience that is essential for great accomplishment” (Dweck, 2006).
 - » **Marketing segmentation:** a marketing strategy that uses well-defined criteria to divide a brand’s total addressable market share into smaller groups
 - » **Targeted campaigns:** advertising that allows brands to send different messaging to different consumers based on what the brand knows about the customer
-

Case Study: New Competition

ABC Learning Center is facing increased competition in the area. A new competitor has entered the market with a new facility, a start-up marketing budget, and a great local team. As an independent child-care center in the community, the new competitor is attracting the same buyer persona as ABC’s, and ABC is losing enrollments to the competitor. ABC needs a new marketing strategy and to update the digital infrastructure to be able to compete.

Let’s begin the journey by understanding the many advantages and benefits of the new digital era. Digital marketing offers equal opportunities for brands to compete, lets owners monitor the effectiveness of their campaigns, and increases engagement with customers. In this new marketing era, local brands compete with big brands at the same level. Marketing via digital platforms offers a more affordable alternative to the traditional methods and allows the segmentation of your users and targeted campaigns. For instance, social-media platforms possess algorithms to target regions and segment customers by their location, interests, and behaviors, which cuts down on the cost of marketing. Businesses can reach more potential customers, communicate directly with the consumer, and monitor the brand’s online presence.

In the traditional child-care marketing playbook, we used to pay for media to reach customers and then wait for someone to call. Today, we know the results of a campaign immediately. As someone who has tried everything in the book, I’ve learned to walk away from marketers who cannot provide a return-on-investment strategy. My journey has taken me from digital experts trying to convince me that digital marketing takes time to bear fruit to experts claiming to guarantee leads to the

ARE YOU READY TO TAKE YOUR CHILD-CARE BUSINESS TO THE NEXT LEVEL?

New technologies and digital communications channels are changing the way parents and caregivers discover child-care centers and decide where to enroll. In response, center administrators have to rethink the traditional paths to enrollment. *The Basics of Growing a Child-Care Business* offers information to help you stand out from the competition. This book offers clear strategies for growth:

- **Charm:** Grab the customer's attention. Create a solid foundation for your marketing strategy.
- **Advise:** Establish yourself as an expert and set your sales goals.
- **Delight:** Design your customer experience, and create an ongoing sales pipeline
- **Track:** Gather data, measure your results, and adjust your approach.

The third in the Basics of Child Care series, *The Basics of Growing a Child-Care Business* includes information on understanding your ideal customer, writing a marketing plan, creating a responsive service system, and tracking your performance. With key terms, case studies, key questions, and exercises to help you apply the concepts, this book will set you on your way to growing and strengthening your child-care business.



Marnie Forestieri, CDA, is the founder and CEO of Young Innovators Academy. As a successful operator of large child-care centers, she has been recognized in the industry with awards such as the Center of the Year by FACCM and finalist for the Director of the Year. Forestieri has presented at several national early childhood conferences. She holds a bachelor of science degree in business administration, a child development associate credential, and a director's credential. She started her career as a CNN reporter and later served as vice president of marketing in a telecommunications company.


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