Over the course of my career in early care and education, I have witnessed more than a few centers and schools go out of business (both non-profit and for-profit). The great majority of these failures were not for lack of program or good intentions. They failed because they lacked the ability to plan, budget, and utilize resources appropriately.

I have always believed that you can have anything in life you want as long as you plan far enough in advance. Your center or school can achieve almost any goal you desire, as long as a well-conceived plan is created and followed to the end. Yes, sometimes variables occur which mean a contingency must be employed. That is what a well-thought-out plan includes. The key is to set a direction for the year and then measure it monthly, weekly, and even daily so that necessary adjustments can be made proactively to reach the goal. This starts with good budgeting.

Whether you are one center/school or a chain of a few hundred, you either have a plan for success or you will have a guarantee for failure. It is amazing to me, and probably no more obvious than in our public schools, that we continue this mantra of “we are about education and the children, not business.” Guess what? The best way we can be better educators is to care enough about the children to plan and budget so that we can obtain the quality environments we want for young children. The idea that somehow you can’t be both an educator and business person is like believing you can’t possibly be smart and good looking. Ask any enlightened school superintendent and they will tell you they are running a business which includes a bus service, food program, physical plant, payroll, customer service, and oh yes — an educational system. Any educational situation, whether early care and education or K-12 without a plan, is a plan for failure. A plan separates needs from wants and presents a road map for achieving the positive goals for your center/school, staff, and children that you desire.

I once asked a provider how her school was doing. Her response was, “I guess okay; I’ve got enough money in the bank to pay the bills.” Is that all we really want for our center/school, staff, and children? I hope not — they are all worth so much more. Creating a plan does not have to be a complicated process nor does it require the sophistication of a CPA. It basically begins with a self discussion. What do I want this center/school to be in the next 12 months? What do I want to accomplish for my children? Staff? Physical plant? What salary do I hope to achieve for myself and my staff? This is where good planning and budgeting begins. An honest Q&A with yourself is a necessity. A look into the future and the will to make it happen is our starting point.

Planning and budgeting is nothing more than taking that look into the future and describing in detail what that
looks like 12 months down the road. Once that is crystal clear, begin walking backwards to the present. The stepping stones then become obvious on what that journey will look like over the next year.

The next couple of ‘Management Maxims’ will offer up some specific ideas on how to put a budget together, build in contingencies, and create the type of internal/external procedures and activities necessary in achieving center/school financial success. We all want the romance, i.e., holding the babies, playing on the playground with the 3s, sitting with the 4s during circle time. For that to continue and in a way beyond our minimal expectations, it takes finance. How to get there can actually be fun and a unifying force within your center/school. Budgeting allows us to prioritize and dismiss as many variables as possible so that we have the time to deal with the daily events we cannot control. Once we think through the process it then becomes an execution play. More on this subject, next time.