

Montana Child Care Business Connect

How to Sustain Without One-Time Funding?

Thursday, June 15, 2023

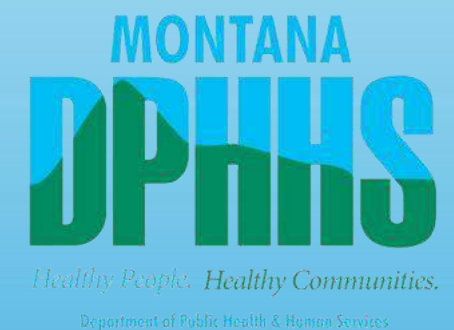
Phase II - Part 6 of 7 in the Tiny Training Series



Small Business Support. Big Community Impact.



ZEROTOFIVE
MONTANA



What is: The 'Tiny Training Series'

Statement of Purpose

- 30-minute webinars
- Every other Thursday at 1:30pm
- Attendance of four equals 2 hours of ECP credits
- Define basic business concepts
- Feature Business Connect Programs

2023 Training Summary

- ~~April 6:~~ ~~How do mentorships work?~~
- ~~April 20:~~ ~~How to utilize a business advisor?~~
- ~~May 4:~~ ~~How to write a budget?~~
- ~~May 18:~~ ~~How to price your services?~~
- ~~June 1:~~ ~~How to manage your money?~~
- June 15: How to sustain without one-time funding?
- June 29: How to organize your community around childcare solutions?

What is: **CONNECT**

Launched in:

2022

Focusing on:

Supporting communities and entrepreneurs with business elements of starting, owning and operating childcare programs.

Critical Areas:

Training, Technical Assistance, Mentorship, Community Capacity Building, Web-Resource Hub

Staffed by:

Rhonda Schwenke, Jason Nitschke, Heide Borgonovo, Shelby Whelan, Alex DuBois, Jennifer Owen, [Business Advisor](#), [Program Assistant](#)

Jason Nitschke; MA, EDFP

Senior Child Care Business Advisor



"Helping entrepreneurs turn
visions into reality"

Education

- 2002 – M.A. Communications – Hawaii Pacific University
- 1997 – B.A. Journalism/Political Science – University of Montana

Economic Development & Entrepreneurship

- 2019-2022 – Vice President – Great Falls Development Authority
- 2014-2022 – Regional Director – Great Falls area Small Business Development Center (SBDC)
- 2011-2012 -- Carondelet Estate Services, LLC; St. Louis, MO
- 2000-2002 -- JNitschke Photography; Denver, CO

Certifications

- 2021 – Certified PeerSpectives Facilitator – Edward Lowe Foundation
- 2017 – Certified Export Counselor – U.S. Small Business Administration
- 2017 – Certified Profit Mastery Facilitator – Business Resource Services
- 2015 -- Economic Development Finance Prof. (EDFP) – National Development Council
- 2015 -- Accredited Small Business Consultant (ASBC) – Association of Accredited Small Business Consultants
- 2015 -- Certified Business Advisor – GrowthWheel International

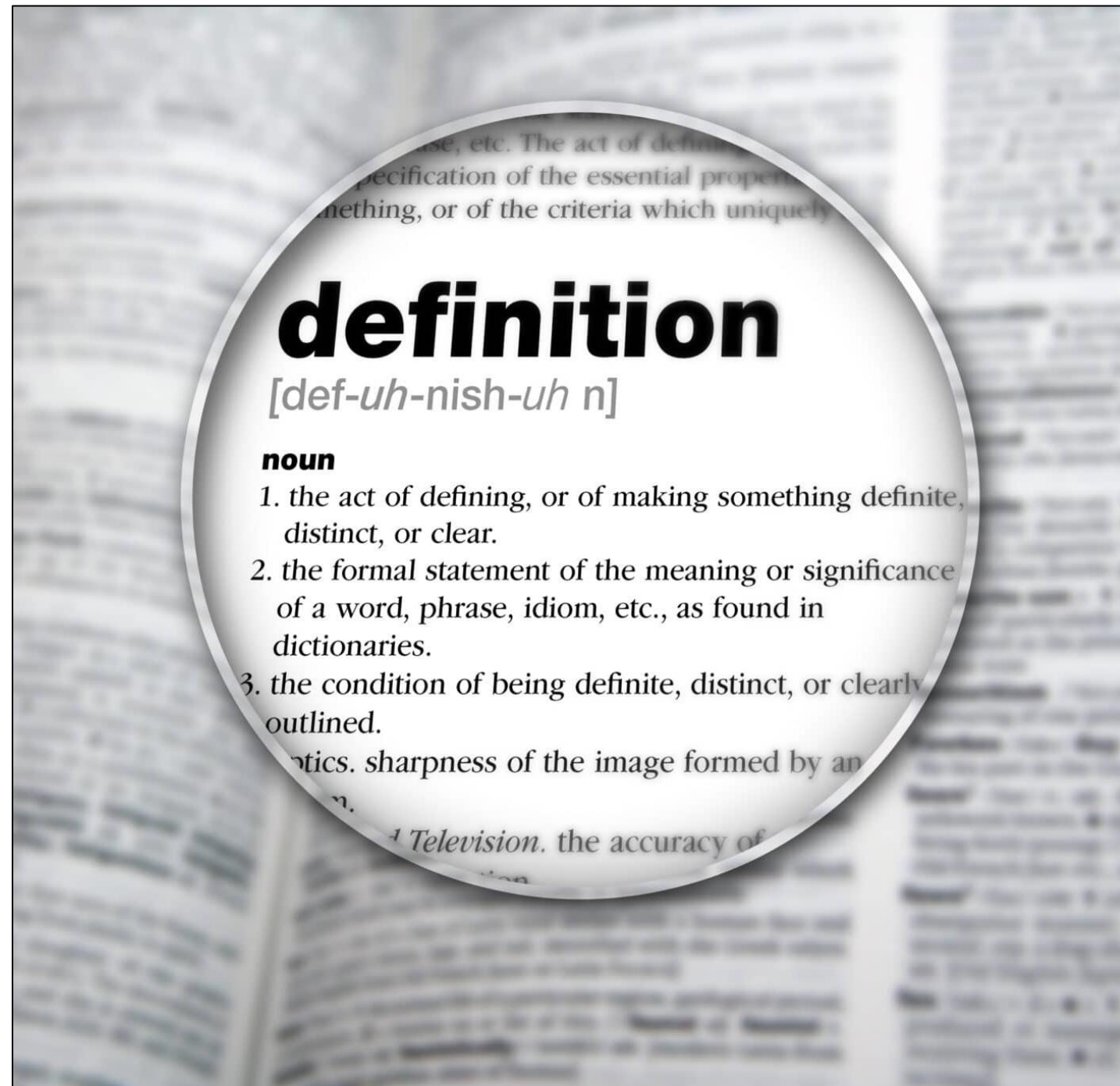
Recognitions

- 2022 – Boots to Business National Instructor of the Year – U.S. Small Business Administration
- 2018 – Montana SBDC State Star
- 2010 – Television News Enterprise Award – Montana Broadcasters Association
- 2009 – Television Sports Reporting Award – Society of Professional Journalists
- 2007 – Television Sports Enterprise Award – Montana Broadcasters Association

Goals for Today

- I. Discuss Revenue Diversification
- II. Revenue & Beachhead Markets
- III. Intro to Special Guests
- IV. How K-12 is Funded?
- V. How else is K-12 Funded?

I. Revenue Diversification



Revenue

“Revenue is money that a company...receives from people.”

Diversification

“When an organization...diversifies into other things, or diversifies their range of something, they increase the variety.”

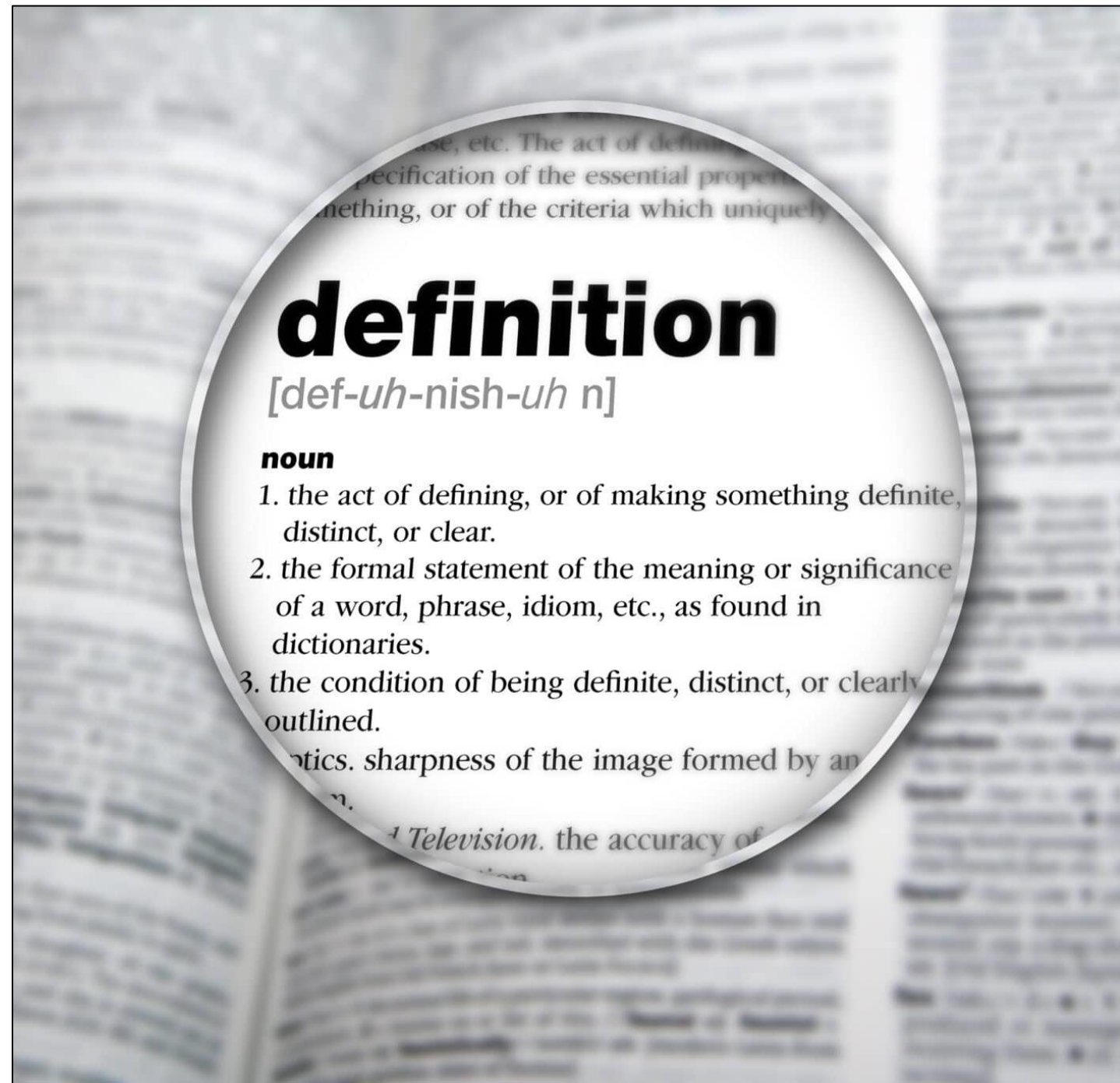
<https://www.collinsdictionary.com/us/dictionary/english/diversify-revenue>

“Revenue diversification

involves relying on different revenue sources and avoiding dependence on specific types of...sources.”

[https://scholarworks.gsu.edu/cgi/viewcontent.cgi?article=1032&context=pmap_facpubs#:~:text=Revenue%20diversification%20involves%20relying%20on,%3B%20Hendrick%20and%20Crawford%202014\).](https://scholarworks.gsu.edu/cgi/viewcontent.cgi?article=1032&context=pmap_facpubs#:~:text=Revenue%20diversification%20involves%20relying%20on,%3B%20Hendrick%20and%20Crawford%202014).)

I. Revenue Diversification Strategies



Businesses generate revenue in 2 ways

Sale of a Service

Sale of a Product

I. Revenue Diversification Strategies

Tuition Income

- Tuition – Ages 0-2
- Tuition – Ages 2-3
- Tuition – Ages 3-5
- Tuition – After School
- Tuition – Summer Program

Program Income

- CACFP
- STARS to Quality

Fees & Penalties

- Registration/Enrollment
- Transportation & Field Trips
- Late Fees & Interest

Product Income

- Product Sales (diapers, toys, formula)
- Food Sales
- Book Fair Sales
- Learning Material Sales
- Merchandise Sales
- Class Photos Sales

Rental Income

- Kitchen Rent
- Space Rent – Parties, Classes
- Space Rent - Shared Service Providers

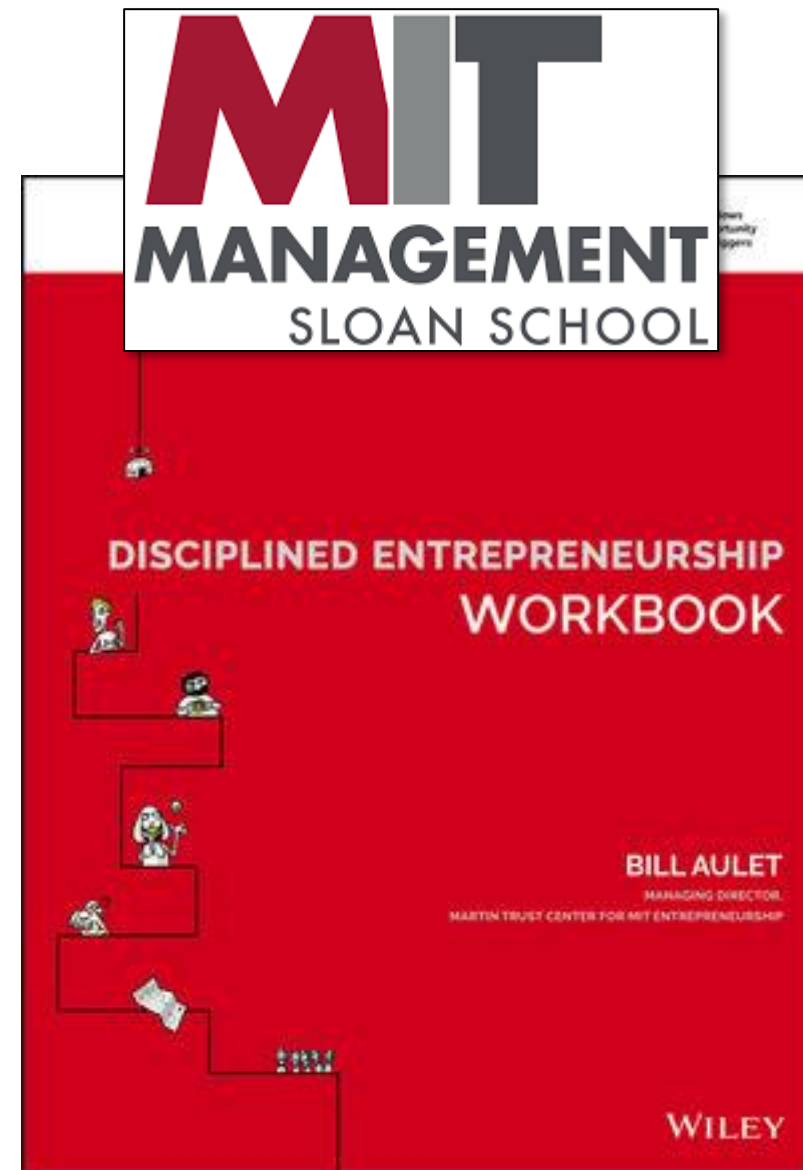
Other Service Income

- Training & Education Classes

II. Revenue & Beachhead Markets



Bill Aulet, Managing Director of the Martin Trust Center at MIT Sloan School of Management



The first product or service company sells.

The goal is to “get off the beach” and into selling additional products & services to the same type of customer.

WEBSITE: <https://www.d-eship.com/>

MIT Article: <https://exec.mit.edu/s/blog-post/launching-a-successful-start-up-3-the-beachhead-market-MC7FUMDZ6IU5AIPP4WGIPN2PZJI4>

II. Revenue & Beachhead Markets

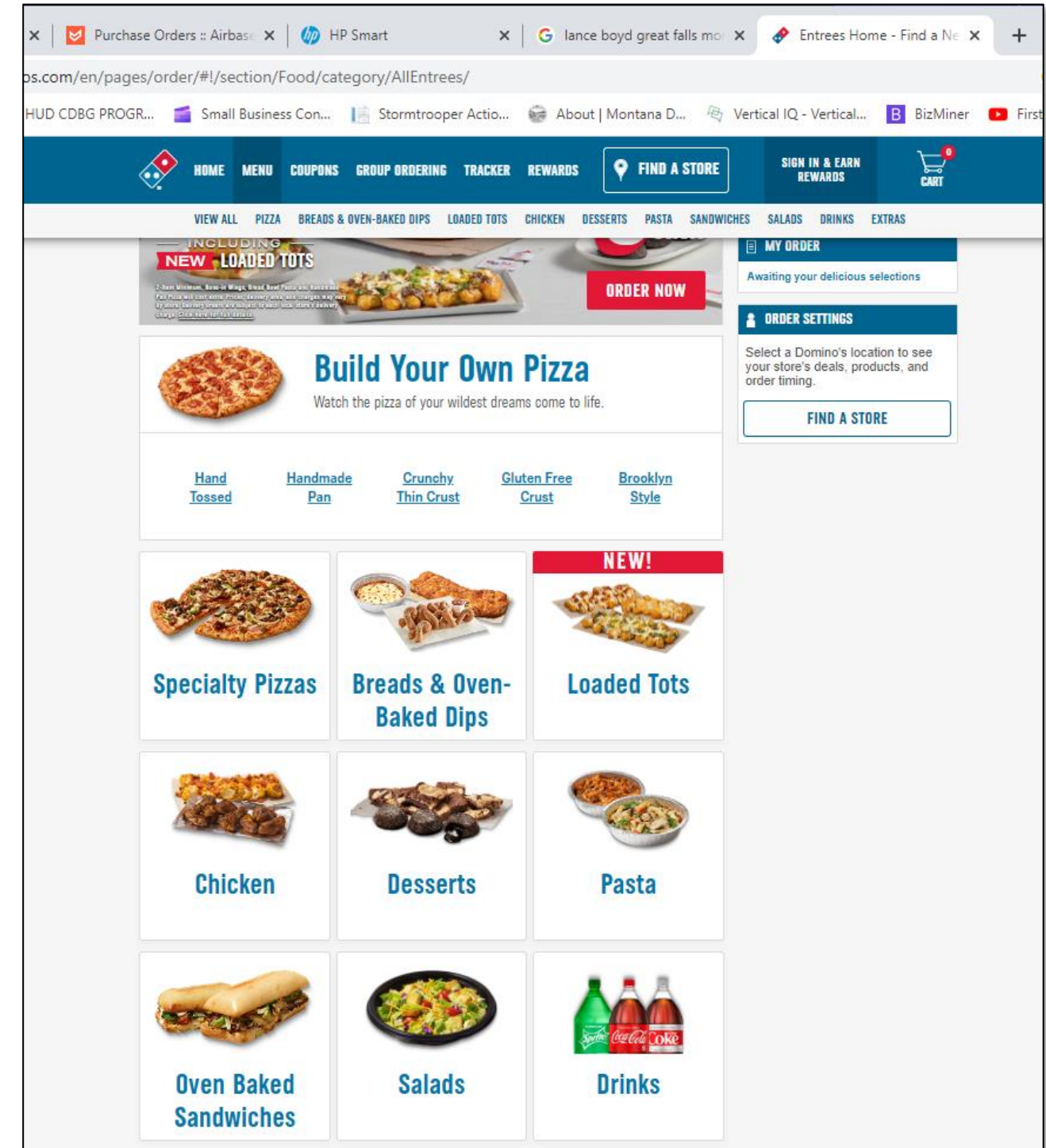
Example:

Then: One Product



Tom Monaghan

Now: 10 Product Categories



III. Special Guests

Craig Crawford
Superintendent
Stanford Public Schools



COURTESY: https://missoulian.com/kessler-elementary-school-principal-craig-crawford/image_0e485a88-90ac-11e2-9067-0019bb2963f4.html

Lance Boyd
Director of Student Services
Great Falls Public Schools



COURTESY: <https://www.greatfalls Tribune.com/story/news/2019/11/20/longfellow-elementary-topping-out-ceremony-celebrates-future-school/4253454002/>

IV. How is K-12 Funded?

Total overall OPERATING revenue = 100%

Sources of Funds – Public/Non-Public:

State of Montana:	87.5%
Generated Revenue:	12.5%

Uses of Funds – Delivery of Services to Students:

Employee Salaries
Employee Benefits
Instruction Supplies
Operating & Cleaning Supplies
Administration
Support Services to Students
Debt Service/Loans
Extra Curriculars
Repairs & Maintenance
Utilities
Insurance
Etc.

IV. How Else is K-12 Funded

How is additional, generated revenue spent on **OPERATIONAL COSTS**?

What are mill levies and bond initiatives for?

How do PTAs & Foundations raise money?

What are community partnerships?

What other things do individual schools do to raise money?

Final Thoughts

Lead with Innovation in Mind

ExchangeEveryDay
Your free source of early childhood inspiration and news.
05/25/2023

Coping with the Fiscal Cliff: Diversifying Revenue Funds

It is not light that we need, but fire; it is not the gentle shower, but thunder. We need the storm, the whirlwind, and the earthquake.
– Frederick Douglass, 1818-1995, Abolitionist and Statesman

In response to [our May 19 message](#) about the fiscal cliff as American Rescue Plan Act (ARPA) funds come to an end, Jason Nitschke, of Zero to Five Montana, wrote:



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In Montana, we have been working to support the agenda of increased public support of families and providers. However, it is critical for providers and childcare support organizations nationwide to start talking about how providers themselves can diversify revenue by modeling how K-12 public schools generate revenue to support operations. Revenue diversification strategies (aka: selling other stuff) is the fastest way for providers to off-ramp from stimulus funds. Raising rates is one thing. Diversifying to make money other ways is another. Our role as support organizations **must** include messaging that bringing non-public, non-grant, non-foundation-based revenue into programs is critical to their own viability. While we support increased public subsidy, that message is conditioning providers to believe that public funds are the solution and are imminent. They aren't until they become more than talk. Empowering childcare providers to be fully

Thank you

Gary Romano <gary@civst
To Jason Nitschke

You replied to this message on 5/25/2023 8:32 AM.

Hi Jason,

I was so pleased to reach your comment in Exchange - so very important and one our team has been espousing in our multi-state work with providers, but is not heard nearly enough!

Gary Romano
President & CEO, Civitas Strategies, LLC

617-388-5461 | www.civstrat.com | gary@civstrat.com
1 Hampton Court Lynnfield, MA 01940

Thu 5/25

More Professional Development Opportunities:

Tiny Training Series

June 29: How to organize your community around childcare solutions?

Register through your ECP Account:

<https://www.mtecregistry.mtecp.org/register.aspx?evid=518051>

First Children's Finance

June 22, 2023 – 9:00 am-11:00 am

Managing Enrollment in Your Child Care Center

<https://www.mtecregistry.mtecp.org/register.aspx?evid=518277>

August 8, 2023 – 5:30 pm-7:30 pm

August 10, 2023 - 5:30 pm-7:30 pm

Child Care Business Boot Camp – Starting and Running a Successful Child Care Business

<https://www.mtecregistry.mtecp.org/register.aspx?evid=518278>



Past Recordings Available At:

[On-Demand Webinars: ChildCareBusinessConnect.com](https://www.childcarebusinessconnect.com)



How'd We Do?



<https://www.surveymonkey.com/r/TNGBCJV>