LivePlan | Learning

MONTANA CHILD CARE BUSINESS CONNECT

ZEROTOFIVE MONTANA

Future-Ready Childcare: Strategic Planning and AI Tools for Business Growth

MCCBC - 2024

Introductions

LivePlan | Learning

Justin Hardersen
Channel Partnerships
LivePlan

Jason Nitschke
Senior Childcare Business Advisor
Zero to Five Montana

What we'll cover today

LivePlan | Learning

Agenda:

- ✓ Introductions
- ✓ Setting the context
- ✓ Growth Planning basics
- ✓ AI optimization and best practices
- ✓ Interactive Session
  - Building a Profit & Loss forecast using LivePlan
  - Group activity: create a one-page business plan
- ✓ Additional AI tools for childcare operators
- ✓ Q&A and Discussion

slido

LivePlan | Learning

What are your goals for this session?

ⓘ Click **Present with Slido** or install our Chrome extension to activate this poll while presenting.

We are a small business!

LivePlan | Learning

Palo Alto Software

THE MAKER OF **LIVEPLAN**

- Est. 1988 by Tim Berry
- SBA Partner since the ‘90s
- Family owned in Eugene, OR
- 70 employees

Mission: help people succeed in business

Decades of Success:

Helped hundreds of millions of entrepreneurs in over 180 countries.

SBA Names Palo Alto Software Best Family-Owned Business in Oregon

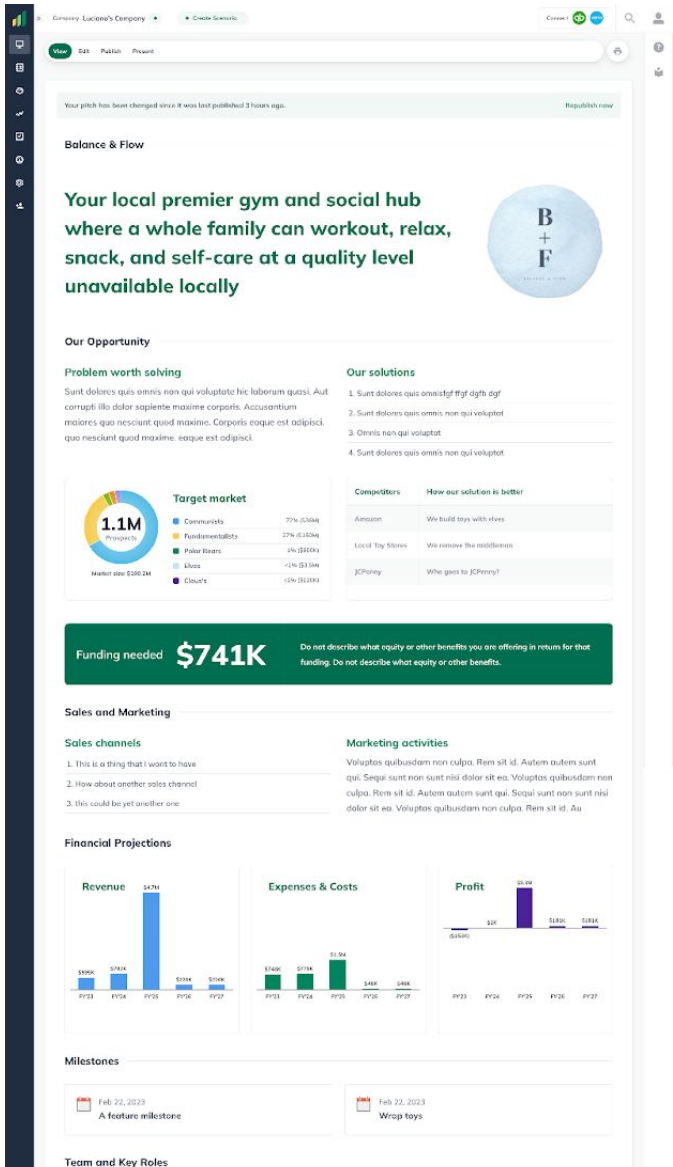
Eugene, Ore.
Thursday, May 22, 2014

What we provide

LivePlan | Learning

LivePlan

- **PITCH** - 1 page plan
- **PLAN** - formal business plan
- **FORECAST** - financial projections
- **BENCHMARKS** - industry data
- **SCHEDULE** - milestone deadlines
- **DASHBOARD** - key performance indicators



LivePlan - Long Term Partner

LivePlan | Learning

- SBDC – 25+ years
- WBC – 9+ years
- VBOC – 6+ years
- LivePlan used in all 50 states and worldwide in 180 countries

ZEROTOFIVE MONTANA

AMERICA'S SBDC IN PARTNERSHIP WITH SBA

U.S. SMALL BUSINESS ADMINISTRATION VBOC VETERANS BUSINESS OUTREACH CENTERS

ASSOCIATION OF WOMEN'S BUSINESS CENTERS

Setting the Context

LivePlan | Learning

slido

LivePlan | Learning

What is the biggest challenge or barrier you currently face in managing your childcare business?

ⓘ Click **Present with Slido** or install our Chrome extension to activate this poll while presenting.

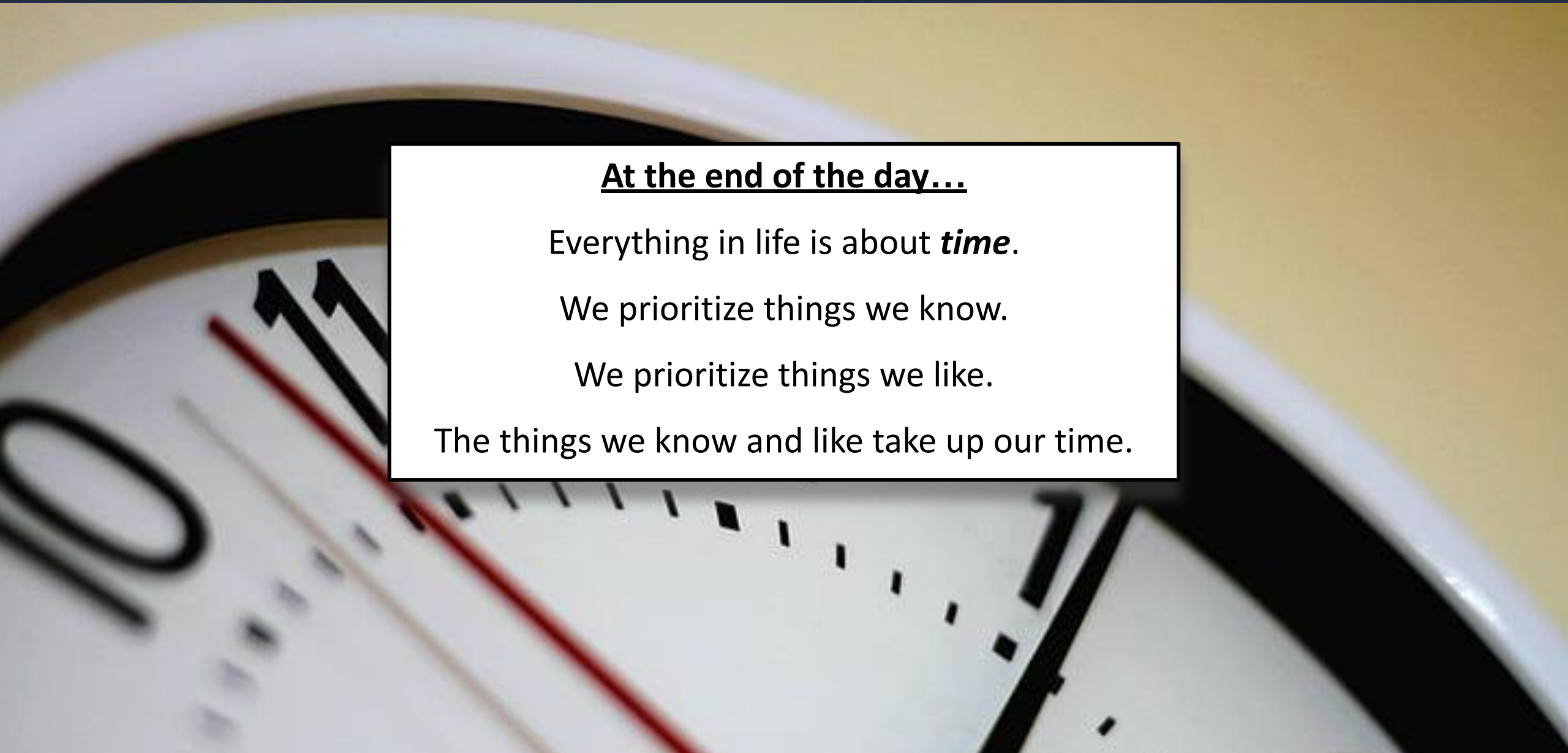
Setting the Context

What Do We Know About the ECE Industry?

- Talent Shortage
  - 50-60% Annual Turnover Rate
  - Shortage of workers entering ECE career paths
- Directors in Classroom
  - Not managing business
  - Not enough time in the day
- Passionate about Kids
  - Most entrepreneurs in most industries are knowledgeable about their industry
  - Most entrepreneurs do not come from business background
- Lack of Academic Business Background
  - Leading to uncertainty about business decisions
  - Leading to inaction in business management
  - Leading to viability & sustainability problems
  - Leading to low wages & low margins

Setting the Context

LivePlan | Learning



<u>At the end of the day…</u>

Everything in life is about ***time***.

We prioritize things we know.

We prioritize things we like.

The things we know and like take up our time.

Setting the Context

LivePlan | Learning

So…

How do we find ***more time***?

Setting the Context

LivePlan | Learning

We start by looking for areas of efficiency…

…that will save us…

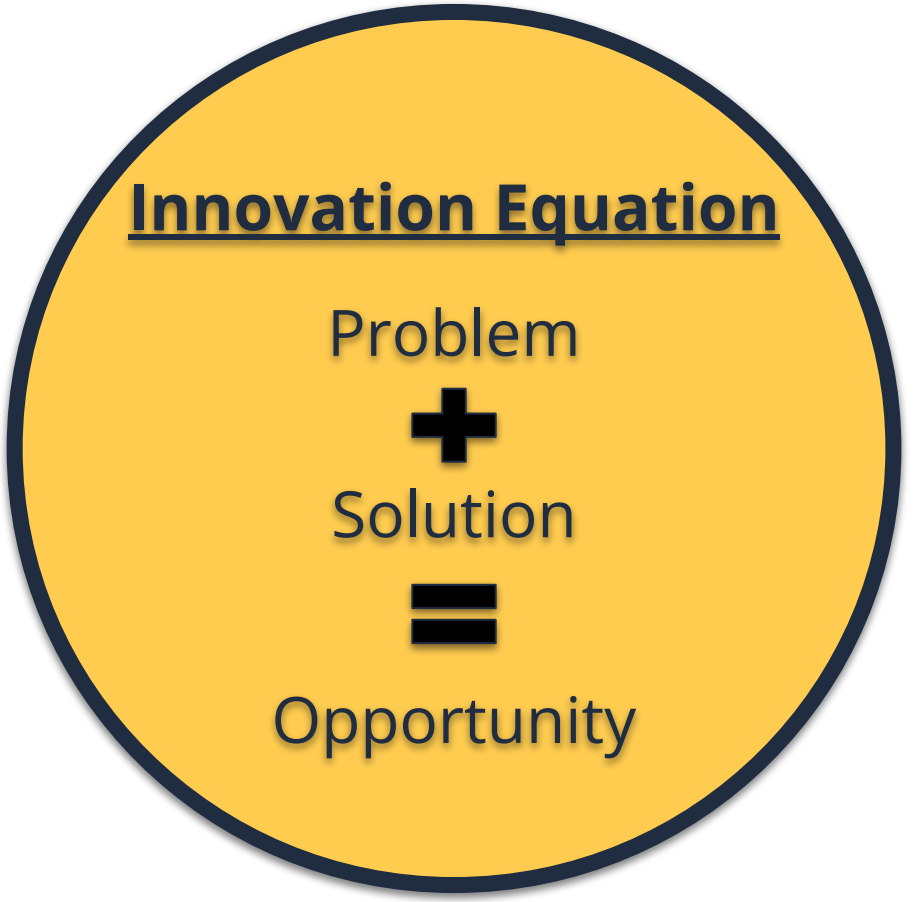
…time.

Setting the Context

LivePlan | Learning

Begin by Building Frameworks

1. Start with Needs Assessment
   a. What are problems in the business?
2. Categorize Problems
   a. Problems often fit into specific buckets
3. Align Problems with Causes of Problems
   a. Question assumptions to avoid problem-cause misalignment
4. Identify Solutions to Actual Problems
   a. Software
   b. Hardware
5. Prioritize Problems to Actually Solve
   a. Which problems cause the most significant impacts?
   b. Which solutions would have the greatest impacts?

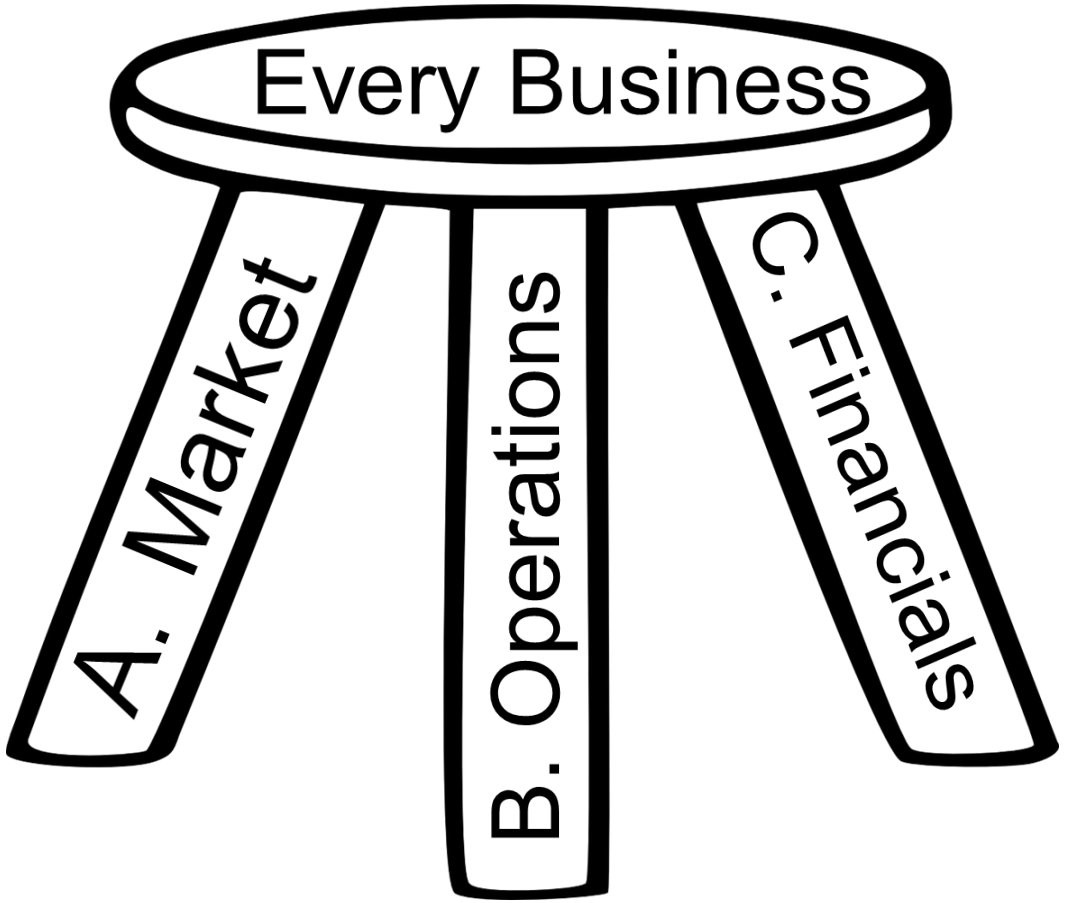


Setting the Context

LivePlan | Learning

Core Categories to Explore

- Market
  - Customer Facing
  - Competition Facing
  - Promotions & Communication
- Operations
  - Human Resources
  - Policies & Procedures
  - Reporting
- Financials
  - Cash Flow Management
  - Tax Planning & Management
  - Decision-Making
- Strategic Planning
  - Startup Planning
  - Growth Planning
  - Exit Planning



Setting the Context

LivePlan | Learning

What if…

- You don’t know where to look first?
  - “I don’t know what I don’t know.”
  - “I’m completely overwhelmed.”
- Which business category impacts every other category?
  - Market
  - Operations
  - Financials
  - Strategy

Financials

slido

LivePlan | Learning

Do you have a business plan (or financial forecast) that you review and update regularly?

ⓘ Click **Present with Slido** or install our Chrome extension to activate this poll while presenting.

The Core Problem

LivePlan | Learning

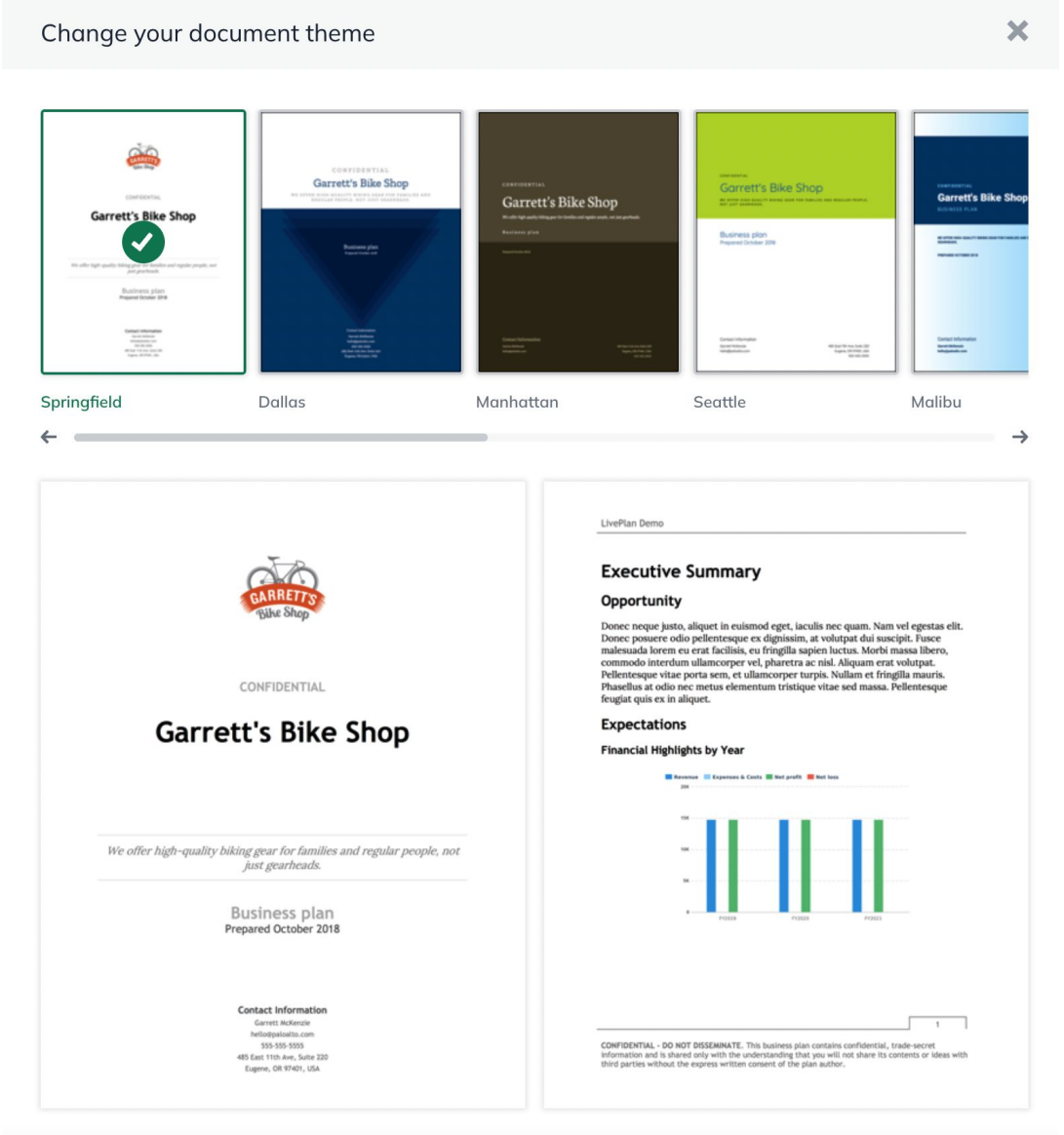
Business **planning is hard** for most people

- **Especially the Financials**
- Most tools leave them frustrated
- Many plans are never completed
- Overly-long plans aren't good for Growth Planning and Management
- Limited guidance and support
- Static documents don't encourage updating and revising

The Solution - We Help Entrepreneurs

LivePlan | Learning

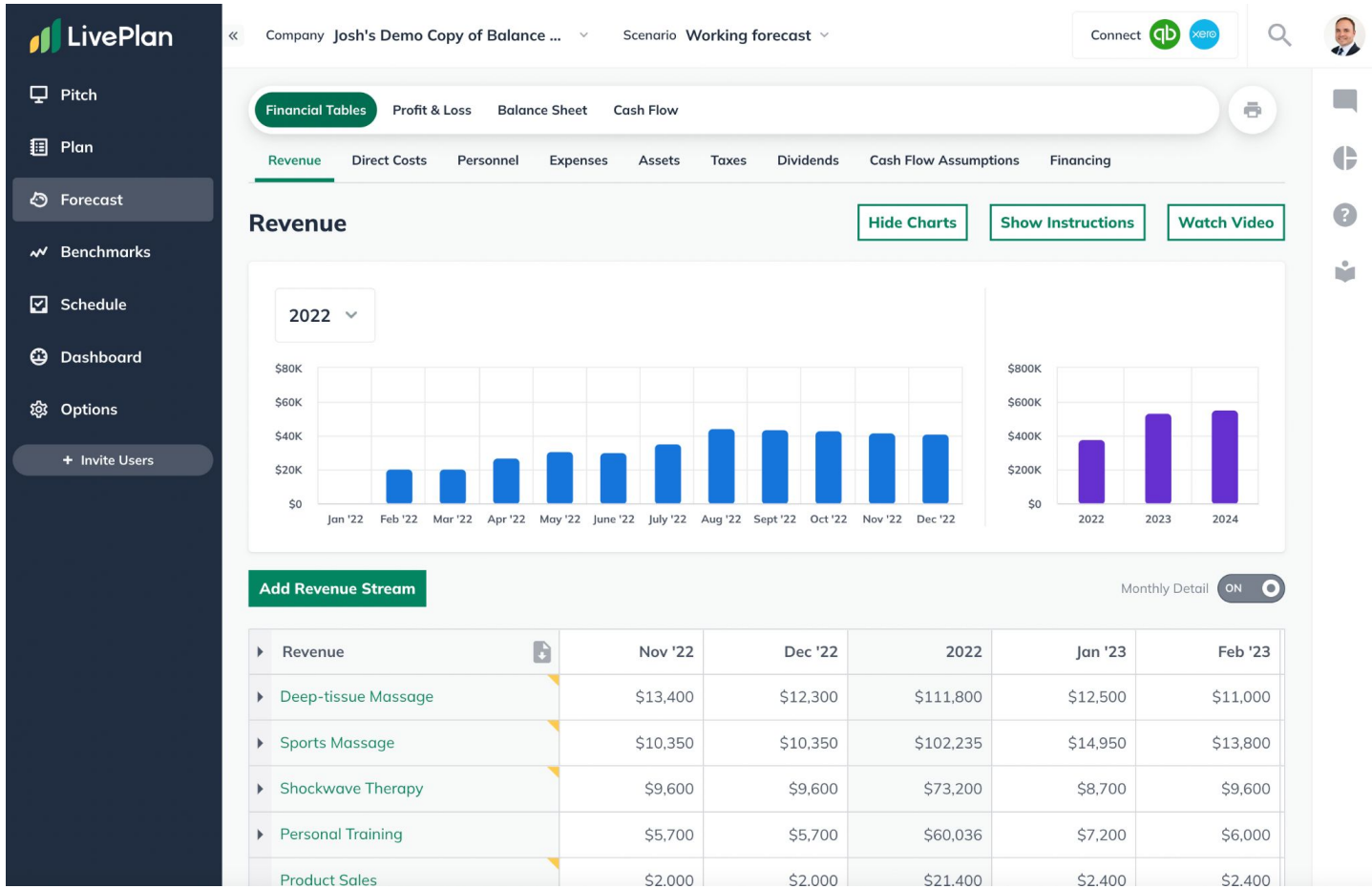
Complete a polished plan designed to wow lenders and investors



The Solution - We Help Entrepreneurs

LivePlan | Learning

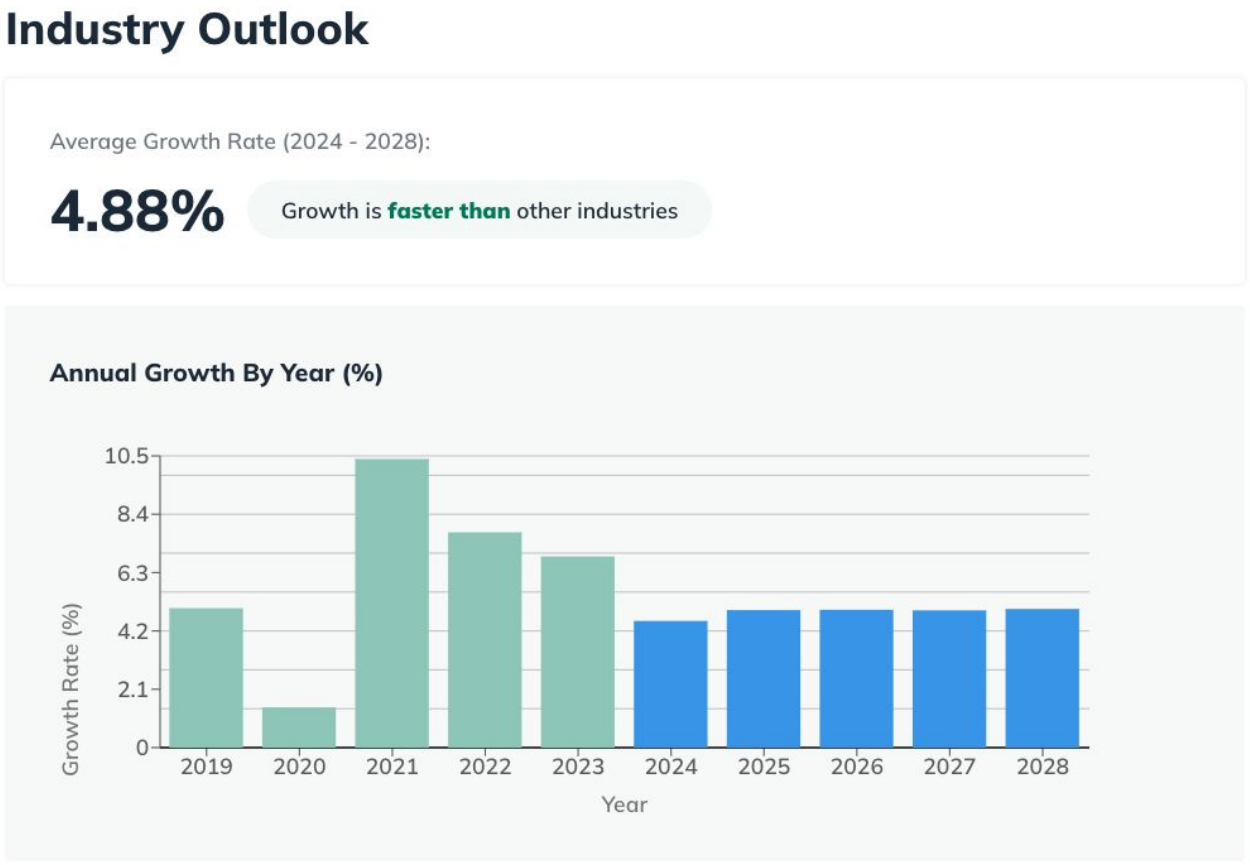
Build a roadmap for success with effortless financial forecasts



The Solution - We Help Entrepreneurs

LivePlan | Learning

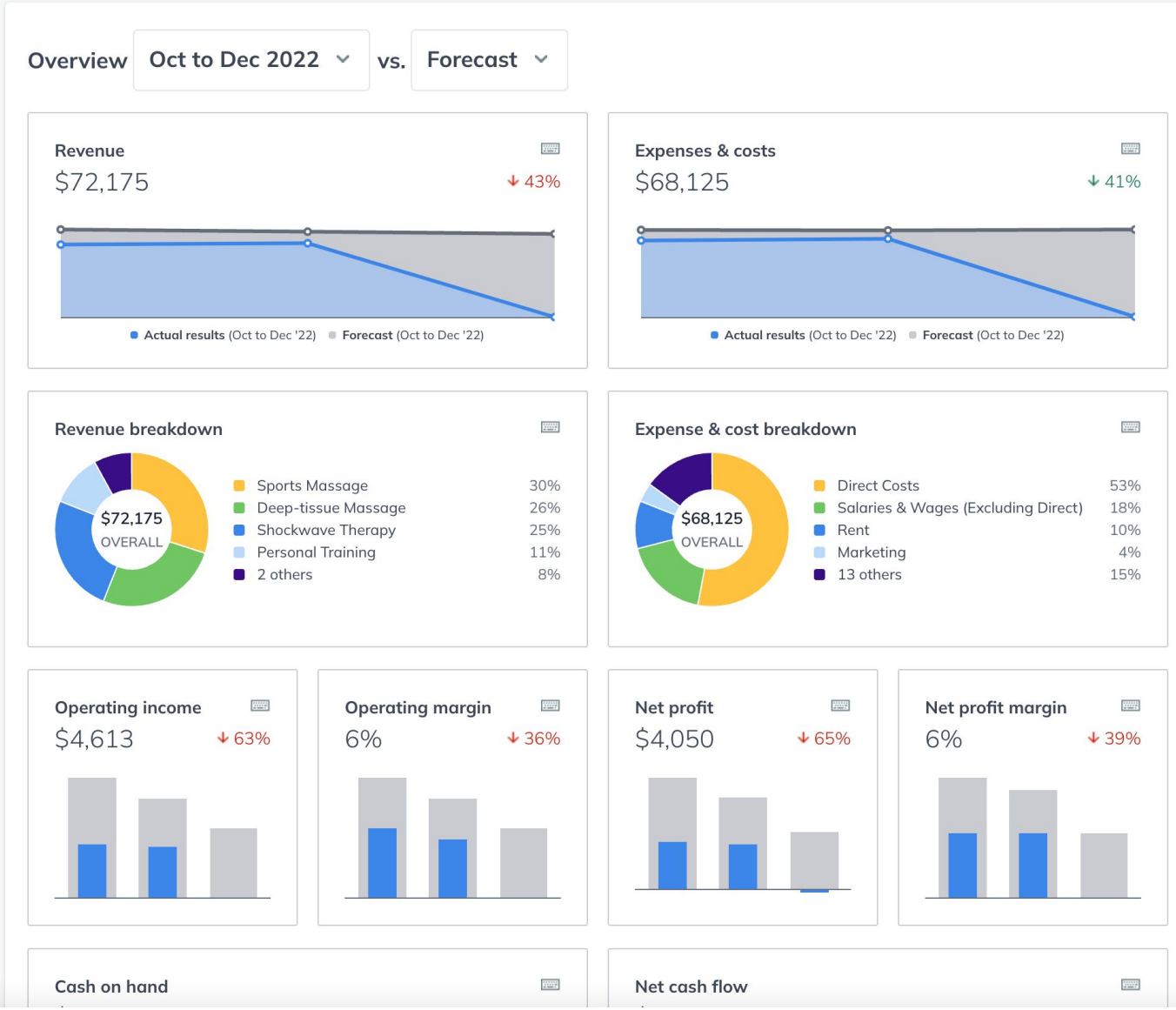
Provide data to better understand their industry and compare to industry averages



The Solution - We Help Entrepreneurs

LivePlan | Learning

Maximize revenue by monitoring their progress and understanding their numbers

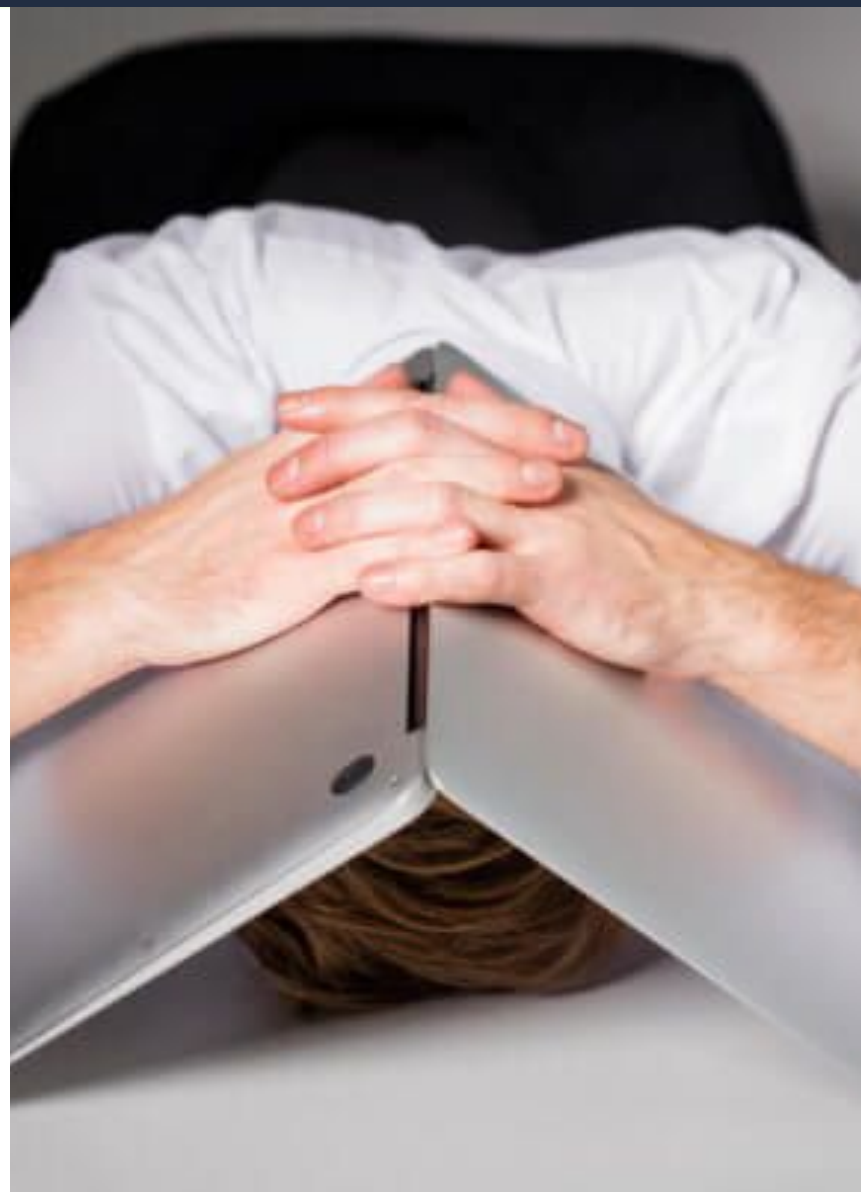


Problems Worth Solving

LivePlan | Learning

Planning challenges

- Effective planning makes businesses
  - Grow 33% faster
  - 40% less likely to fail
  - 60% of failed SMBs were profitable…
  - …they just ran out of cash
- *“I’m not a numbers person”*
- “I’m too busy to write a plan”
- “I don’t know where to start”



Introducing Growth Planning

LivePlan | Learning

Growth Planning gives entrepreneurs a simple way to create a **growth–focused business strategy**

… ***at any stage of venture***

… *in any industry*

… ***for any level of experience***

The Growth Planning Process

LivePlan | Learning

LivePlan Assistant

Plan

- Clearly define your goals, hone your strategy, and organize your tactics

LivePlan Assistant

Forecast

- Informed by your plan - forecast sales, expenses, and cash flow so you know whether or not you're on track to hit your goals

LivePlan Assistant

Evaluate

- Compare your forecast against your actual sales and expenses each month to spot new opportunities while holding yourself accountable to your goals

Refine

- Adjust your plan based insights you gained from the evaluate step

To Over-Simplify:

LivePlan | Learning

- All Plans are **just educated guesses**
- A guess is only valuable if you test the **accuracy vs. reality**, and learn
- This cycle ensures that your Plans/ Forecasts **improve** in strategic quality **over time**

Accounting vs Forecasting

LivePlan | Learning

Accounting

- Looking back
- Detailed
- Accurate
- Static
- Strict rules
- Must do - correctly

Forecasting

- Looking forward
- Strategic - only useful detail
- Educated guesses
- Dynamic (ideally)
- Aspirational
- Not required - but essential!

Most valuable when used together - this is management!

Budget vs Forecast

LivePlan | Learning

Budget

- Spending focused
- Set annually
- Fixed
- One agreed upon budget
- Helps the organization stays within its financial means

Forecast

- Includes all P&L components, and other financial statements (balance sheet and cash flow)
- Can be updated monthly and extend one year, three years, or more
- Flexible
- Can (and should) have multiple forecasts that outline different outcomes and scenarios
- Used for predicting future performance and guiding strategic decisions

Benefits and Limitations of AI

LivePlan | Learning

Benefits of AI

LivePlan | Learning

- It’s great for brainstorming and generating ideas
- Can quickly convert rough ideas into polished text
- Doesn’t suffer from writer’s block
- Grammar and sentence structure can easily be fixed
- Can draw connections between ideas that you hadn’t considered before
- **Data analysis can be simplified**

Limitations of AI

LivePlan | Learning

- AI lacks the human understanding of your business
- Financial projections need to be verified by a human
- Market research and other facts will need to be verified
- AI can miss key factors in competitive analysis, marketing strategy and other sections
- Your plan may lack authenticity and be impersonal
- Quality varies
- Lack of (human) Creativity

Limitations of AI

LivePlan | Learning

“It’s kind of like an intern who wants to make you happy and therefore lies a lot and is kind of naive [and] never admits that they made a mistake,”

“Once you think about [AI] that way, you end up in much better shape.”

- Ethan Mollick

Technology & AI Solutions

By Core Category - Low Hanging Fruit

- Market - Content Creation, Email, Marketing Calendars
  - Technology: Child Care Management System (CCMS)
  - Technology: Canva, Wix, Google
  - AI: ChatGPT, CopyAI, CoPilot, Grammarly, Claude.ai
  - Smart Chat Bots like https://www.ribbo.ai/ or https://docsbot.ai/
    - 24/7 customer service, FAQs, Lead generation, engage website visitors
- Operations
  - Technology: MT Department of Labor eServices:
    - https://uieservices.mt.gov/TUP/TAP/_/
  - AI: ClickUp - task manager, delegation assistant
    - FathomAI - transcription assistant; TrevorAI - Scheduling management; Claude.ai
  - Smart Chat Bots like https://www.ribbo.ai/ or https://docsbot.ai/
    - Internal knowledge base, quickly answer employee FAQs, how-to guides, terminology, best practices

Technology & AI Solutions

LivePlan | Learning

By Core Category - Low Hanging Fruit

- Financials
  - Technology: QuickBooks, Quicken, FreshBooks, Wave, Ramp - expense management
  - Technology: CCMS - payment processing
  - AI: Julius.ai - analyze spreadsheets
  - AI: Luminal - Clean and analyze spreadsheets

And Remember…

Keeping financial statements is not only for tax reporting.

Accurate and timely financial statements are closed monthly and reviewed monthly.

Monthly financial reviews enable high quality, financial decision-making.

Technology & AI Solutions

LivePlan | Learning

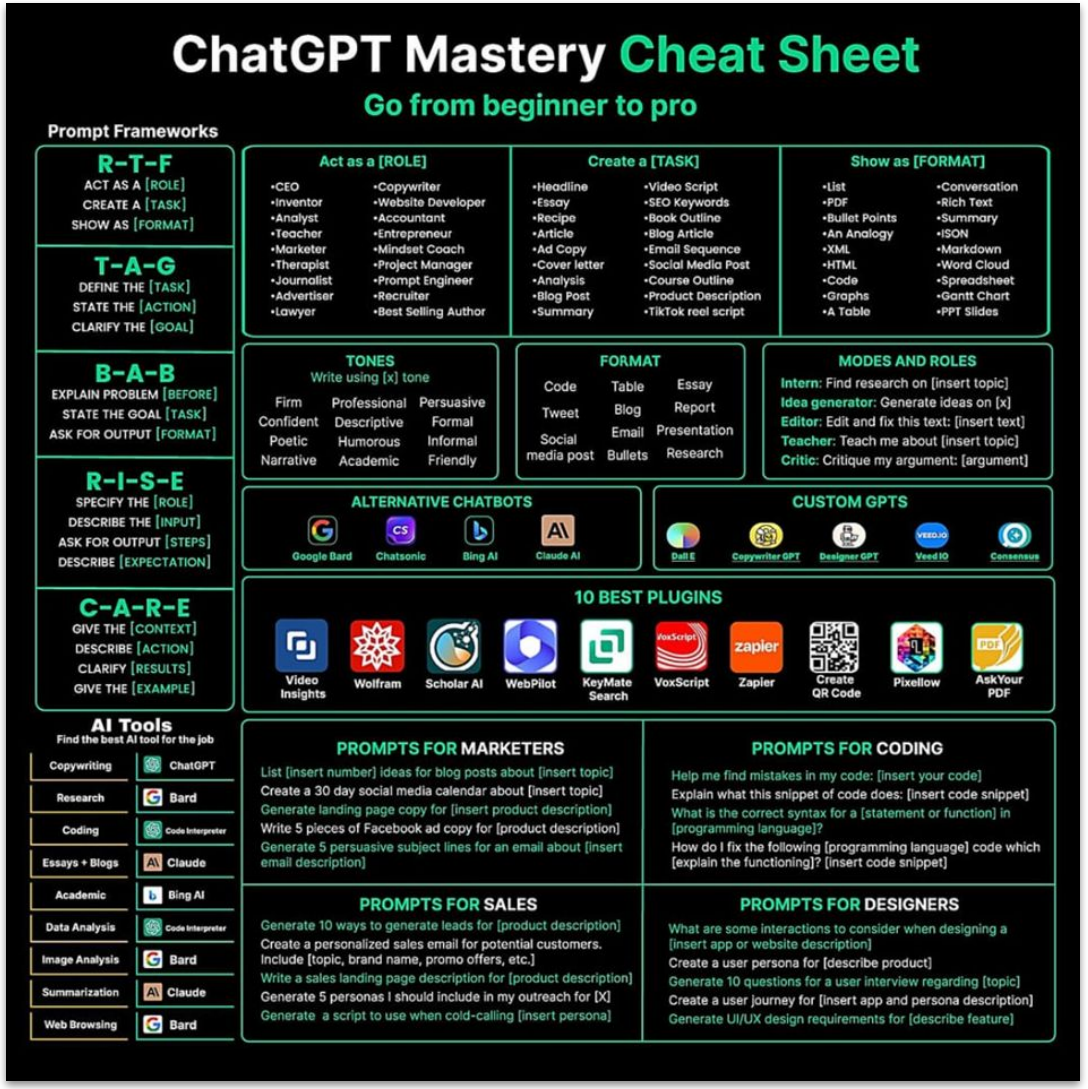
Category	Name	Website	Description
Strategic Planning	AI Tool Scout	https://aiscout.net/	Searchable AI tool database
Strategic Planning	TLDR	https://tldr.tech/	Tech email newsletter with insights about AI
Strategic Planning	AI Tool Reports	https://aitoolreport.beehiiv.com/subscribe	Features new AI tools & AI news
Strategic Planning	AI Tool Reports	https://aitoolreport.com/	Searchable AI tool database
Market	ChatGPT	https://openai.com/	Content Creation
Market & Operations	Claude AI	https://claude.ai/	Content Creation – upload and analyze documents and data
Market & Operations	Ribbo	https://www.ribbo.ai/	Easily create smart chat bot for public or private use, trained on content and data you provide
Financials	Julius	https://julius.ai/	Analyze spreadsheets creates custom visualizations
Financials	Luminal	https://getluminal.com/	Clean and analyze spreadsheets

Technology & AI Solutions

LivePlan | Learning

Prompt Engineering

- Higher quality inputs will result in higher quality outputs.
- Work on becoming a “Prompt Engineer”
- Prompt Frameworks:
  - Role, Context, Action, Format (RCAF)
  - Role, Task, Format (RTF)
  - Task, Action, Goal (TAG)
  - Before, Task, Format (BTF)
  - Role, Input, Steps, Expectation (RISE)
  - Context, Action, Results, Example (CARE)
- Example:
  - Tell AI who to be: “Act like a…”
  - Tell AI what to do: “Write me a…”
  - Tell AI what you expect in output: “...with a Style and Tone that…”
  - Tell AI how long: “...that is 150 words…”

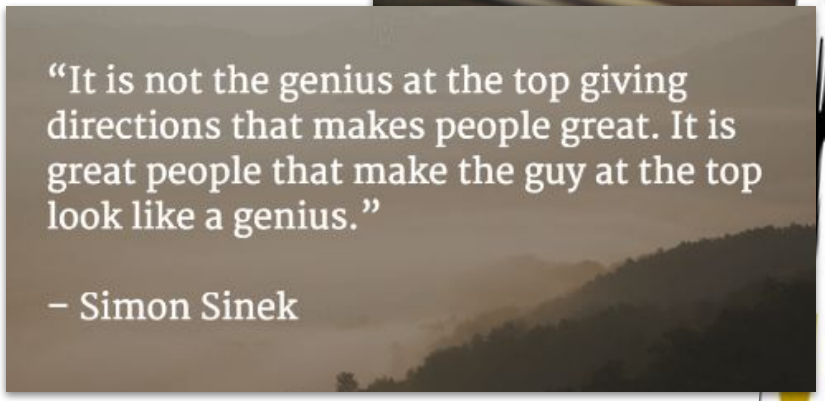


Technology & AI Solutions

LivePlan | Learning

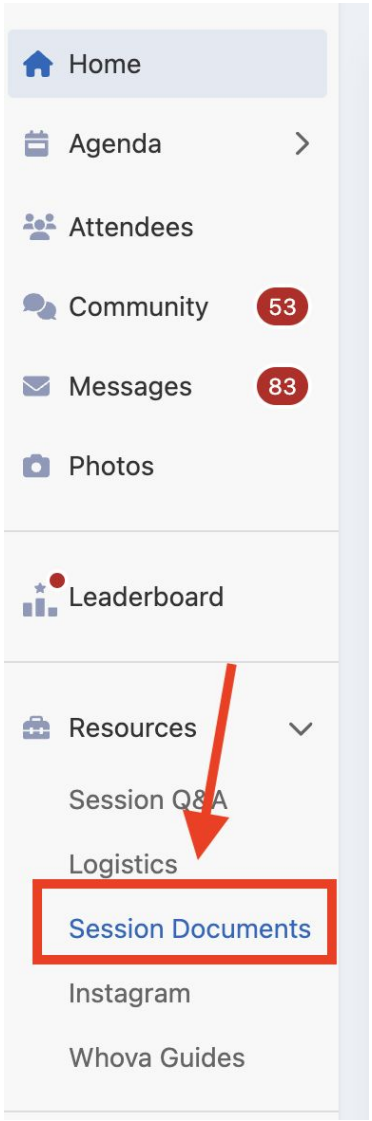
There is no replacement for Delegation

- Delegation = Leader
- Delegation = Proactive Planning
- Delegation = Comprehensive Completion
- Delegation enables team buy-in
- Delegation enables positive culture
- Positive builds happier employees
- Happier employees stay longer



Lean Business Plan Template Download

LivePlan | Learning



Agenda Handouts

HR 101
Notes Slides for HR 101 Modules
4.1 MB
View Download

Elevating Child Care Efficiency: The impact of integrating CCMS and CRM Solutions
Part one of a two-part series that explores using a CCMS and CRM to streamline child care efficiencies and systems.
536.5 KB
View Download

Lean Business Plan template download
Use this template to organize your thinking around your business - your strategy, goals, and tactics. Use business planning software to expand on these ideas
597.2 KB
View Download

Optimizing Child Care Solutions: Integrating the Iron Triangle with Advance Technology
Part two of a two-part series exploring technology and the Iron Triangle business formula to improve data driven decision making and improved child care efficiencies.
1.0 MB
View Download

Navigating the Multi-Generational Workforce
PDF of Session Slides
4.1 MB
View Download

Lean Business Plan Template Download

LivePlan | Learning

LivePlan

IDENTITY	
PROBLEM WORTH SOLVING	OUR SOLUTION
TARGET MARKET	THE COMPETITION
SALES CHANNELS	MARKETING ACTIVITIES
REVENUE	EXPENSES & COSTS
MILESTONES	

Let's Make a Plan!

LivePlan | Learning

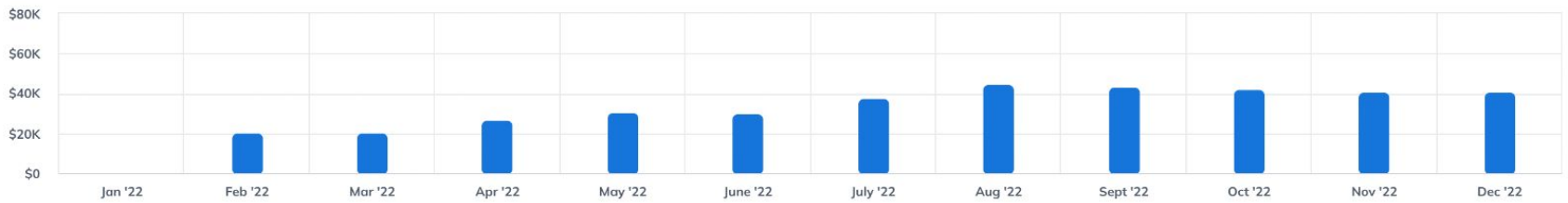
Financial Tables | Profit & Loss | Balance Sheet | Cash Flow

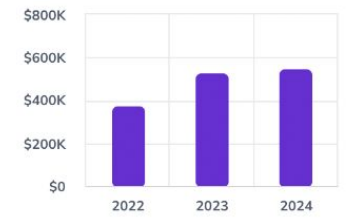
Revenue | Direct Costs | Personnel | Expenses | Assets | Taxes | Dividends | Cash Flow Assumptions | Financing

Revenue

Hide Charts | Show Instructions | Watch Video

2022





Add Revenue Stream

Monthly Detail ON

Revenue	Jan '22	Feb '22	Mar '22	Apr '22	May '22	June '22	July '22	Aug '22	Sept '22
Deep-tissue Massage	$0	$6,700	$6,800	$6,900	$9,000	$7,200	$13,000	$13,000	$12,500
Sports Massage	$0	$6,210	$6,325	$7,130	$7,360	$7,590	$7,820	$14,375	$13,225
Personal Training	$0	$5,400	$5,520	$5,160	$5,040	$5,040	$5,400	$5,616	$5,760
Nutrition and lifestyle planning	$0	$800	$600	$720	$920	$1,000	$1,000	$1,200	$1,200
Product Sales		$1,500	$1,500	$2,000	$2,000	$2,200	$2,200	$2,000	$2,000
Shockwave Therapy				$5,100	$6,600	$7,200	$8,100	$8,400	$9,000
Totals	**$0**	**$20,610**	**$20,745**	**$27,010**	**$30,920**	**$30,230**	**$37,520**	**$44,591**	**$43,685**

LivePlan | Learning

Thank You