

## CHOOSING THE RIGHT CHILDCARE MANAGEMENT SOFTWARE FOR YOUR CENTER

Most childcare centers agree that they need childcare management software. A good software system saves a lot of time by automating day to day tasks and increases revenue by making sure that parents are charged accurately and completely. When a center decides it needs software, or if the center decides that their current software is not up to their needs, the choices available can be overwhelming. Software not only ranges in price, but also in functionality, usability, and how you access the software. This guide will help you find the software that is a good fit for your center.

The first thing to look at is what functionality the software offers. Many centers want to simply replace paper information cards, stop having to manually create sign in sheets, and stop having to manually create bills and statements. The centers then start their search looking for just these functions, not realizing how much more childcare management software can do; including:

- 1) let parents and staff sign in and out on the computer, making the check in and out process much faster and more accurate,
- 2) automatically charge for early arrivals, late pickups, and stay and plays; and automatically charge for delayed openings, early dismissals, and no school days for school agers,
- 3) track enrollment and help to schedule staff to meet the required child to staff ratios,
- 4) automate meal count records and menu planning for the CACFP/USDA food program by automatically recording which meals children ate based on when they were at the center and including functionality to plan and schedule menus,
- 5) automatically draft parent bank accounts or credit cards, saving time and effort,
- 6) calculate payroll, print checks, and track center expenses, and
- 7) help the center communicate with parents plus much, much, more.

The next thing to look at is pc-based versus web-based software. Childcare management software can either be purchased (pc-based) or the center can subscribe to a service that provides on-line access to software (web-based). This often determines how much the software will cost initially (upfront or financed) and what the ongoing costs are (monthly or annual fees.) Software pricing can get complicated, and costs are frequently understated to make software appear more affordable that it actually is. As you add functions, features, users, and children, the cost of the software both initially and ongoing can often double or triple. Both types of software have positives and negatives, and the center should be careful to compare the total cost of using each software package that they are considering.

PC-based software can usually be purchased and ranges in price from several hundred dollars to about \$4,000. When looking at PC-based software, you should always compare apples to apples. Price the software based on how you will use it. If software is priced by modules, add up the cost of all the modules you need today, and the modules you will need to add in the future. If you need multiple people to be in the software at the same time, find out how much extra those additional licenses will cost and add it to the software price. In addition, make sure that the software offers the level of support you need. If you need phone support, make sure the software includes it. If you need help installing and setting up the software, make sure the support offered includes that. If you are looking at a small or mini version of a software package that is limited by how many children it can store, ask if you can keep records for inactive children in the software, and if those records will count towards your child limit. Also find out if your state requires you to keep records for inactive children. (Some states require you to keep 3-5 years worth of records.) Finally, find out if you can upgrade to a larger version of the software and how much that will cost. If you want to access pc-based software from other locations, you can use programs such as Teamviewer®, LogMeIn®, or GoToMyPC®, to access your center's computer from anywhere that you have an internet connection. Some pc-based systems are offered as hybrids, meaning you install software onto your computer, but the software company hosts your data. You can then work on your system from any computer that has the software installed and that has an internet connection. In general, hybrid systems work well for centers with multiple locations who want central administration, but these systems do often have ongoing costs for the software company to host your data.

Web-based software is usually offered as a service with a monthly fee that can range from \$30 to \$200+ per month depending on the features you want, how many children the software will store, and how many users will use the software. Since you will be paying a monthly fee for as long as you use the software, the ongoing costs for web-based software are usually higher than pc-based software, but are usually less expensive to get started. In addition, there are also several other factors that should be considered. The most important one is the company behind the software. Since you are using a service that has your data and controls your access to your data, make sure you research the company behind the software. Another important factor with web-based software is the stability and speed of your internet connection. Make sure you have a stable, high speed (broadband) internet connection. If the software has tier pricing, (they charge based on the number of children in the software: 0-30, 30-50, 50-100, etc,) ask if inactive children count toward the tier pricing. If you have a capacity of 60 children, but need to keep records for 3-5 years, you might have to pay for children that are no longer enrolled. In addition, if you have children that attend during the school year, leave for the summer, and then come back in the fall, you might have to pay for children over the summer even though they are not enrolled. Another difference between pc and web based software is updates. With pc-based software, you choose if you want to upgrade to a new version, and you can usually go back to a prior version if you don't like the changes, or if the new version removed a feature or function you needed. With web-based software, updates are automatic and you don't have a choice. Another point to consider with web-based software is how fast, fluid, and smooth the system is. Web-based software runs on servers. The software company decides how many users can use each server at the same time. If a server has too many users (which is done to lower costs for the software provider,) the system becomes very slow when running reports, moving from screen to screen, etc. In general, web-based software makes the most sense for centers with multiple locations who want central administration, and a lower initial cost.

There is a new web-based service model that was recently introduced that claims to be free to the center, including all of the equipment necessary to run it. This model charges the parents a monthly "technology fee" of \$5 per child, per month, assuming all of the parents pay their tuition electronically (through their bank account or credit card.) If the parent doesn't want to pay their tuition electronically, or if the parent doesn't have a tuition (subsidized children,) then the center will be charged the \$5 per child. Since the parents will naturally associate this fee with your center, you ultimately pay this cost either directly, or by lowering your rates to compensate for the charge. If your parents are very price sensitive, the \$5 fee might dissuade parents from enrolling at your center. If you analyze the actual cost of this service for a center that has 60 children, the base monthly cost is \$300 (60x5) or \$3,600 per year. Plus you have to add the cost of credit card processing (usually 2%-3%) if parents want to pay by credit card. You also have the issue, discussed in the web-based software section above, of inactive children. Based on ongoing costs, this is by far the most expensive solution.

Ultimately, any software that you choose becomes a part of your center and your business. Most centers that select software that doesn't meet their needs end up using that software for an extended period because switching is expensive, and it requires a lot of work (data entry, learning the new software, etc.) There are many centers that spent thousands of dollars on a software package and struggled with that package for months and sometimes years before deciding to abandon it and look for something better. These centers put a lot of time, effort, and money into systems that weren't a good fit for their needs or couldn't grow as their needs grew. This is why selecting software that meets your current needs and has the functionality to meet your future needs is so important.

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For over 14 years, our ChildCare Sage has been the most complete, affordable, and professional childcare management software available. Our software is pc-based, all-inclusive and we never charge extra for modules, extra users, or the ability to store as many inactive children as you want. Our billing and scheduling systems are unique, and can automate any type of charge or schedule, including future rate changes and room changes. Our software comes complete and includes CACFP meal tracking and menu planning, payroll, and center expense functionality. We also offer phone, email, and online support to make sure any questions are answered in a timely and complete manner. If you have any questions, or for a free live demo, please call 866-842-7806.