



# 7 Innovative Ways To Make Your Childcare Center More Profitable



In the childcare industry, diversifying revenue is a smart move that leads to greater profitability. It minimizes your center's dependence on one source of revenue, providing greater financial stability. This not only mitigates risk, it creates valuable services for parents and makes you more marketable if you ever want to sell your center. Greater profitability can be achieved in a number of ways, from adding new products and services, to going after an entirely new clientele.

Tuition will naturally account for the lion's share of your center's income, but it doesn't have to be your only source. If tuition profits are ever threatened, diversified revenue can help you stay on your feet. In addition, the profit you earn from creative revenue streams can be funneled right back into the center's growth.

**Below, we'll explore a variety of product and service ideas that could become a natural, enriching and profitable addition to your center:**



## THE IDEA

## Offer Drop-In Childcare Services



Whether they're under the weather or just playing hooky, no-show children leave spots open every single day. Open spots don't have to stay that way. More and more centers have made the shrewd decision to monetize openings with a "drop-in" service for parents. This way, something that would've been clocked as a loss could become a source of profit.

## How to try it

There are a handful of tools that allow parents to digitally log that their child will be absent that day. This allows parents who need unexpected childcare to grab the open spot when it becomes available. Research these tools to determine which one would be the best fit for your center, and offer incentives to parents who are proactive about logging absences in a timely manner.

## THE IDEA

### Offer Childcare Services to Corporate Clients Who Need In-Office Daycare.



Many companies have begun to install childcare facilities at their corporate campuses. This is not only an attractive benefit to employees, it has become the new standard in modern, progressive businesses. More than just “nice-to-have,” some consider it essential. It could also be an excellent opportunity to expand beyond the confines of your center.



## How to try it

Petition large or progressive companies in your area about the potential to install a satellite center at their office, or simply offer staffing support and childcare expertise. Companies interested in this kind of arrangement already know they need childcare expertise in the building to launch the program. So make your name known. It doesn't hurt to mention that expenses involved in setting up and running a childcare program at a business may be tax deductible for business owners, including equipment and supplies, up to \$150,000.

## THE IDEA

### Sell Baby Products & Children's Toys at Front of Center



Everyone loves a good impulse buy. Offering a selection of toys or childcare products can be a humble addition to your profit margin. Cater the selection of products to the specific age group (infants as opposed to preschoolers) that you serve. Ask parents for ideas on what may be convenient to have stocked at the center.

## How to try it

Order a small amount of baby products in bulk from a trustworthy supplier and sell them at a markup on shelves or display racks. Gauge initial sales to see if it's a worthwhile investment. Present the products in a visually appealing manner, even if only stocking a small rack with impulse buys for parents/children.

## THE IDEA

# Repurpose Your Childcare Center Space



The center itself may be a gold mine of untapped revenue. Days when the center isn't being used, perhaps on weekends, could become an excellent time to use the space for events or parties. Some have seen success using their center as a venue for children's birthday parties, seeing as they're already stocked with supplies for children's entertainment.

## How to try it

Inquire if your staff would be willing to work events like this for extra pay. Advertise the center as a potential party space in your area, especially to your existing parent base. Establish rules, like whether or not parents are expected to provide snacks/food for the event and what kinds of activities would be permitted.

## THE IDEA

# Get Creative With How and When You Provide Childcare



Who says childcare centers only operate at daylight hours? Night time or "date night" childcare has become more popular as a stand-in to traditional babysitting. Leaving the children with a trusted member of the center staff can be more reassuring than testing new babysitters. Off-site childcare at the parent's home is an offshoot of this idea, in which you can volunteer to go to the parent's home to render care.

## How to try it

Draft the provisions and prices around these add-on services, discuss them with your staff, then inquire if parents would be interested. If the idea gains steam, consider advertising it.



## THE IDEA

## Videography & Album-Making for Parents



This could wind up becoming a hit with parents whose jobs force them to be apart from their children all day. Offering a service that allows you to capture video and photos of the children, then turn them into touching videos or heartwarming scrapbooks could serve as an excellent keepsake for parents.

### How to try it

Decide who will execute the videography, bearing in mind you may need to outsource the editing. Consider providing video samples to give parents an idea of how the finished product would look. Do the same for photo albums. Order the type of album you plan to use in bulk. Assign a staff member to snap photos of children whose parents have opted into the service. As a courtesy, let other parents know that cameras may be used at the center but reassure them that their child will not be included in the frame, unless explicitly permitted.



## THE IDEA

## Reassess Fee Structure



Within reason, there may be room to add additional fees to your tuition pricing. Tread lightly and maintain transparency wherever possible. You don't want to overwhelm parents with surprise charges they weren't expecting.

### How to try it

Assess what fees you could comfortably add, such as late fees and annual registration fees. Applying late payment fees and late pick-up fees could offset the costs you accrue as a result, making them a logical addition to your fee structure. Some also childcare centers have adopted annual tuition increases.



At the end of the day, your profit margin is intrinsically tied to your operational efficiency. In addition to creative new revenue streams, a childcare management software that organizes all of your center's data could transform your day-to-day operations. Prime Childcare Software is a leader in childcare management software, allowing you to track everything from admissions to billing and payroll, all in one place. Schedule a demo with Prime today to learn more.



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