



The ECE Business Collaboratory

Strengthening Child Care Systems

CHILD CARE BUSINESS CONSULTATION PARTNERS AND OPPORTUNITIES

What is Business Consultation for Child Care?

- Consultation is one of the 11 essential elements for building an adequate supply of quality child care in FCF's [State Child Care Business Ecosystem](#).
- FCF defines business consultation as **one-on-one business support** in which a consultant helps develop or review a child care entrepreneur's real financial and operational data.
- A consultation is usually **structured to achieve a specific goal** (i.e., conduct a breakeven analysis) and last a specific amount of time.
- Common consultation packages needed by child care businesses include:
 - For *sustaining* child care businesses: cash flow projection models, cost-per-child calculations, breakeven analysis
 - For *starting and expanding* child care businesses: business plan development, financial projection development, marketing plan development, creating an operating budget, setting up financial systems
- FCF believes that business consultation works best when it is offered in conjunction with business training and education. It should help child care entrepreneurs more deeply understand their business and set up financial and operational systems that they can sustain. It is not about doing business development *for* child care business owners.

Finding and Evaluating Consulting Partners

- Consulting partners can include: small business development centers (SBDCs), women's business development centers, SCORE chapters, local chambers of commerce including Hispanic and Black chambers, local university and community college business programs, economic development agencies, and local and national nonprofits focused on the business side of child care.
- The child care business model has many constraints that are absent in other industries. At minimum, business consultants working with child care entrepreneurs should understand their state's child care licensing requirements, ratios, and child care workforce dynamics. Ideally, they would also develop an understanding of enrollment, subsidy, and tuition pricing dynamics.
- Business consultants should demonstrate experience in supporting female entrepreneurs and entrepreneurs of color. Strategies for overcoming technology barriers are often necessary. Business consultants who speak languages other than English are often very valuable especially when offering consultations to home-based child care businesses.