

# The Director's Link

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Attend our **Fall Management Institute** to learn how your program's advisory board figures in the success of your strategic planning efforts. See more details in the *Planning Ahead* feature on page 5.

## Creating a Brighter Future for Your Program Through Strategic Planning

Ken W. Mikesell

Many organizations are like a lost traveler. They move along a path without a set destination or overall course of action. Like a rudderless sailing ship, they are at the mercy of the winds of chance. Their days are filled with constant problem solving, jumping from one crisis to another. As business leaders, early childhood program administrators can learn how to take charge of their organizations. Through timely and careful strategic planning, many problems can be anticipated or even prevented.

How then does one create a climate to get out of reactionary management? The answer is to "get in front of the business" through effective planning. By engaging in a proactive planning process, directors can anticipate potential problems and opportunities and create a plan of action for each potential future situation. These plans lead to informed decisions that reduce the need for crisis management.

### Two Ways to Go

There are two main types of planning: strategic and operational. One way to understand the difference between strategic and operational planning, and the important role of each, is to consider the analogy of an artist painting a landscape. The creative planning process the artist performs is very similar to strategic planning. Before ever touching a brush to canvas, the artist plans the sequence of

the painting steps needed to complete it. He envisions the shape, the colors used, and the mood that he is trying to create. In his mind he is attempting to visualize the end product. It is a planning and preparation process that will guide him once he begins painting. This analogy is an apt description of what happens when business leaders engage in the strategic planning process. They see the future of their business and create an overall action plan to make the future vision a reality.

Operational planning, on the other hand, relates more to managing the systems and procedures that are performed within the parameters of the strategic plan. In the prior analogy, the artist would be functioning within an operational role when he actually started painting the landscape. In this operational capacity, the artist ensures he has purchased the right canvas and paint supplies and prepares the proper lighting.

As he begins adding colors and texture to the canvas he attempts to "flesh out" the vision. During the painting process he is constantly measuring it against his image of the completed painting. This feedback process compels him to make corrections in color, scale and brushstrokes to make it match his mental picture. Only when the two are the same is he truly satisfied. In this analogy and in a business situation, all the operational efforts are measured against the vision, and ongoing adjustments are made to ensure the vision becomes reality.

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Now consider the same artist not being allowed to be creative. By blocking all inspiration, he could only mechanically apply the colors and brushstrokes. In the end, he may end up with a smattering of colors but nothing that he would view as art. It is hard to imagine an artist being satisfied with any work unless it was inspired through some creative process. Unfortunately, many programs operate in this mode all the time. They suffer from a lack of coherent vision and merely react to each new situation confronted. The resulting business direction is shaped by these situations rather than by a conscious planning process, and as can be expected, the businesses often fail to live up to performance expectations.

### Strategic Planning

Strategic planning focuses on defining and creating a new future for the organization. It is the process where leaders look into the future and attempt to understand the internal and external influences on the business, as well as the political and legal environments that will impact their success. Put simply, this type of planning considers the environment, creating a new vision, and developing an action plan to make it happen.

An action plan is what helps make the vision of the future become a reality. After completion, this strategic plan can guide all the decisions and activities of the organization. In general, the strategic planning process consists of the following steps:

**Defining the business.** As the first step in the planning process, the future image of the organization is envisioned by its stakeholders. This is a statement that defines the essence of the organization and its reason for being, and often takes the form of a set of core values or a mission statement. To be effective these statements should be concise, understandable, and applicable. At a minimum, the proclamation should define the following: "Who we are, who our customer is, what we do, and how we will do it."

**"SWOT" analysis.** This is the most time-consuming task performed in the strategic planning process. It includes the identification of current organizational strengths and weaknesses, as well as the opportunities and threats that face it currently, and potentially in the future. Examples of the items considered in each category are shown in the following grid:

STRENGTHS	WEAKNESSES
Excellent staff, good facilities, prime location	Staff turnover, weaknesses in supervision
OPPORTUNITIES	THREATS
Changing community demographics, pending legislation	Competition, new regulations, required facility upgrades, risk management

SWOT analysis increases the organization's understanding of the market, its customers, the external legal and political environment, and its internal business operation. For more on SWOT analysis, see the Director's Toolbox feature on page 3 of this issue.

**Creating strategies.** Armed with SWOT information on each area of their organization, directors can move to the next step in the strategic planning process. In this step, strategies are developed to buffer the impact of threats, while simultaneously creating plans to capitalize on opportunities. This step will factor in the organization's strengths and how they can be used to bolster the program's capacity and help reduce the negative impact of threats on the organization.

The goal here is to brainstorm and create innovative strategies to support the future vision of the program. These will be overall themes and strategies and will not address exactly how or when they will be implemented.

**Implementing action plans.** This step begins with a careful evaluation of all the strategies that emerged from the previous planning phase. This evaluation includes costs, time needed for implementation, resources required, and the expected benefits to the organization. Then the specifics of each strategy are compared one against the other, and prioritized based on how well they support the overall strategic direction established for the organization. Once prioritized, each strategy will have a specific action plan created for implementing it. This action plan should include detailed actions, a timetable for the completion of each step, and the person or group responsible to carry out the activity. Once completed, this action plan can serve as the roadmap to a new future for the organization.

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#### Our Mission

The McCormick Tribune Center for Early Childhood Leadership is dedicated to enhancing the management skills, professional orientation, and leadership capacity of early childhood administrators. The activities of the Center encompass four areas: training, technical assistance, research, and public awareness.

<http://cecl.nl.edu>



# The Director's Toolbox

## Effective Planning Through SWOT Analysis: Asking the Tough Questions About Your Program

SWOT stands for the strengths, weaknesses, opportunities, and threats that confront organizations such as early childhood programs. SWOT analysis is the basis for creating plans to shape the future actions of the organization. Listed below are different areas of early childhood programs that should be considered in the SWOT analysis. In each category are the types of questions that should be asked to determine if there are threats or opportunities that need to be addressed in the planning process.

### MARKETING

- Are demographic changes coming that will impact our program?
- Are political or legal changes coming that will impact our program?
- How can our organization capitalize on these changes?
- Are there new services that we should consider?
- Should some services be discontinued?
- Do our marketing efforts create demand for our services?
- Are our customers being served in a cost-effective manner?

### FACILITIES

- Capacity—are our current and future needs being met?
- Do our facilities meet current regulatory requirements and anticipated future requirements?
- Are there safety or health risks that should be corrected?
- Lease versus buying—long-term vs. short-term commitments. Should this be reviewed?
- Is our equipment adequate to meet current and future needs?
- Are the budgets for maintenance, improvements, and upgrades sufficient?

### CAPACITY

- Will the current facilities support expected growth in enrollment?
- Are adequate levels of qualified management and staff available to support plans?

### HUMAN RESOURCES

- Is a positive culture being supported by all staff?
- Are important qualifications, certifications, and licensing requirements being met?
- Are training needs being addressed?
- Is employee retention and motivation a problem?

### FINANCE

- Is an appropriate cash reserve in place to offset enrollment decreases or unexpected expenses?
- If applicable, are tax benefits being optimized?
- Is the current credit line adequate to support growth?
- Are other financing arrangements in need of review?

### QUALITY

- Is quality defined from the client family's viewpoint?
- How do we perform against established quality parameters?
- How can we make the improvements in quality that are needed?

### GOVERNMENT REGULATIONS

- Are changes planned for government appropriations that will impact current programs?
- Are there any proposed changes in regulations that will affect our program?
- Are new government initiatives being planned and can the legislation be influenced?
- Is our program in the position to capitalize on new legislation?

### RISK MANAGEMENT

- Have our risk- and crisis-management documents been updated within the last year?
- Are environmental issues being addressed through training and reporting?
- Are background checks and screening procedures for all staff in place?
- Are training programs in place to reduce the risk in legal, environmental, and health areas?
- Are we sufficiently informed about current and proposed local, state, and federal regulations?
- Should we implement programs in anticipation of enacted legislation?

### A Word of Caution

SWOT analysis can be very subjective, so use it as guide and not a prescription. Follow these simple rules for successful SWOT analysis:

- Be realistic about the strengths and weaknesses of your program.
- Use SWOT analysis to distinguish between where your program is today, and where it could be in the future.
- SWOT analysis should always be specific. Avoid "gray areas."
- Keep your SWOT analysis short and simple. Avoid complexity and over-analysis.

Source: Adapted from Mikesell, K. (2000, August). Business planning for your center's future. *Child Care Business*, 2(1).



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# Planning Ahead

## Professional Development Opportunities

### Fall Management Institute

#### Board Development - A Key to Your Program's Strategic Planning Success

October 13-14, 2006

Center directors and their governing boards are partners in ensuring that program goals are met and operations run smoothly. Participants will learn how to work with their boards to identify and address organizational challenges and to develop a strategic plan that considers the big picture both inside and outside their organizations. The institute will also present strategies to identify a board's particular strengths and needs, and for determining the most appropriate activities to enhance a board's functional capacity.

The featured presenter is Joyce Dudley, founder of Dudley Hamilton Associates. A former deputy commissioner for the City of New York, Ms. Dudley is a skilled strategist providing organizational and leadership development coaching to her clients.

Location: McCormick Tribune Center for Early Childhood Leadership,  
NLU Wheeling Campus Annex

Fee: \$199, includes all institute materials, breakfast and lunch

*For an additional fee, participants may take the training for 2 s.h. of college credit.*

### Computer Training for Early Childhood Administrators Intermediate Course

October 18, 25, November 1, 15, 29, and December 6, 2006

Made possible by funding from the Illinois Department of Human Services (IDHS), this course is designed to improve early childhood administrators' computer skills and increase their access to management resources via the Internet. Previous experience with computers is strongly recommended.

Location: National-Louis University, 122 S. Michigan Ave., Chicago

Fee: \$75, includes text and all course materials.

*For an additional fee, participants may take the training for 2 s.h. of graduate credit (ECE535, Technology in Child Care Administration II).*

### Program Administration Scale Assessor Reliability Training

January 3-5, 2007

The *Program Administration Scale* (PAS) measures leadership and management practices of center-based early care and education programs. Assessor reliability training includes an overview of the reliability of instrument, interview protocol for collecting data, how to score indicators and items, and how to develop a computer-generated program profile. Individuals who successfully complete the training are eligible to become certified PAS assessors.

This three-day training is designed for technical assistance specialists, quality monitors, management consultants, researchers, and other professionals interested in using the PAS to reliably assess early childhood leadership and management practices and help center directors improve the quality of their programs.

Location: McCormick Tribune Center for Early Childhood Leadership,  
NLU Wheeling Campus Annex

Fee: \$650, includes all texts, handouts, breakfast and lunch

*For an additional fee, participants may take the training for 2 s.h. of graduate credit (ECE582C, Workshop/Early Childhood Program Evaluation).*

**For more information, contact Debra Trude-Suter at [debra.trudesuter@nl.edu](mailto:debra.trudesuter@nl.edu)  
or (800) 443-5522, ext. 5056.**

## NLU Courses for Directors

Fall Term begins September 11, 2006

### Online Courses for Directors

**ECE515** (3 s.h.)

Financial and Legal Aspects of Child  
Care Management

**ECE500A** (3 s.h.)

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Early Childhood

**FND503** (3 s.h.)

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**For more information about the  
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Douglas Clark at  
[douglas.clark@nl.edu](mailto:douglas.clark@nl.edu)  
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## Save the Dates!

### Family Child Care Institute

February 23-24, 2007

Bloomington, IL

Follow-up session on May 12  
at Leadership Connections in  
Chicago

### Program Quality Evaluation

Participants will be introduced  
to the *Family Child Care  
Environment Rating Scale*  
and will learn how to begin  
the self-study process for  
National Association for  
Family Child Care (NAFCC)  
accreditation.

*Look for more details coming soon.*



SAVE THE DATES  
MAY 10-12, 2007

# LEADERSHIP CONNECTIONS

Chicago Marriott O'Hare

Don't miss out on this highly acclaimed professional development opportunity for early childhood leaders. Leadership Connections is an energizing three days of professional development that focuses on YOU, the early childhood administrator. As the gatekeeper to quality, you are the key to creating exemplary early care and education programs. This conference will validate what you know and are already doing while challenging you to think about your work in new and different ways.

- Three stimulating days of training, exhibits, networking, and fun.
- Meet and learn from national experts in leadership and program management.

*"I continue to be amazed at the gracious hospitality and professionalism that is the hallmark of this conference. No one does this better. Thank you for all that you do to plan and implement this terrific event for early childhood leaders! You are amazing!"* — Kendra Kett, Abbott Early Discoveries, Bright Horizons

*"How well-organized this conference is! Every aspect is 100% first class. We are treated like royalty. I feel valued and respected, encouraged and inspired, thankful and appreciated, informed and educated; I have learned and grown so much. Thank you!"* — Traci Mason, Turner Elementary School

*"Meeting, greeting, sharing, learning, and energizing myself with other early childhood professionals; thank you for putting on another wonderful seminar! The instructors, speakers, planners and food were all wonderful! I have saved the date for next year!"* — Selina Garza, St. Joseph Preschool



## LEADERSHIP Connections

Look for registration materials in your mailbox this fall or log onto our Web site (<http://cecl.nl.edu>) for details.



## Creating a Brighter Future for Your Program Through Strategic Planning

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### Reviewing, checking, and adjusting.

After the strategic implementation plan is in process, monthly or quarterly meetings must be held to ensure the action plan is being executed properly. At these sessions, progress reports are presented, and if needed, corrective actions are generated to get assignments back on schedule. In addition, new strategic issues can be addressed, and if necessary, the implementation plan can be modified to factor in the new information. This periodic review process is critical in making the strategic vision become a reality.

### Moving from Strategic to Operational Planning

The strategic plan establishes how the company defines itself and its overall operating philosophies. Operational planning takes these philosophies and makes them into daily management practices and disciplines. Often operational planning problems become issues that must be addressed later at a strategic level, and a planning loop is initiated to correct these issues.

Strategic planning concentrates on "doing the right thing" or what business the

organization is involved in. It focuses on the effectiveness of the organization. It answers the question, "Are we in the right game?" On the other hand, operational planning deals with "doing things right" or how the organization is performing its tasks. It focuses on the efficiency of the processes. It answers the question, "Are we playing the game right?" Both are important to the success of an organization, and one should not be done without the other.

*Ken W. Mikesell is president of Operations Management Consultants, Inc.*