



Investment Partner in Renaissance 2010

2009 New Ventures in Education Seminar:
Infrastructure and Operations Management

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Creating a New Market of Public Education

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Agenda

- ▶ Business/Operations Needs of a School
- ▶ Implementing Business/Operations Systems at the School
- ▶ Outsourcing and Working with Partner Organizations
- ▶ On-Going Management of the Process
- ▶ Q & A

Business/Operations Needs of a School

A well-run school, operationally and financially, will improve student achievement

A strong operations approach ensures smooth delivery of critical business and logistical components of school operations

Area	Examples of Critical “Behind the Scenes” Benefits
Business Services	<ul style="list-style-type: none"> ▶ Ensures staff are paid accurately and on-time ▶ Keeps solid up-to-date budgets to enable adjustments in priorities to support emerging academic needs ▶ Ensures books, supplies and materials are available in a timely manner
Logistical Support	<ul style="list-style-type: none"> ▶ Enables a school to run seamlessly so leadership and staff are not distracted by issues with <ul style="list-style-type: none"> – Food Services – Facility Challenges – Security – Transportation
Information Technology	<ul style="list-style-type: none"> ▶ Ensures student data is readily accessible and accurate for use by teachers and leadership ▶ Manages infrastructure to minimize disruption to electronic communication/website among staff, with parents/community ▶ Enables seamless integration of technology into the classroom to support the academic model
Other	<ul style="list-style-type: none"> ▶ Manages student enrollment levels and lottery/enrollment process to ensure appropriate per pupil funding ▶ Oversees compliance and reporting ▶ Provides contract management to bring needed services to the school

A strong business/operations team will also ensure that unexpected experiences are handled effectively

Examples of Real Life Experiences

- ▶ “Can you help capture and remove the Squirrel running around on the ceiling tiles?”
- ▶ 200 Peanut Butter and Jelly Sandwiches in 20 minutes
- ▶ It is 9pm and a student has still not been picked up
- ▶ Moving School Facility in 2 Days and Opening 2 Weeks Later
- ▶ Disappearing Act of Executive Director and Chief Financial Officer during Charter Renewal Application
- ▶ Our entire Finance team quit. “CSBM, can you prepare for our Annual Financial Audit, so that auditors can complete the financial statements before the deadline?”

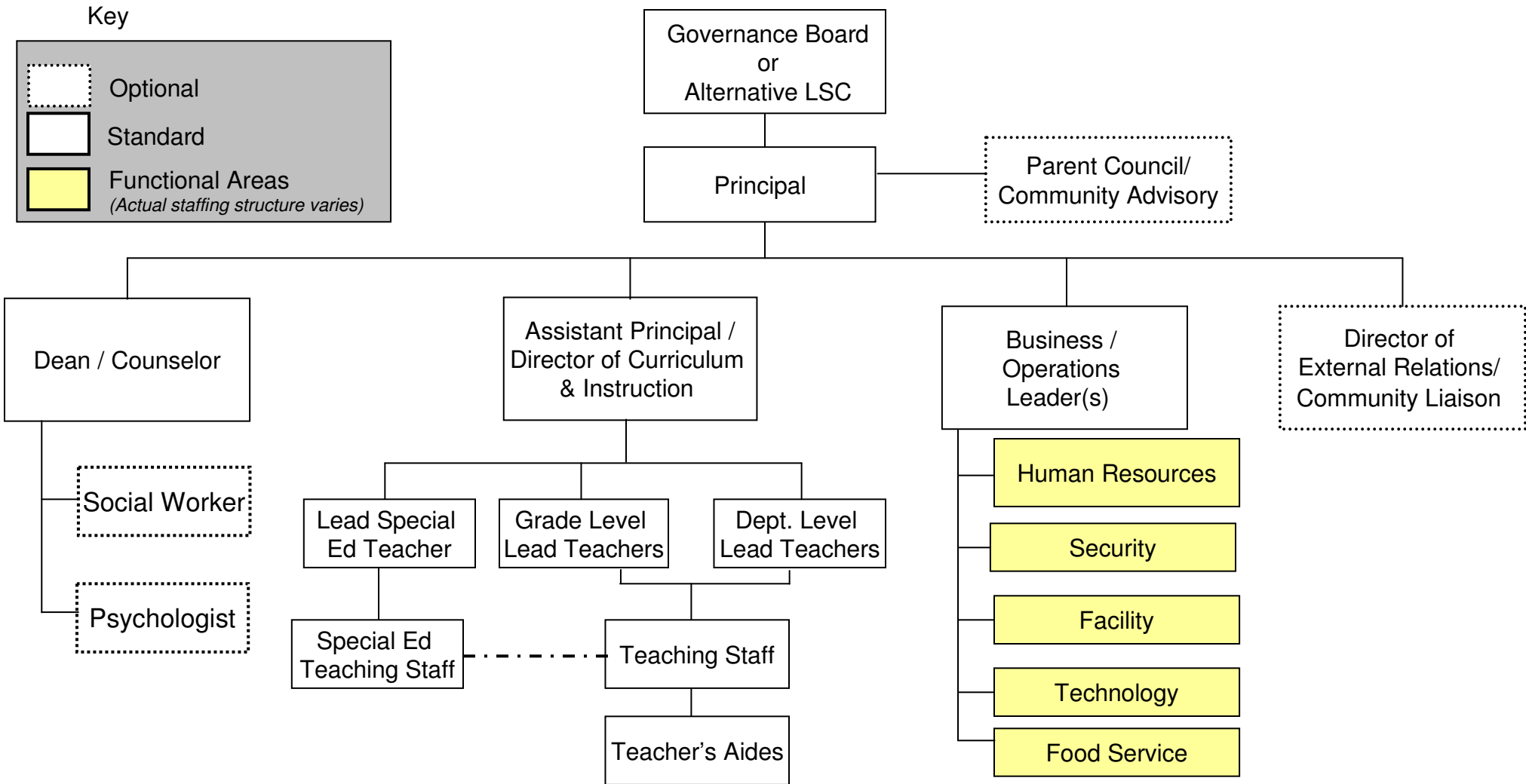
The business/operations team and the school leader will need to collaborate to ensure the best decisions are made for the school

- ▶ A healthy marriage between academics and non-academics is critical to the school's success
- ▶ The School Leader should relate all decisions back to the school's mission and identify how decisions will impact the school's ability to reach its goals
- ▶ The operations team should guide the School Leader on how changing priorities may be accommodated and related impacts on revenues and expenses
- ▶ School leaders should appropriately staff the back office according to the number of students being served, the number of staff members, and size of budget to prevent "burnout" of the non-academic team
- ▶ Having an effective non-academic team will protect the time of the school leader and allow her/him to remain focused on what's most important – student achievement
- ▶ The operations team should be capable of seeing the impact of financial and operational decisions on the academic program and work with the School Leader to value that impact. School leaders should take the time to understand the scope of work and responsibilities for non-academic staff members

Implementing School Level Operational Systems

The School's Leadership Team can increase their "time on task" with academics when smooth operational systems are implemented

The first step in developing strong operations is to establish an organizational chart with clear lines of accountability



Keys to a Successful Organizational Chart

- ▶ Every person has a clear line of responsibility and accountability
- ▶ One person reports to the board

In addition to the organization chart, roles, responsibilities and procedures need to be clearly defined

Key Tools	Description	Benefit
Responsibilities Chart	<ul style="list-style-type: none"> ▶ A chart that clearly describes “who” is responsible for “what” 	<ul style="list-style-type: none"> ▶ Every staff member will know the right contact for each issue ▶ Structure will enable more efficient and effective responsibility adjustments as needs evolve ▶ Teachers and academic staff will remain focused on teaching, learning and achievement
Defined Procedures	<ul style="list-style-type: none"> ▶ Formal process document that outlines <ul style="list-style-type: none"> – “Who” is accountable for “what” – “How”, “why” and “when” tasks and projects are to be completed 	<ul style="list-style-type: none"> ▶ Critical processes will be completed in a consistent level of quality ▶ Routine of consistent processes will drive efficiencies ▶ Organization will be prepared to operate in case of staff transitions or absences ▶ Communication between all staff members will be strengthened ▶ Organization will be in a strong position for Operational Reviews by Authorizers

Start with the End in Mind – Ultimate Goal is School Renewal, so that you can keep educating your Students

It is important to ensure that all key functions are fulfilled and managed appropriately

Sample Responsibilities Chart

Area	Key Function	Service Provider	Oversight
Business Services	Payroll	ABC Payroll Processing	Business/Operations Leader
	Bookkeeping/Accounting	Office Assistant	Business/Operations Leader
	Financial Planning/Budgeting	ABC Accounting	Business/Operations Leader
	Audit	ABC Audit Firm	Business/Operations Leader
	Contract Management	Business/Operations Leader	Principal
	Procurement	Business/Operations Leader	Principal
Logistical Support	Human Resources	Business/Operations Leader	Principal
	Food Service	CPS	Business/Operations Leader
	Security	Security Staff	Business/Operations Leader
	Custodial	Janitorial Staff	Business/Operations Leader
	Facility/Engineering	Business/Operations Leader	Business/Operations Leader
	Transportation	Will not be provided	Business/Operations Leader
Information Technology	Infrastructure	IT Solutions	Business/Operations Leader
	Database/Information Management	IT Solutions	Business/Operations Leader
	Classroom Technology Integration	IT Solutions	Business/Operations Leader
Others	Compliance	Business/Operations Leader	Principal
	Recruitment/Enrollment	Business/Operations Leader	Principal

A strong Business/Operations Leader is needed to lead this effort

Business/Operations Leader Responsibilities	Business/Operations Leader Qualifications
<ul style="list-style-type: none"> ▶ Maintain highly effective organizational systems <ul style="list-style-type: none"> – Secure and manage external contracts – Oversee compliance with CPS charter and district requirements – Manage procurement needs and processes ▶ Lead School Financial Planning <ul style="list-style-type: none"> – Create/manage school budget to maximize resource allocation – Develop long-term financial projections to support sustainable organizational growth – Administer budget/financial control systems (monthly budget vs. actuals, cash flows, P&L) ▶ Lead/ manage day-to-day school operations: <ul style="list-style-type: none"> – Food Service – Payroll/Benefits – Facility Challenges – Security – Transportation ▶ Serve as a member of the leadership team <ul style="list-style-type: none"> – Manage operational start-up – Participate actively in facility design and management – Support strategic planning 	<ul style="list-style-type: none"> ▶ Five years relevant finance/operation management ▶ Degree in business administration or CPA ▶ Significant management / operations experience ▶ Demonstrated ability creating systems and controlling costs ▶ Excellent written and verbal communication skills with ability to present technical and financial information clearly ▶ Superior interpersonal skills with all constituents including co-workers, students, families, board members and community members ▶ Entrepreneurial outlook; commitment to education ▶ Optional: Private sector/real estate/facilities management experience

School operational roles can be divided into two distinct management categories

Operations Roles

Definition: Day-to-day activities that must be handled and cannot interrupt or cause delays with academics/instruction

- ▶ Facilities Management
- ▶ School Programs (After-School, Field Trips)
- ▶ Transportation
- ▶ Food Services
- ▶ Student Records
- ▶ Student Enrollment & Withdrawal
- ▶ Scheduling & Planning
- ▶ Security
- ▶ Reception
- ▶ Health Services

Business Roles

Definition: Long-term and infrastructural activities where information critical to the school's future success is maintained and acted upon if/when necessary. There are some day-to-day business activities, but less than operations

- ▶ Financial Management and Reporting
- ▶ Human Resources
- ▶ Purchasing and Logistics⁽¹⁾
- ▶ Payroll
- ▶ Development
- ▶ Marketing
- ▶ Recruitment
- ▶ Compliance
- ▶ Technology

Single school operators typically cannot afford two business/operations leaders, but all roles need to be covered within the organization

Note (1): Purchasing and Logistics can fall under operations or business. Schools have handled these responsibilities in different ways

Recommended Responsibilities of a Business Leader
(Chief Financial Officer, Director of Finance, Business/Operations Leader)

Fill in initials of person responsible in each box



We recommend referring to the Recommended Responsibilities of Business & Operations Leader documents to ensure:

- ▶ There is at least one point person responsible for each item on these documents
- ▶ The School Leader is educated about and aware of these responsibilities, so that s/he respects the work that goes into the day in and day out and does not burn staff out
- ▶ The School Leader describes the position accurately to candidates for these jobs, pays them appropriately and does not allow “scope creep” to occur
- ▶ At the same time, you want your Business/Operations staff to have a flexible “do whatever it takes” attitude

CSBM recommends weekly one-on-one meetings between the School Leader and Business/Operations Leader

Outsourcing and Working with Partner Organizations

You can't do it all by yourself, even though you will try

The leadership team will need to make key decisions early on as to whether roles will be fulfilled “in-house,” outsourced, or both

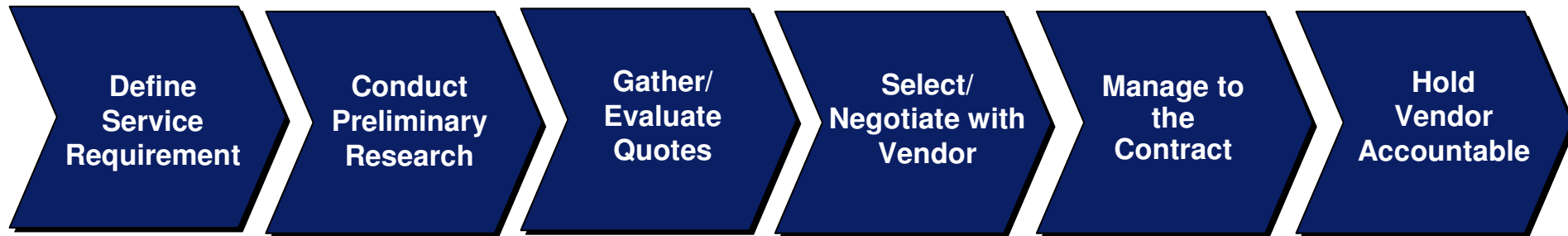
- ▶ The key decision is always “make” or “buy”. This means do you want to do it yourself or do you want to pay someone to do the work for you. Ask yourself, “Do I want to be in the business of _____?”
- ▶ Just as you would for a staff member, identify exactly what type of support is necessary and when it is needed
- ▶ Depending on the organization, sometimes it is easier and cheaper to outsource various parts of the Operational Responsibilities such as filing records and keeping things organized
- ▶ Volunteers may be helpful depending on the level of confidentiality required by a certain project
- ▶ You can choose to do either or both, depending on your school’s needs
- ▶ Consider cost, turnaround time required and liability involved when making the decision to outsource or keep in-house

There are benefits and challenges to both outsourcing and keeping tasks “in house”

	When it makes sense	Common Examples	Benefits	Challenges
Outsource	<ul style="list-style-type: none"> ▶ Highly specialized expertise or ▶ Inconsistent workload or ▶ Largely low-skilled non-time sensitive work or ▶ Cost Effectives 	<ul style="list-style-type: none"> ▶ Bookkeeping ▶ Payroll ▶ Technology 	<ul style="list-style-type: none"> ▶ Can relieve business leader of mundane tasks ▶ Can help the leadership team focus on key priorities ▶ Can provide specialized expertise beyond that of the leadership team ▶ Experts can get this done quickly and be worth the premium 	<ul style="list-style-type: none"> ▶ Competitive bids required ▶ School leaders may not have required content experience to successfully evaluate a bid ▶ Contract structure is key and must include performance expectations and penalties ▶ May be difficult to find good help ▶ Volunteers may lack required skills or reliability ▶ Turnaround time for checks may not be as fast as you need them ▶ Need to ensure “fit” with organization
Keep in House	<ul style="list-style-type: none"> ▶ Requires significant input from leadership ▶ Time sensitive activity ▶ Cheaper to do in house 	<ul style="list-style-type: none"> ▶ Operational Duties ▶ Purchasing 	<ul style="list-style-type: none"> ▶ Outsourcing operational duties can be costly ▶ Day to day emergencies must be handled by staff ▶ Provides real time purchasing ability 	<ul style="list-style-type: none"> ▶ Potential for overwhelming workload ▶ Requires balancing act to handle many priorities concurrently ▶ Getting advanced notice with purchasing instead of perpetually being “needed yesterday” ▶ May not have all skills sets required internally

When outsourcing, it is important to establish an acceptable level of performance and cost and remove poor performers

Outsourcing Timeline



Timing:

- ▶ 2 – 3 weeks
- ▶ 1 – 2 weeks
- ▶ 1 – 2 weeks
- ▶ 1 – 2 weeks
- ▶ Ongoing
- ▶ Ongoing

Steps:

- ▶ Identify exactly what type of support is necessary and when it is needed
- ▶ Do research on what the going rates are for various services
- ▶ Ask for references of satisfied clients
- ▶ Ask how frequently and why clients have been dissatisfied
- ▶ Do your best to compare “apples to apples”
- ▶ Confirm vendor has prior experience supporting schools
- ▶ Establish key components of the contract:
 - details of work
 - expected completion time
 - consequences if work not done properly
- ▶ Ensure details are managed appropriately and deadlines are met
- ▶ Have the tough conversations when necessary instead of avoiding them
- ▶ If a service provider is not performing, give them one chance to fix things
- ▶ If not fixed, do not hesitate to end the relationship

Capabilities & Tools:

- ▶ Confirm there are vendors who will provide the services you are seeking
- ▶ Speak with other school leaders to share ideas, needs, and vendors
- ▶ Compare quoted rates with what other schools are paying and discuss discrepancies
- ▶ Avoid “analysis paralysis”
- ▶ Draft a contract template and fill it in
- ▶ Review the vendor’s contract to see which you prefer
- ▶ Establish performance tracking tool
- ▶ Do not become overly dependent on any one service provider. Recognize which ones are critical and have high demands for their services and products

Managing Start-Up

Be prepared for the worst and hope for the best

Operations and business roles unique to start-up must be managed in a proactive and timely manner

- ▶ Roles of the operations team in start-up
 - Set up solid infrastructure and systems
 - Understand all rules and regulations as per CPS
 - Build relationships with all key players
- ▶ Critical things to focus on during start-up
 - Make sure all “show-stoppers” are addressed
 - Ensure facility is ready for day 1
 - Hire all vacancies, including Business/Operations Leader(s)
 - Confirm enrollment is where it needs to be, since that is your main driver of revenues
 - Redo the 1st year budget, since things will be different from when you applied for your school
 - Cooperate with Board/LSC and CPS

Schools must manage key projects & priorities from approval to opening

SCHOOL APPROVAL



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FACILITY
Search for facility and negotiate terms of the deal
Ensure improvements and repairs are made
Purchase furniture
Ensure delivery of & adequate space for furniture
Ensure assembly of furniture
Ensure technology network is installed and tested
Ensure internet connectivity is installed and tested
Ensure phone lines, phone system and fax machine are installed and tested
Ensure copy machines are delivered and training is completed
Finalize facility preparation (prepare rooms and bulletin boards in hallways, post room signs and emergency exit procedures, ensure staff mailboxes are in place)

ACADEMIC
Finalize organizational structure
Hire all staff
Draft, send and collect signed hire letters for all staff with support of pro bono Attorney
Design Staff Pre-Service including time to build staff culture, discuss curriculum plans, work on long-term plans, and design Individual Professional Growth Plans
Train staff on how to use the school database to track interim assessments and create report cards
Train staff on all financial, operational, HR and safety procedures
Enroll staff for all benefits selected by your school

BUSINESS
Hire Business Leader
Obtain Employer Identification Number (EIN)
Apply for 501(c)3 status
Apply for State Unemployment Number (if applicable)
Open bank accounts (checking and savings/Money Market) to maximize interest income
Select payroll vendor and get trained
Select/administer all/some of staff benefits – insurance (health, dental, vision, long-term disability, short-term disability, life) and retirement plan (401k, 403b)
Select and administer school wide insurance policies (umbrella, liability, D&O, student accident)
Select accounting system, get trained on its use and finalize/enter Chart of Accounts
Correct Budget and enter it into accounting system to automate production of Budget to Actual Reports
Understand all revenue streams – Per Pupil Funds, Special Education funds, PCSP, IDEA, Titles I-V and all other streams that apply to your state
Select IT Consultant, complete 5-year technology plan, and select server and computers to be purchased
Select phone service and decide whether to buy or lease phone system
Select internet connectivity service
Select and purchase furniture, curricular materials, and office supplies
Negotiate copy machine lease, purchase fax machine
Complete Financial Policies and Procedures Manual
Determine HR Policies and complete HR Manual
Manage facility preparation
Ensure all staff members are fingerprinted, academic staff certifications are in hand and copies are filed
Select Database Software or Consultant to manage attendance, enrollment/withdrawal, waiting list, transportation, and meals and create report cards

OPERATIONS
Hire Operations Leader
Recruit students in any and every way possible
Hold lottery if more applicants than available spots
Collect all enrollment forms from parents, review them as received instead of following up afterwards
File all enrollment forms as required by law
Communicate enrollment numbers with School Leader and Business Leader to ensure they are in line with budget
Get trained on how to use school-chosen student database
Learn how to use state-level Student Information System
Administer student meals with School Food/Nutrition Office in your state or alternate vendor and comply with laws
Administer student transportation with Pupil Transportation Office in your state and comply with laws
Decide whether to contract with a Security Guard and/or alarm system vendor and follow through accordingly
Contract with F/T or P/T Nurse to both provide services and handle student health records and decide who serves as Nurse when s/he is not on-site
Complete School Safety Manual
Complete Operations Manual
Be ready to act quickly to draw students from the waiting list as soon as the end of the first day of school
Be prepared to hold fire drills in accordance with regulations

AUTHORIZER AND BOARD OF TRUSTEES/LSC/ALSC
Ensure Board meeting and Committee meeting minutes are documented and documents of school status and statistics presented at Board meetings are collected in binders and electronic copies as well (important for renewal)
Vote on finalized budget and have it passed
Finalize facility with authorizer and Board
Have Board attend sessions held by support organizations that show board members proper governance and how to maximize the use of committees to make board meetings efficient
Vote on Financial Policies and Procedures Manual
Vote on HR Manual
Vote on Operations Manual
Vote on School Safety Manual
Vote on conditional emergency staff appointments if not yet approved for fingerprinting (if applicable)
Work with Authorizer to ensure readiness for first day of school and approval of Financial Policies and Procedures
Prepare Board to be less "hands-on" than they may have been during the planning phase

When managing a team during start-up there should be a weekly meeting with all departments to address current issues

Agendas for Weekly Meetings

Business/Operations Agenda	Academic Agenda	Leadership Agenda
<ul style="list-style-type: none"> ▶ Review of Key Milestones <ul style="list-style-type: none"> – Critical deadlines – Current status – Dependencies ▶ Finance <ul style="list-style-type: none"> – Actuals/budget for incubation – Controls – CPS and other start-up funding status ▶ Procurement process and delivery dates <ul style="list-style-type: none"> – Curriculum/textbooks – Classroom furniture and equipment – Office furniture and equipment ▶ Facility <ul style="list-style-type: none"> – Expected availability date – Technology infrastructure – Renovation plans ▶ Partnership status <ul style="list-style-type: none"> – Vendors – Community organizations 	<ul style="list-style-type: none"> ▶ Educational Program <ul style="list-style-type: none"> – Curriculum development progress vs. plan – Interim assessment development progress vs. plan – Classroom needs ▶ Professional Development <ul style="list-style-type: none"> – Induction program – Training on curriculum and assessment evaluation – Rolling out mentoring team ▶ Culture <ul style="list-style-type: none"> – Classroom/behavior norms – First day/week rituals – Discipline/uniform policy ▶ Staffing <ul style="list-style-type: none"> – Positions filled vs. goals – Plans to fill gaps ▶ Academic Partnerships ▶ Additional expertise/supports required 	<ul style="list-style-type: none"> ▶ Recruiting <ul style="list-style-type: none"> – Leadership – Students – Board members – Team building events ▶ Community Outreach <ul style="list-style-type: none"> – Key partnerships – Events – Support needed ▶ Standardized Academic Expectations <ul style="list-style-type: none"> – Promotion and grading policies – Goals for year 1 – Instructional rigor ▶ School level policies ▶ CPS compliance ▶ School calendar

The team must develop a structure and process to manage start-up and ongoing operational issues

- ▶ Everyone must be clear on who to go to and for which items this person is in charge
- ▶ Communicate clearly about exactly what issue has come up, where help is needed, how quickly it should be addressed and agree on a fair deadline
- ▶ If deadlines are missed, understand what prevented the individual from getting them done without assuming s/he is ineffective or lazy
 - Adequate capacity is always a challenge
- ▶ Do pay attention to patterns of behavior if prioritization is a challenge for one of your team members
 - Encourage them to create a list in order of priority and have the discipline to stick with the top priority until it is 100% complete (or as far along as it can be at that point in time)
- ▶ Establish the method of communicating needs – in-person, email, landline phone and/or mobile phone

Always start with the end in mind

- ▶ Your building will need to look like a school on the first day of classes
- ▶ Schedule time strategically during Induction. Time should not only be used for team building, sharing the culture of the school, professional development and grade level planning, but ample time to get classrooms ready
- ▶ If you are purchasing new furniture, please remember to include time to either assemble the furniture yourselves or hire/ask custodial staff to help with assembly
- ▶ Make sure your technology network, internet connectivity (DSL, T1) and phone system is in place
- ▶ We recommend referring to the Projects/Priorities from School Approval to Opening Your Doors to ensure all applicable items have been assigned and in progress towards completion
- ▶ The Business/Operations team should plan to be ready to manage an avalanche of paperwork from parents and students

Appendix

Sample operations and business leader and qualifications

Operations Leader Qualifications	Business Leader Qualifications
<ul style="list-style-type: none"> ▶ 3+ years of relevant operations management experience ▶ Degree in business administration or operations management is preferred but may not be required if the candidate is EXTREMELY organized and truly enjoys handling multiple competing priorities concurrently ▶ Attention to detail and database management experience ▶ Vendor management experience ▶ Excellent written and verbal communication skills especially with ability to handle high-pressure situations with parents/students, while knowing they will be judged by errors made (ex. 1 child who missed the bus or ate peanut butter when s/he was allergic) ▶ Superior interpersonal skills with all constituents including board members, but especially co-workers, students, families and community members ▶ Entrepreneurial outlook; commitment to education ▶ Preferred: Experience with school level operations 	<ul style="list-style-type: none"> ▶ 5+ years of relevant financial management experience ▶ Degree in business administration or CPA ▶ Strategic and financial planning experience ▶ Experience managing \$1-5M budgets ▶ Experience managing and negotiating contracts ▶ Demonstrated ability to create systems and control costs ▶ Excellent written and verbal communication skills with ability to present technical and financial information clearly ▶ Superior interpersonal skills with all constituents including students and families, but especially co-workers, board members and community members ▶ Entrepreneurial outlook; commitment to education ▶ Optional: Private sector/real estate/facilities management experience

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