

Secrets & Myths about Price: How to Easily Raise Rates, Improve Cash Flow, and Attract More High-Paying Clients

Kris Murray

President & Founder



In Partnership With



What We'll Cover Today

- The Price – Value Relationship
- Myths & Misconceptions about Price
- How to Attract More Paying Clients
- Best Practices to Maximize Revenue & Cash Flow
- Summary – Identify Your Action Steps
- An Invitation to Go Deeper

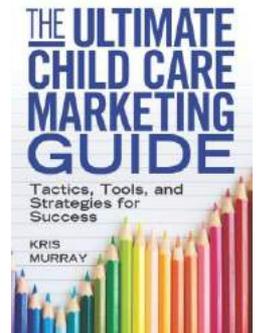


Who's Kris Murray?

Coach – Speaker – Author – Mom



- America's Leading Expert on Child Care Business Success
- Founder of the Child Care Success Academy
 - Over 225 child care leaders currently in mentoring program with me
- Personally coached over 137 owners & directors who have increased enrollment 15-100% in 6 months or less
- National speaker and host of The Child Care Success Summit conference (Las Vegas, October 27-29)
- Author – 5-star book on Amazon, published by Redleaf Press



Meet Alison



Me with my kids, Owen & Maeve, back in 2008



**Alison, my first child care client,
with her granddaughters**

Soon found dozens of early childhood leaders who resonated with what I had to teach...



Success Story: Aleta Mechtel



- Aleta Mechtel, Owner of two centers in MN
- January 2010: 49 students enrolled
- April 2010: 73 students enrolled
- January 2011: 103 students enrolled
- **49% increase in enrollment in 3 months**
- **Doubled her enrollment in 12 months**

“I found Kris Murray and absolutely love what her program has done for my business! She has taught me to look at my business in a whole different light. I have learned so many tools to help grow my business! In just 3 short months, I increased my enrollment 49%! AMAZING! Thank you Kris for helping me find that new passion and drive to make my childcare the best it can be!”

Aleta Mechtel, Chanhassen, MN - Owner, Children of Tomorrow

Success Story: Gerry & Jane Pastor



- Gerry & Jane became clients in August 2010
- **By April 2011: 15% increase in enrollment**
- **Increased enrollment by over 150 children in 12 months**

“I've been in business for almost 35 years and have successfully run various large companies. For the past 10 years I've worked with my wife and partner, Jane Porterfield who founded our childcare centers 25 years ago. I guess that all I can say is that **working with Kris has been unequivocally the single most successful contribution to my business life that I've experienced. There's not even a close second.** I've long considered marketing one of my strongest assets. In retrospect, I suppose I did know a *few* things about marketing before working with Kris. However I'd have to say that what I knew comprises maybe a quarter of what I know now ... and I'm still learning new things from her.”

Gerry Pastor & Jane Porterfield, Owners, Educational Playcare LTD
www.educationalplaycare.com

Success Story: Jennifer Conner



- Jennifer is Owner & Director of Appletree Kids in Sulphur, LA
- **October 2012: 30 children enrolled**
- **May 2012: 90 children AND a waiting list – TRIPLED in 5 months!**

“In October I attended Kris Murray’s Child Care Success Summit Conference. WOW, I’m not sure I have enough words to say thank you enough. From October to March 2013 (5 months) we DOUBLED our enrollment. Then, from April to mid-May, we TRIPLED our enrollment! Never in my wildest dreams would I have imagined this. Our revenue is up \$108,000 on an annual basis in just 5 months!”

Jennifer Conner

www.appletreekidsinc.com

The Price-Value Relationship

What determines the price people will pay for a product or service?

- Price is a function of value...or *perceived* value
- Price is a function of commoditization

Consider the different things you buy

1 pound of Godiva versus 1 pound of Hershey's



Consider the different things you buy

1 pound of Godiva versus 1 pound of Hershey's



\$47.99



\$5.99

The increased commoditization of child care has made it harder for you to charge what you're worth.

This is our fault as an industry.

Rather than **price and location...**

Differences, unique benefits, *value*.



Myths & Misconceptions about Price

The #1 Myth: People Will Always Choose Based on Price

- Only 10-15% of the population chooses a given product or service based on PRICE alone
- If everyone purchased based on price alone, there would only be Wal-Mart's, Kia cars, and fast food restaurants
- People will choose based on price if NO other comparison / value is given

Myth #2

“It’s impossible to compete with free.”

Myth #3:

“People will leave if I raise my rates.”

Common Fears / Mindset Limiters About Price & Abundance

“I can’t charge that much.”

“My customers can’t afford that / won’t pay that.”

“I can’t come back after the recession.”

“People will leave if I raise my rates.”

“I don’t want people to think I’m greedy”

“Rich people are greedy.”

“Money brings trouble.”

“I won’t ever amount to much.”

“I don’t deserve it.”

“My business / program is different – it might work for them but not for me.”

How to Attract More High-Paying Clients

Strategy #1: In-Depth Understanding of Your Market

- Know where you stand among your competitors
- Understand who your ideal clients are and where you are drawing them from
- Know your school's unique benefits – add value or competitive differences if you need to
 - Especially if you are heavily impacted by free programs, like elementary school after-care

Competitive Analysis

- Every 6 months
- Rates, offerings, features, hours, etc.
- How do your rates compare?
- How are you different?
- What is your unique value?
- What can you do (add) to compete more effectively?

Who are your best,
“yummiest” client families?



Let's make a list and
grade them right now



Criteria for grading current and past clients:

- Those you really enjoy serving
- Those who need your help, badly, and
APPRECIATE what you do
- Those who refer others & offer testimonials
- Those who are “easy” to do business with
- Those who pay on time
- Those who have the ability to afford you
- Those who sing your praises to the world

Literally, make a pile

Group all the A's and B's together

What do they have in common?

- Where do they live?
 - Where do they work?
 - What type of work do they do?
- - Why were (are) they attracted to you?
 - Why did they choose you?
 - Why do they stay?

This is the process I use for helping
people attract more private pay
clients.

Real-World Examples

- ***Prerna Richards from TX***: discovered that dual-income Spanish families were being referred by a Spanish relocation specialist
- ***Tom & Mary Jo from OH***: discovered that Indian families were referring each other so they created a special rewards program
- ***Gerry & Jane from CT***: discovered that when they asked current parents to make employer connections FOR them, it worked!

Your New Mantra

*I will to the best of my ability, focus on my **top 20% of customers** and prospects. I will develop products and services and pricing structures to attract more of them. I will refuse to worry too much about the "average" and I will ignore the bottom feeders.*

Finally, how are you different?

“The 3 or 4 ways we are different from most of the other programs in town is...”

1. _____

2. _____

3. _____

Examples of Unique “Niches” or Benefits in Early Childhood

- Montessori philosophy or “blended philosophy”
- Reggio Emilia
- Christian or Jewish curriculum
- Organic meals & snacks
- Eco-friendly, paperless programs
- Security cameras in the office / online
- Large / unique playgrounds (indoor or outdoor)
- % of Teachers with ECE Degrees / Advanced Degrees (MAP it out)
- All-inclusive pricing (enrichment included)
- Kindergarten readiness guarantee
- Parent resources / school-home connection
- Innovative Technology (Smart Boards)
- Commercial Kitchen & Kids Cafe

Use “Benefit” Language in Your Message

Feature

- Web-based Video Cam surveillance system →
- Extended hours →
- Lowest ratios in town →
- Organic meals →
- Cleaned & sanitized daily →

Benefit

- **Peace of mind** for parents / Share in your child’s day
- Flexible hours to meet your schedule
- The highest level of **individual attention** for your child
- Your kids will learn to love healthy food choices
- The cleanest learning environment for your child

Testimonials are a credible indicator of your program's VALUE from the mouths of other parents, so they help support PRICE



When you hang them in your school, they are a constant reminder to staff and parents of the great job you do (so they help support rate increases, too)

“Prep Academy gave our daughter a tremendous foundation...”



Taylor J. at Prep Academy, 2008.



Taylor J. at Columbus Academy, today!

“Moving from another state we relied on our best judgment to find a Preschool for our daughter that was close to our home. We decided to enroll her in one of the “popular brand preschools.” After two months of frustration from this school’s basic play-based environment with very little academics, we decided to research and find a school that met ALL our expectations.

Wow, what a *goldmine* we found in Prep Academy. From an accelerated learning curriculum, to small class sizes, spacious gyms and awesome teachers. With computer lab, art, music, Spanish & gym classes all included in their moderate price, this great school exceeded ALL our expectations! Prep Academy gave our daughter a *tremendous foundation* for excelling in academics but also developed *positive character growth* in her, which has enhanced her level of confidence.

Prep Academy is truly the Harvard of Preschools and the BEST investment my family has ever made.”

- Garnett J.
A Prep Academy Alumni Dad

Which Testimonial is More Credible (and Powerful)?

TESTIMONIAL A:

“My daughter and I love this school! The teachers are wonderful.”

- Jane S.

TESTIMONIAL B:

“To say that we are pleased with the care our children have received at TLC would be a huge understatement. Our children have **thrived** as a result of being with teachers who are truly devoted to creating a fun environment of learning for **each and every child** in their classroom. TLC’s staff even went above and beyond to make sure we knew how much they would love to care for our youngest daughter who has **special needs**. Since starting at TLC, Eva has made remarkable progress, and I attribute her recent milestones to her wonderful teachers. Their guidance and encouragement have been invaluable. **Sending our children to TLC has been one of the best decisions we've ever made.**”



- Susan & John Smithson, Tampa, FL

Parents of Ethan (7), Eleanor (4) and Eva (15 months)

Best Practices to Maximize Revenue and Cash Flow

4 Key Best Practices

1. Accept as many forms of payment as you can
 - Take credit cards

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1. Accept as many forms of payment as you can
 - Take credit cards
2. Have a consistent, clear policy and enforce late fees
3. Raise your rates every year without fail
4. Automate tuition payments

Tuition Payment Automation

- I recommend Procure's Tuition Express



- Let's spend a couple minutes learning about Tuition Express with John & Phil from Procure



Summary & Action Steps

Summary

- Be the “Godiva” of your market
 - Add relevant value and communicate it clearly
- Check your mindset about price
 - Are you in “victim” mode
- Collect the money owed and enforce your policy!
 - You are not running a charity!
- Strongly consider automated payments
 - Procare’s Tuition Express is a great choice

Write down 2 actions you commit to in
the next 30 days

1)

2)

I want YOU to join these folks (and many others)
and be my next **success story**.



A Special Opportunity

- Business Breakthrough Coaching Process
 - 1-on-1 45 minute strategy call with me
- How it works
 - You sign up – deadline is tomorrow Weds 1/22
 - You'll instantly receive the Breakthrough Questionnaire
 - You complete it and send to my support manager Jillian
 - She'll get you on my calendar (1st 2 weeks of Feb.)

Who This is For

- You were motivated by today's content
- You're ready to make 2014 the year you finally got to the next level (out of survival mode)
- You're committed to growth and to investing in yourself and your child care program
- You want one on one coaching from me

2 Requirements

- Desire for change
 - Are you committed to doing things differently in 2014, in order to get the results you want?
- \$97 investment
 - Normally I charge \$675 per hour for private consulting – this is a massive bargain

Claim Your Strategy Session Now

www.Childcare-Marketing.com/Coachme

Thank You!

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