

# Ethical Leaders in Action

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The Hill Center for Ethical Business Leadership

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## Planting the Seeds of Community

**Apple Tree Connections, a child care center in Appleton, Wisconsin, is a very special place. The physical space is intentionally planned, and the social environment carefully managed, but the differences seem to go deeper.**

During each of my visits, I was struck by the degree to which the place is also remarkably warm, welcoming, and absolutely oriented toward kids and their families. The Center does the predictable things extremely well, and then goes beyond them with a range of services, amenities, and practices that reveal the leadership's commitment to create a very special Center for families.

Owner/Administrator Tina Donaldson has a background in finance and process management, and a passion for parenting. She selected her site, planned her business, arranged financing, and kept a close eye on construction. She then made a key strategic decision: hiring Jennifer DesArmo, a 15-year veteran educator and child care professional, as director. DesArmo was tired of corporate childcare organizations, where she saw senior managers focused almost entirely on administration, sales and marketing, and

regulatory compliance. She wanted to lead and teach other teachers, and to participate in caring for kids. Donaldson likewise wanted to create an environment in which teachers could be their very best, and where parents and siblings truly felt at home and supported by a community. At their first meeting, they both knew they were destined to create something very special together.

### ***Seeking Opportunities for Excellence***

Every child care provider claims to be excellent. Many small providers offer abundant affection and home environments, but cannot offer the breadth of resources of larger centers. Good, larger centers offer the safety of institutional processes, but struggle with seeming institutional. DesArmo observed, "Corporate centers often feel they need to be about the business, rather than about the kids."

Further, teachers don't go into early childhood

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education for the money; staff people are generally attracted to working with children for much more personal reasons. However, it takes more than good intentions to keep children safe and to stimulate and nurture them through days, weeks, and years. Apple Tree Connections excels by combining strong processes, very personal leadership, and creative offerings for kids and their families.

Safety and reliability are the cornerstones of Apple Tree Connections’ organizational processes. Leading technology and processes are employed to assure that children are always accounted for, supervision levels scrupulously maintained, and issues identified and addressed. Teachers are trained, re-trained, and closely supervised, and the Center’s records tell the story of outstanding reliability and execution. As one parent put it, “I can enjoy the warmth and niceties of this place because I know that it’s also extremely well-run, so my kids are absolutely safe.”

Leadership is by instruction and example. Both DesArmo and Donaldson circulate throughout the day, greeting kids, assisting teachers, accomplishing a wide range of tasks, and generally seeing and being seen. The cooperation continues after the kids go home, with paid in-service training and staff development experiences designed to teach skills while building teamwork and esprit de corps. The staff also participates in voluntary charitable efforts, for instance, “buying” the right to wear jeans on Friday with contributions to charities selected by popular vote. When a series of evening lectures on child development

were presented in the community, Apple Tree Connections offered free child care so that parents could attend, whether or not their children were enrolled during the day. As one teacher noted, “It’s just more fun to work for a place that keeps doing extra. It makes us all want to join in.” Another veteran was quick to add, “The kids just sense the energy here.”

The Center is expanding its investment in its staff members, as well. As Donaldson put it, “Having a new building is nice, but it is only a shell. Without a great team and a fabulous program, we cannot be successful even with the nicest building in town.” She is therefore designing an enrollment and retention incentive program in addition to normal pay, to remind team members of their value to the organization.

While Apple Tree Connections is an outstanding place for kids, the Center is also committed to addressing the broader needs of young families. Parents can borrow books and toys from a growing library, and confer with experienced, professional teachers in comfortable spaces dedicated to confidential conversations. Donaldson has contracted with a local caterer to offer inexpensive, high-quality, nutritious meals that parents pick up on a weekly basis. A local dry cleaner also offers pick-up and drop-off service, and parents can get their morning coffee right on-site.

By catering to the needs of working parents, the Center literally makes time for those parents to spend with their kids. They offer services that support effective parenting and make strong

connections between the Center and the families it serves.

### ***Measuring Impact***

Apple Tree Connections is a for-profit business, in a competitive market with notoriously tight margins. The Center's pricing is in the middle of the local market, and its differentiating strategy is to offer a range of services that meet the needs of young families along with the children they serve. Evaluating the success of that strategy, and its execution, is an ongoing challenge for Donaldson. An accountant and former auditor, she uses the following indicators to measure the Center's success:

- Recruitment of children at all levels.
- Retention of children through each year, and from year to year.
- Staff retention and performance evaluations.
- Standard financial measures (growth, profitability, etc.)

Donaldson and DesArmo are also formalizing a family satisfaction measurement process, and tracking results over time.

### ***The Payoff***

Apple Tree Connections is successful by all of its measures. The Center opened in August of 2007 with 28 children enrolled. Twelve months later, it has 160 children enrolled, with growing waiting lists (the next available infant spot is expected in June 2009). Retention of children has also been excellent, at over 95% (and nearly every

departure was due to families moving away from the area). Staff retention has likewise been well above average, at between 80 and 90 percent of teachers.

Financial performance has also exceeded expectations, even as Donaldson continues to invest operational proceeds back into the business. She is quick to attribute the success of her concept to its execution by the Center's staff. "I get very emotional when I think about what a difference we make every day. Jennifer and our staff truly do so much to partner with our families." She said. "I feel so blessed to have them as part of the ATC family."

Donaldson sometimes reflects on her decision to leave behind a good salary and prospects for further advancement in a major corporation. "I chose to follow my dream because I knew it was the right thing for me, my family, and all the families we could impact." Based on my interviews, it is clear that many parents and children are just as pleased that she made the move.

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#### **About the Ethical Leaders in Action Series**

The Ethical Leaders in Action Series is a service of the Hill Center for Ethical Business Leadership. The Hill Center's mission is to help organizations prosper through a strategic commitment to ethics and social responsibility. Each edition of this series tells the story of an organization that is succeeding by investing in one or more critical stakeholder relationships. The Ethical Leaders in Action Series is available online at [www.einsight.org](http://www.einsight.org), a free resource also provided by The Hill Center.

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