

## 1.0 EXECUTIVE SUMMARY

### Program Description

AVANCE is seeking to expand its support to low-income, at-risk Hispanic families through licensing its renowned Parent-Child Education program nationally. The nature and purpose of the Parent-Child Education program, which AVANCE has operated since 1973, is to empower Hispanic parents to be the first and most influential teacher in their child's life, while at the same time, making key steps forward in their own educational progress through GED preparation and language skill-building. AVANCE has already piloted licensing of the program with its first two licensees: Santa Barbara and First 5 Sonoma County. The organization now seeks to expand to fifteen additional licenses over the next five years.

AVANCE is primarily targeting community based organizations located in areas with high numbers of low-income Hispanics as potential licensees. Licensee contracts will be signed for a period of 3-5 years, with evaluation and program monitoring each year to ensure program fidelity. There are four primary components to the license: parenting curriculum, on-site training, ongoing technical assistance, and evaluation and program monitoring support.

- *Parenting Curriculum:* As a licensee, organizations will receive a copy of the proven parenting curriculum that will allow them to facilitate weekly classes over a span of 9-months. Typically, licensees will receive both a Spanish and English version of the curriculum. The curriculum covers a range of topics from childhood illnesses, to child behavior, to cognitive and language development, and much more.
- *On-Site Training:* AVANCE will provide four weeks of training in total during the first year of a license, including orientation and team building, parent education curriculum training for curriculum facilitators, home visiting and toy making training for program facilitators, and early childhood and support staff training. Recertification training will be provided for each year of the contract after the first year.
- *Ongoing Technical Assistance:* Ongoing technical assistance in the form of phone calls, email or video conferencing will be provided by AVANCE's National Office during planning, start-up, and implementation to support program operations.
- *Evaluation and Program Monitoring:* Licensees will receive training on evaluation protocols and instruments, as well as support with data entry, analysis, and reporting for up to 100 families in the program. In addition to evaluation, AVANCE trainers will provide bi-annual program monitoring support.

### Environmental Scan

Research has shown that Hispanic children in the U.S. typically fall behind students of other ethnicities academically.<sup>1</sup> This challenge often stems from being born into low-income families, in particular, immigrant families, that are faced with additional life obstacles such as language and education barriers. These families need support to overcome the tremendous hurdles that they face. Despite the need among Hispanic families and the fact that the Hispanic population is the fastest growing ethnic minority in the U.S., research shows that availability of high-quality, publically funded early childhood education programs in heavily Hispanic communities are still

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<sup>1</sup> Cuellar, Delis, Jorge Aguilar Rodriguez, and Eugene E. Garcia. "Latinos and Early Education: An Account of Diversity and Family Involvement." *Arizona State University* (2007): 9. Print.

very limited.<sup>2</sup> There is an opportunity to close the achievement gap faced by Hispanic children through actively fostering a child’s development in the earliest and most critical years of life: between birth and age three. AVANCE’s Parent-Child Education program supports families during these first years, improving their child’s prospects of succeeding in the classroom and as an adult. At the same time, the program also fosters development among the parents, helping them to attain their GED and to improve their English language skills, which can help to lift the economic status of the family as a whole.

### Financial Analysis

AVANCE will secure funding directly from licensees in the form of licensing fees. Initial licensees will pay a contract fee of \$8,000, while renewal licensees will pay a \$5,000 recertification fee annually. Both initial and renewal licensees will be responsible for additional fees associated with training, evaluation, program monitoring, curriculum purchase, and travel. AVANCE will explore the possibility of utilizing a sliding scale fee structure based on organizational budget.

The Parent-Child Education program is a highly mission focused venture and is not designed to be a profit generator for the organization. However, AVANCE’s financial goal is to offset the majority of operating expenses with earned income. Based on the desired expansion of three new licensees per year, each signing a 3-5 year contract, it is anticipated that earned income from licensing fees will subsidize 70-75% of program related expenses. Financial support to offset the additional 25-30% will be sought from traditional funding sources (i.e. grants). To reduce overall operating expenses and therefore the amount of outside funding required, AVANCE will investigate cost-cutting measures such as sending one trainer versus two for each training session, increasing the use of remote-based training technology such as video conferencing to deliver certain trainings, and consolidating training sessions to reduce the frequency of travel. Efforts will be made to understand how staff costs may be reduced, as a primary cost driver for the program is staff time and travel.

Exhibit 1 highlights the projected five-year net income for the program. Note – only earned income has been included in the profit and loss statement. To breakeven, additional funding will be required from non-earned income sources.

**Exhibit 1: 5 Year Net Income (Includes earned income only)**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total Revenue</b>	<b>\$200,930</b>	<b>\$266,590</b>	<b>\$290,639</b>	<b>\$295,915</b>	<b>\$301,454</b>
<b>Total Operating Expenses</b>	<b>\$164,793</b>	<b>\$214,004</b>	<b>\$203,265</b>	<b>\$205,780</b>	<b>\$208,310</b>
<b>NET INCOME (LOSS)</b>	<b>\$36,137</b>	<b>\$52,586</b>	<b>\$87,374</b>	<b>\$90,135</b>	<b>\$93,144</b>

### Consumer Analysis

AVANCE will target community-based organizations serving the low-income Hispanic population to deliver the Parent-Child Education program. AVANCE will focus on organizations located within states that have the highest proportion (or fastest growing number) of Mexican-born populations, including California, Texas, Illinois, Nevada, Arizona, New Mexico, Colorado, Florida, Georgia, Washington, Oregon, North Carolina, and New York. These organizations will serve as licensees of the Parent-Child Education program, while the beneficiaries will be low-income, at-risk Hispanic families in the licensee’s community.

<sup>2</sup> Dr. Garcia, Eugene. *Latinos and Early Education: An Account of Diversity and Family Involvement*. University of Arizona. May 2010. P 12-13.

Interviews with prospective licensees highlighted three primary needs that community based organizations have in providing early childhood education programming. First, they report a need for a culturally competent model for parent/child education. AVANCE's program is specifically designed for Mexican-Hispanic parents and children and AVANCE's trainers are bilingual and often of Hispanic heritage, increasing their ability to relate with the targeted population. Second, there is a need for a proven model for parent/child education. AVANCE has been operating its program since 1973 and has been highly recognized for its results. Third, licensees report a need for value to outweigh the cost of utilizing AVANCE's model over a free alternative. To date, prospective licensees and selected licensees have been attracted to the depth of the AVANCE program, the completeness and structure of the curriculum, and the comprehensive nature of the program and training, which exceed those of free alternatives. In fact, AVANCE is currently in discussions with four organizations in NYC, Colorado, Arizona and Arkansas regarding licensing the program.

### **Competitive/Collaborative Analysis**

AVANCE faces direct competition from organizations also providing parent/child education programs on a national or international scale. The main competitors to the Parent-Child Education program are likely to be HIPPY (Home Instruction for Parents of Preschool Youngsters), Parents as Teachers, PIQE (Parent Institute for Quality Education), Nurse Family Partnership, and Triple P (Positive Parenting Program). Each of these programs, like AVANCE has been operating for over twenty years and also utilizes evidence-based, proven models for parent/child education. AVANCE will also face indirect competition from the estimated 800,000 parent/child education programs currently operating in the US.<sup>3</sup>

To address the competitive threats to AVANCE, the organization will emphasize the key competitive advantages of its program, including the fact that AVANCE has a niche focus on and experience in serving the Mexican-Hispanic population, that the Parent-Child Education Program is a proven AND culturally competent model for parent/child education, that it is a comprehensive, two-generational program focused not only on development of the child, but also advancement of the parent(s), and that it targets children during the most critical stage of development, the first three years of life.

### **Marketing**

AVANCE's promotional strategy for the Parent-Child Education program has been re-designed to be more proactive in increasing awareness of the program among prospective licensees and in establishing relationships with prospects as well as key influencers. To ensure fidelity to the program and maintain the strong AVANCE brand, the organization will abide by strict criteria in selecting potential licensees. Rather than wait to be approached by prospective licensees, AVANCE will proactively research, locate, and contact organizations that have a strong reputation within the Hispanic community. Because AVANCE already has a presence in Texas and California (the states with the largest number of Hispanic children), as well as potential partners identified in NYC, Colorado, Arizona and Arkansas, AVANCE will focus its marketing efforts on new markets with a fast-growing Hispanic population: Chicago, Illinois; Atlanta, Georgia; and Las Vegas, Nevada.

AVANCE's marketing strategy will incorporate the use of personal outreach (phone calls and information emails sent to targeted licensee prospects, 2-day program overviews at AVANCE headquarters, networking through Hispanic Chamber of Commerce); direct marketing (thought

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<sup>3</sup> Centers for Disease Control and Prevention. Parent Training Programs: Insight for Practitioners. Atlanta (GA): Centers for Disease Control; 2009. pg 1.

leadership creation, promotional video, collateral and web content around outcomes and impact); and public relations (Program Assistant dedicated to responding to program inquiries, establishing relationships with regional program champions, attending key conferences).

### **Management and Personnel**

The Parent-Child Education program will be directly operated by seven staff people: a Chief Program Officer who will oversee and manage all program operations; four Curriculum and Training Administrators who will conduct training with new licensees, recertification training with renewal licensees, and will manage evaluations/program monitoring; a Training Manager responsible for training and supervising the Curriculum and Training Administrators and coordinating trainings and ongoing evaluations; and a Program Assistant who will manage all logistical and administrative aspects of program operations.

AVANCE's President and CEO will have ultimate oversight over the program, while the Chief Financial & Administrative Officer will provide financial oversight. Additionally, a Compliance Officer will ensure adherence to contractual agreements among licensees and a Communications Specialist will support marketing efforts.

### **Critical Success Factors**

Successful expansion of the Parent-Child Education program nationally will rely on the following critical success factors:

- *Flexibility:* AVANCE will balance its expectations around program fidelity with the need to be flexible to the needs of the licensee in terms of program delivery. The licensee will be able to, for example, alter the timeframe for the program if needed. AVANCE understands that organizational culture and community may require slight program customizations in order to be most successful.
- *Selection Criteria:* Licensees will be selected based on whether or not they fit a defined set of selection criteria outlined by the organization. This will be important in order to protect the integrity of the program and the strong AVANCE brand name.
- *Measuring Its Impact:* AVANCE has integrated evaluation and program monitoring as a core component of the program in order to ensure consistent measuring of outcomes. These results will be reported to funders, prospective licensees, and other stakeholders in the program in order to support investment in and commitment to the program.
- *A Community Champion:* Cultivating a champion for the program within a targeted community can assist AVANCE in establishing relationships with organizations in the community and garnering interest in the program. Additionally, a champion can help to foster local ownership of the program and provide valuable insight around a licensee's relationship with the Hispanic population in a region.
- *Communicating to Potential Licensees:* AVANCE will improve the informational nature of its website, including information on what is expected of licensees, the process of becoming a licensee, and who to contact to find out more information. Additionally, the Program Assistant will be responsible for promptly responding to program inquiries.
- *Proactive Marketing:* To attract and secure high-quality licensees that have the capacity, skill, and enthusiasm to represent the AVANCE brand, a highly personal and direct

marketing strategy will be used. A Communication Specialist will be responsible for leading the marketing efforts, with the Chief Program Officer playing a key role in developing relationships with prospective licensees.

- *Staffing and Pricing:* In an attempt to decrease costs and improve the financial picture of the program, AVANCE will investigate the resonance of a sliding scale licensing fee with its target market based on licensee budget size. Additionally, as the program expands, AVANCE will revisit the staffing structure of the program to determine if any cost-cutting efficiencies exist.

Since it was established in 1973, AVANCE has developed a strong reputation nationally for equipping at-risk Hispanic parents with the skills and confidence they need to be a leader in their child's education. The Parent-Child Education program has built equity since it began because of its commitment to hiring bi-lingual, multi-cultural staff who can relate to its constituents, its focus on and experience in serving the Hispanic population, and perhaps most importantly, its proven, long-term results. By focusing on the above critical success factors and leveraging its strong reputation and relationships across the country, AVANCE will successfully expand its model and ensure that Hispanic students start an effective education before ever stepping foot in a classroom.

## 2.4 Program Goals and Vision

AVANCE'S mission is to unlock America's potential by strengthening families in at-risk communities through effective parent education and support programs. The organization envisions a future where we live in a world where children and parents advance to their full potential, transforming the communities in which they live. AVANCE's Parent-Child Education program is at the heart of the organization's approach to fulfilling this mission and vision.

AVANCE has the following goal for the program within the next five years of operation:

- To secure 3 additional partners to license the Parent-Child Education program each year over the next five years, in alignment with the grant received from the W.K. Kellogg Foundation. Each licensee will sign a 3-5 year contract.

## 2.5 Program Operating Model

AVANCE will work towards its vision of a world where children and parents advance to their full potential, transforming the communities in which they live, by licensing the Parent-Child Education program to organizations with a similar mission as AVANCE and that are serving Hispanic communities across the United States.

### Revenue Model

Revenue to support the expansion of the Parent-Child Education Program will be a combination of earned income (70-75%) and traditional funding (25-30%). The two general sources of revenue include the following:

- *Licensing Fees:* Partners that choose to license the Parent-Child Education program will pay a licensing fee of \$8,000 for the initial license, and a \$5,000 annual renewal fee to maintain the license. Additional revenues will be secured through fees associated with training, evaluation and program monitoring, and curriculum. Licensees will also cover the costs associated with staff travel for training.
- *W.K. Kellogg Foundation Grant:* In spring 2010, AVANCE received a generous \$12 million dollar grant from the W.K. Kellogg Foundation to create additional competence to leverage the Parent-Child Education program to serve diverse racial and ethnic populations; to launch and maintain a conversation of effective, culturally appropriate interventions for serving diverse racial and ethnic populations; and to develop, document and share innovative ideas for serving vulnerable families. A portion of this grant money will be utilized to offset the cost of expanding the Parent-Child Education program.

### Value Proposition

By licensing AVANCE's Parent-Child Education program, partner organizations will benefit from access to an evidence-based program with proven results at affecting the skills of parents and the readiness of their children in low income, minority communities. Partners will have everything that they need to begin implementing the program, including the parenting curriculum, user manuals, and training. Additionally, the partner will receive ongoing technical assistance as they implement the program within their local community. This combination of access to a proven program, expert training from AVANCE's National Office and on-going support makes licensing the program versus creating a new program the most effective and efficient choice for organizations interested in parent/child education at the 0-3 year age range.

To support its marketing efforts, AVANCE will share the following value proposition with potential licensees:

*Licensing the AVANCE Parent-Child Education program empowers organizations serving Hispanic parents of children ages newborn to three with a model proven to be effective at providing parents with the skills they need to be the most important positive influencers on their child's development.*

### 3.4 Target Market Trends

The overall Hispanic population is growing at a rapid rate, and young children are the most rapidly growing age group within the Hispanic population, indicating an accelerating rate of growth for Hispanics. For example, in 2000, 20.3% of the entire population of young children (0-8 years) in the U.S. was Hispanic. In the same year, Hispanic mothers accounted for 21% of all births, a figure that grew to 23% by 2004 and to 23.7% by 2005. It is estimated that 26% of all children under nine years of age will be Hispanic by 2030 (U.S. Census Bureau, 2004).

According to the Pat Brown Institute for Public Affairs (2006) national trends on preschool participation (as the primary care arrangement) by ethnicity show that Hispanic families have the least percentage of their children attending a preschool in comparison to families from all other ethnic groups. Research shows that it is not a lack of Hispanic interest in preschools that is to blame for why Hispanic children attend preschool in low numbers, but rather the fact that in heavily populated Hispanic communities the availability of high quality, publicly funded programs is very limited.<sup>4</sup>

### 3.5 Critical Success Factors

The following factors are likely to be essential to the successful expansion of the Parent-Child Education program:

#### **Flexibility**

Some of the organizations interviewed indicated that they could not adopt AVANCE's program because it is too rigid. AVANCE will balance its strong stance on program fidelity with the need to be flexible in its delivery. An example of such flexibility may be altering the timeframe for the program from a 9-month program to a shorter version if that better aligns with the licensee's programs. AVANCE has already shown that it can successfully be flexible: in 1995, AVANCE tailored its program to engage fathers of vulnerable children. This resulted in constructing the timing of services so that they were convenient for fathers to participate, as well as developing an engagement process for the fathers so their participation becomes a conscious act to their view of the family unit. While there are no immediate foreseen financial implications for allowing flexibility in program delivery, as the number of licensees grows, AVANCE will monitor any financial implications stemming from this flexibility and will evaluate its options for remaining financially feasible.

#### **Selection Criteria**

AVANCE has invested a significant amount of time in determining its selection criteria for its licensees. To protect the integrity of the program, AVANCE will not stray from ensuring that all of its licensees meet all of the criteria that it has deemed as important.

#### **Measuring Its Impact**

The political environment in the U.S. is changing. While there is support for investing in early childhood programs right now, this will likely not always be the case. Both Republicans and Democrats will be more likely to support AVANCE if the organization can tell its story through results. As AVANCE continues to skillfully reflect its impact in the community, the support for its evidence-based program will only increase. This, however, increases the need for making

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<sup>4</sup> Dr. Garcia, Eugene. *Latinos and Early Education: An Account of Diversity and Family Involvement*. University of Arizona. May 2010. P 12-13.

tracking outcomes a top priority. Monitoring and evaluation will not be seen as an addition to the work, but part of it.

### **A Community Champion**

From its own experience, AVANCE already acknowledges that it is best to enter into new communities with a partner and a champion who fosters and enables local ownership of the program. Getting support from within the community allows AVANCE to build a foundation of trust and stronger relationships with local partners that can be useful resources for AVANCE's families who are being served.

### **Communicating to Potential Licensees**

As AVANCE grows, it will continue to receive an influx of questions and requests for additional information about how organizations can purchase products or become licensees. AVANCE's website will reflect the following:

- Overview of Parent-Child Education program and Curriculum
- Expectations and Criteria of Licensees
- Process to Become a Licensee
- Accept Solicitation of Requests for Additional Information

Not only is it necessary to ensure that someone is assigned to respond to the e-requests for information in a timely fashion, it's also critical that the entire staff (especially those individuals who answer the phones) knows enough to answer some basic questions *and* direct the caller to the appropriate person with whom they can speak.

### **Proactive Marketing**

In order to facilitate strategic growth, proactive marketing and outreach is essential. To attract and secure high-quality licensees that have the capacity, skill, and enthusiasm to represent the AVANCE brand, a highly personal and direct marketing strategy will be needed. As outlined in Section 5.0 (Marketing Plan), AVANCE's strategy involves leveraging promotional tactics that include personal outreach, networking, securing champions for the program, and increasing awareness of the program among influential Hispanic leaders. A portion of the Communications Specialist and Chief Program Officer's time will be dedicated to implementing this marketing strategy, with assistance from the Program Assistant. These staff roles are further outlined in Section 6.3 (Staffing Plan).

### **Staffing and Pricing**

Staff time and travel is the most significant driver of costs associated with licensing the Parent-Child Education program. In an attempt to decrease costs and improve the financial picture of the program as it expands, AVANCE will review the staffing structure of the program to determine if any cost-cutting efficiencies exist. Furthermore, AVANCE will investigate the resonance of a sliding scale licensing fee with its target market based on licensee budget size. By charging slightly higher licensing fees from organizations with larger budget sizes, AVANCE will be able to grow the earned income portion of its revenues, thus reducing its need for outside funding.

## 6.2 Operations Diagram

The following diagrams provide a visual representation of the five categories of activities associated with securing and supporting a licensee:



