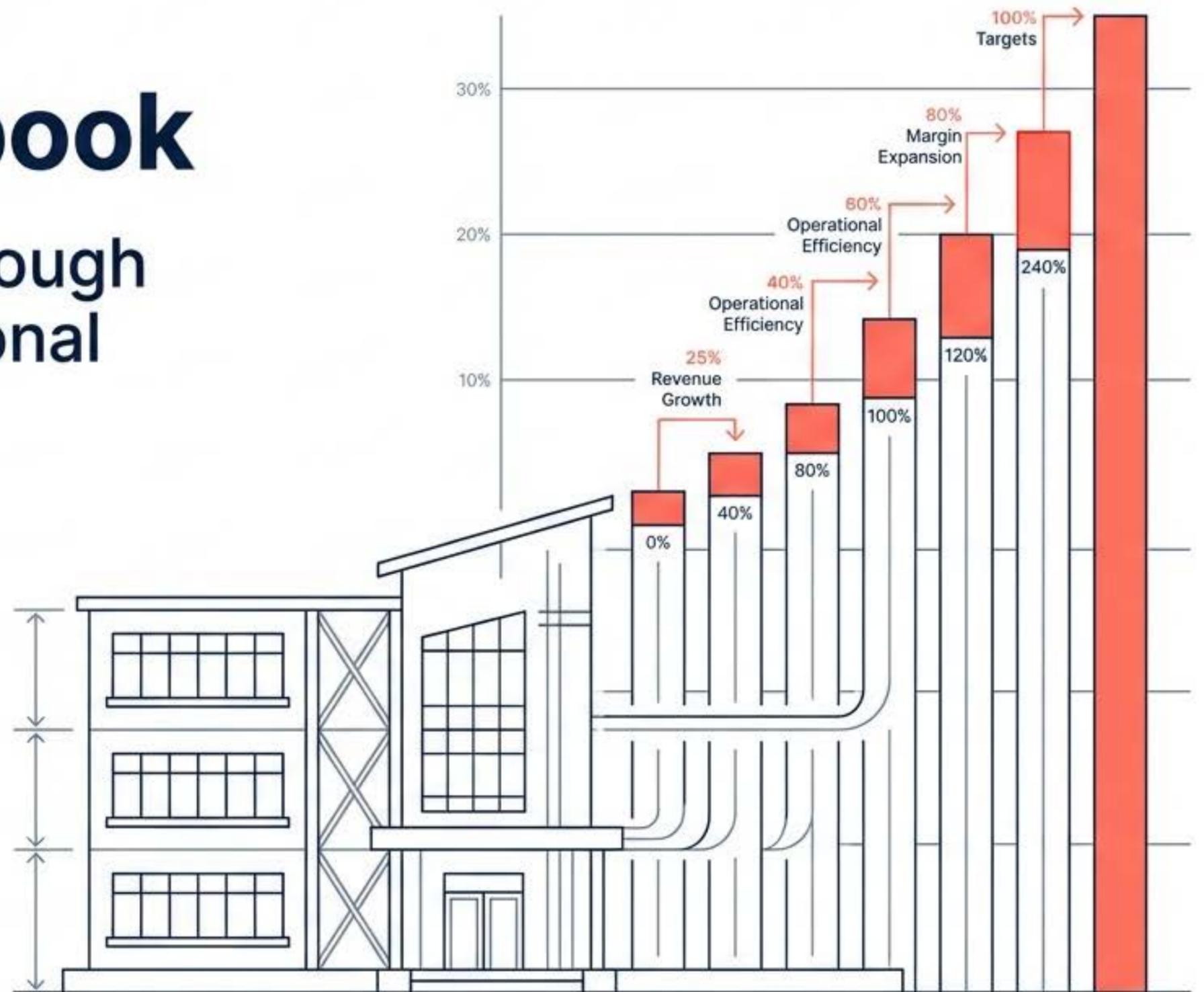


The After-School Profitability Playbook

Optimizing Performance through Strategic Metrics & Operational Discipline



Executive Summary: The North Star Targets

Profitability is a function of aggressive labor cost reduction and maximizing revenue per seat.

Strategic Pillar
Revenue Quality



Prioritize high-value Full-Time seats; use Part-Time for margin.

Strategic Pillar
Labor Efficiency



Reduce Labor Cost from **73%** (Current) to **60%** (Target).

Strategic Pillar
Retention



Maintain >85% retention to protect Lifetime Value (LTV).

Vision Board

73%

Current Labor Cost (Unsustainable)

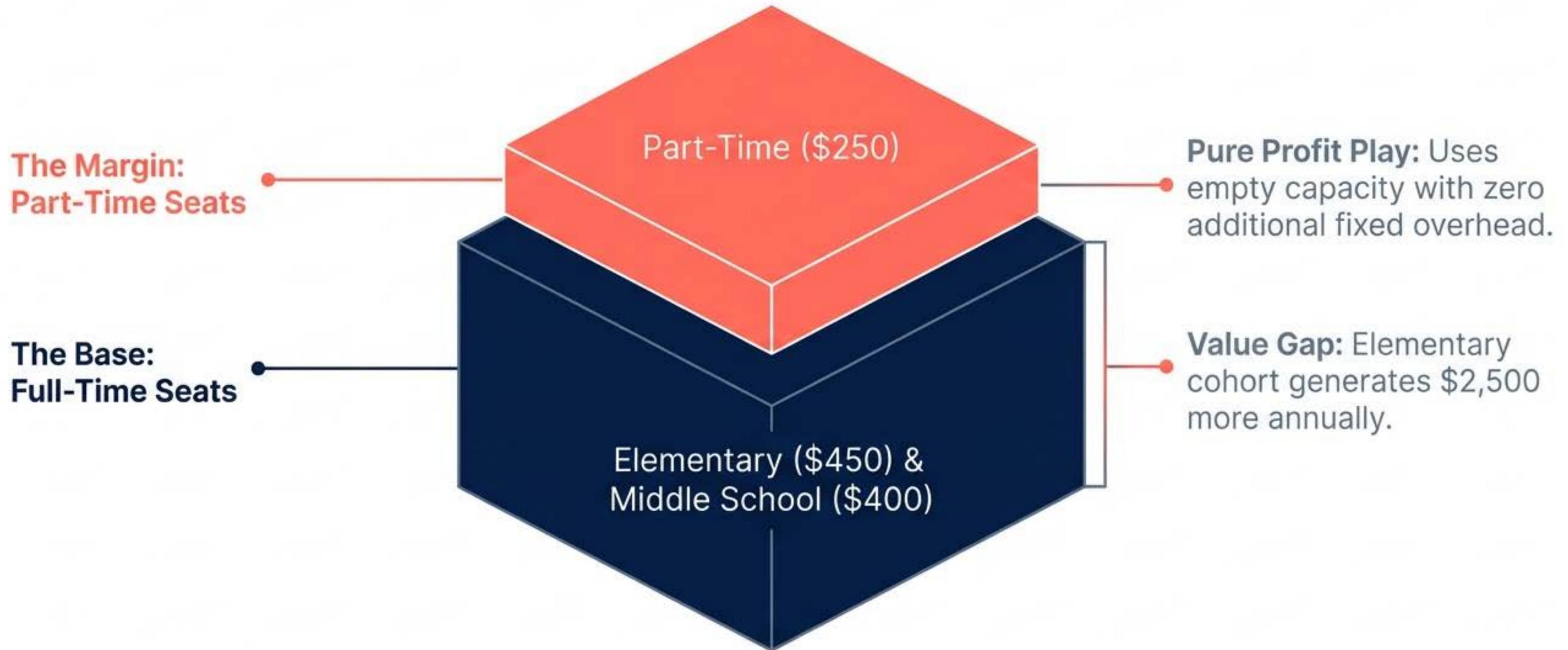
650%

2027 Occupancy Goal

95%

Target Gross Margin

The Optimal Enrollment Mix: Base vs. Booster



Action Item: Focus sales on \$450 base seats first to establish RPS baseline, then layer Part-Time for margin.

Occupancy Rate: Breaking the 100% Ceiling

$$\frac{\text{(Actual Students)}}{\text{Total Capacity}} \times 100$$

- **The Aha! Insight:** Traditional facilities stop at 100%. We scale far beyond physical capacity by staggering sessions.
- **Run Rate Target:** >100% is the baseline.
- **Pro Tip:** Ensure 'Total Capacity' maps to slots available, not just square footage.
- **Review Rhythm:** Every Monday Morning.



Revenue Per Student (RPS): Measuring Pricing Power

$$\frac{\text{Total Monthly Revenue}}{\text{Total Enrolled Students}}$$

\$350+

Monthly Target (Upper Quartile)

Context: Industry Standard for full childcare is ~\$833/mo (\$10k/yr). As a specialized STEAM academy, \$350/mo represents premium after-school pricing power.

Warning Sign:

High Occupancy + Low RPS = Underpriced Product.

Actionable Lever:

Tier tuition based on STEAM value. Push Robotics workshops and Middle School premiums.

Solving the Labor Cost Crisis: The Wage Floor

You cannot scale until you cover the fixed base.

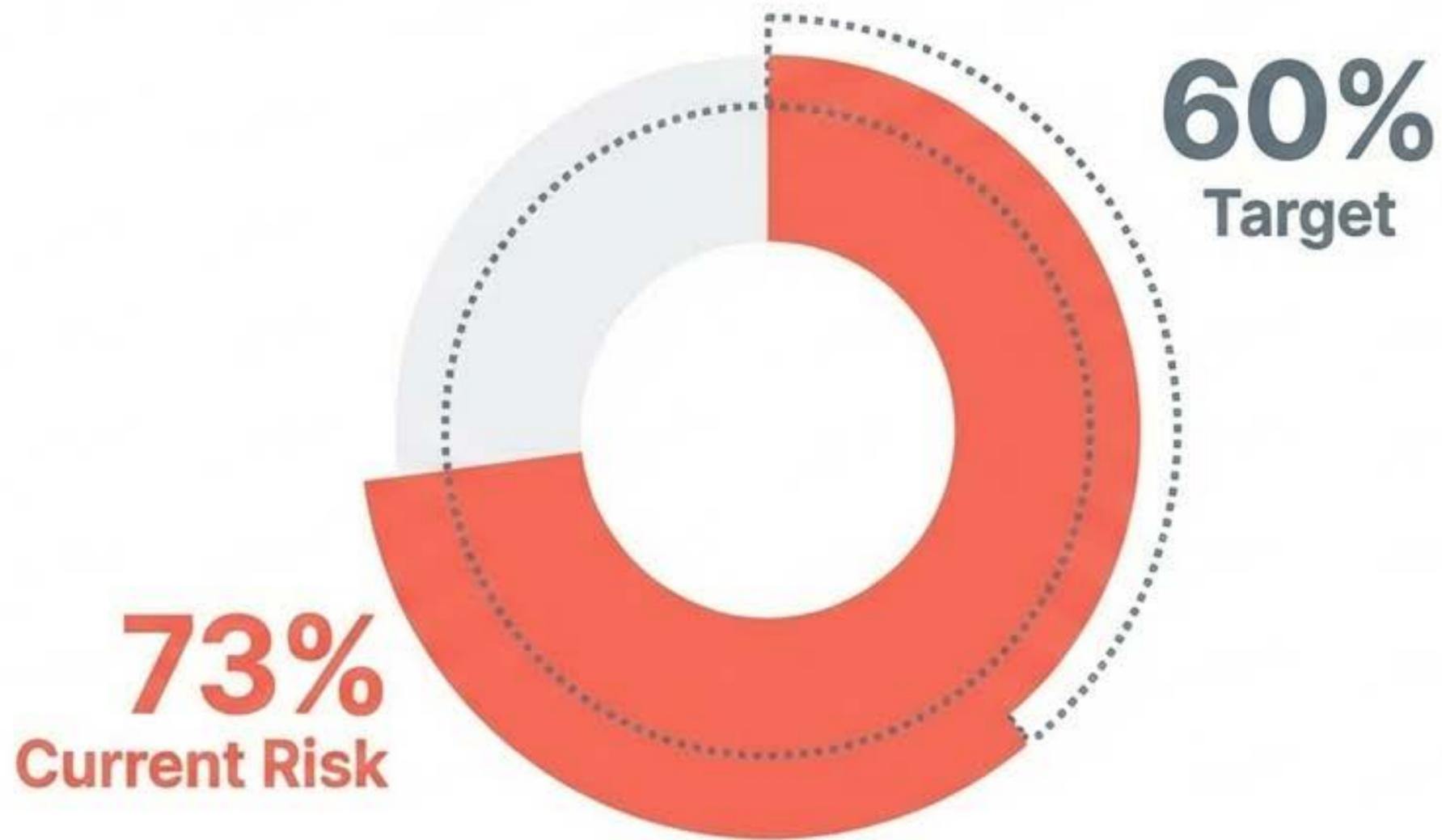


\$19,167
(Monthly Fixed Wages)

- **Strategy:** Determine the minimum enrollment required to absorb this \$19,167. This is the absolute floor before considering other overhead.
- **Current Reality:** Labor burden is at **73% (Danger Zone)**.

Labor Cost % of Revenue: The Profit Killer

$$\frac{\text{Total Monthly Wages}}{\text{Total Monthly Revenue}}$$



Review Frequency: Weekly.

The Mandate:

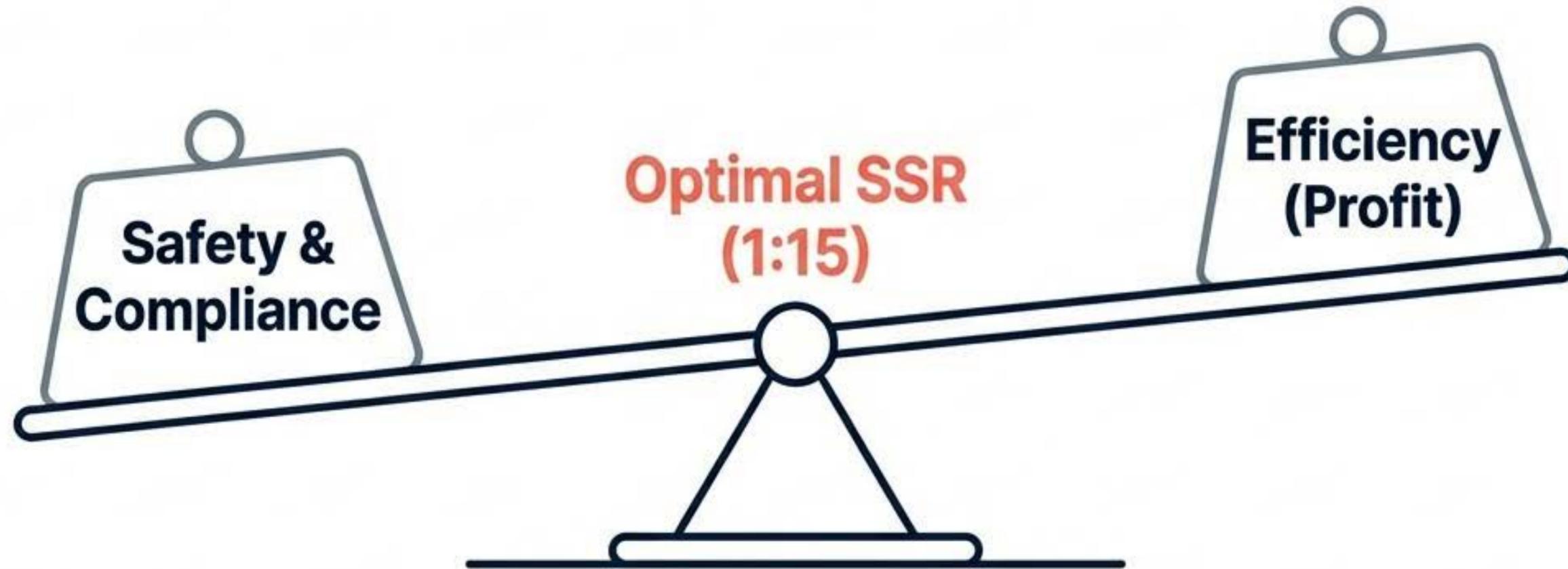
If this metric spikes >65%, freeze non-essential hiring immediately.

Calculation Example:

$$\begin{array}{r} \$50,000 \text{ Wages} \\ \div \$68,500 \text{ Revenue} \\ \hline = \mathbf{73\% \text{ (Danger Zone)}} \end{array}$$

Staff-to-Student Ratio (SSR): The Efficiency Lever

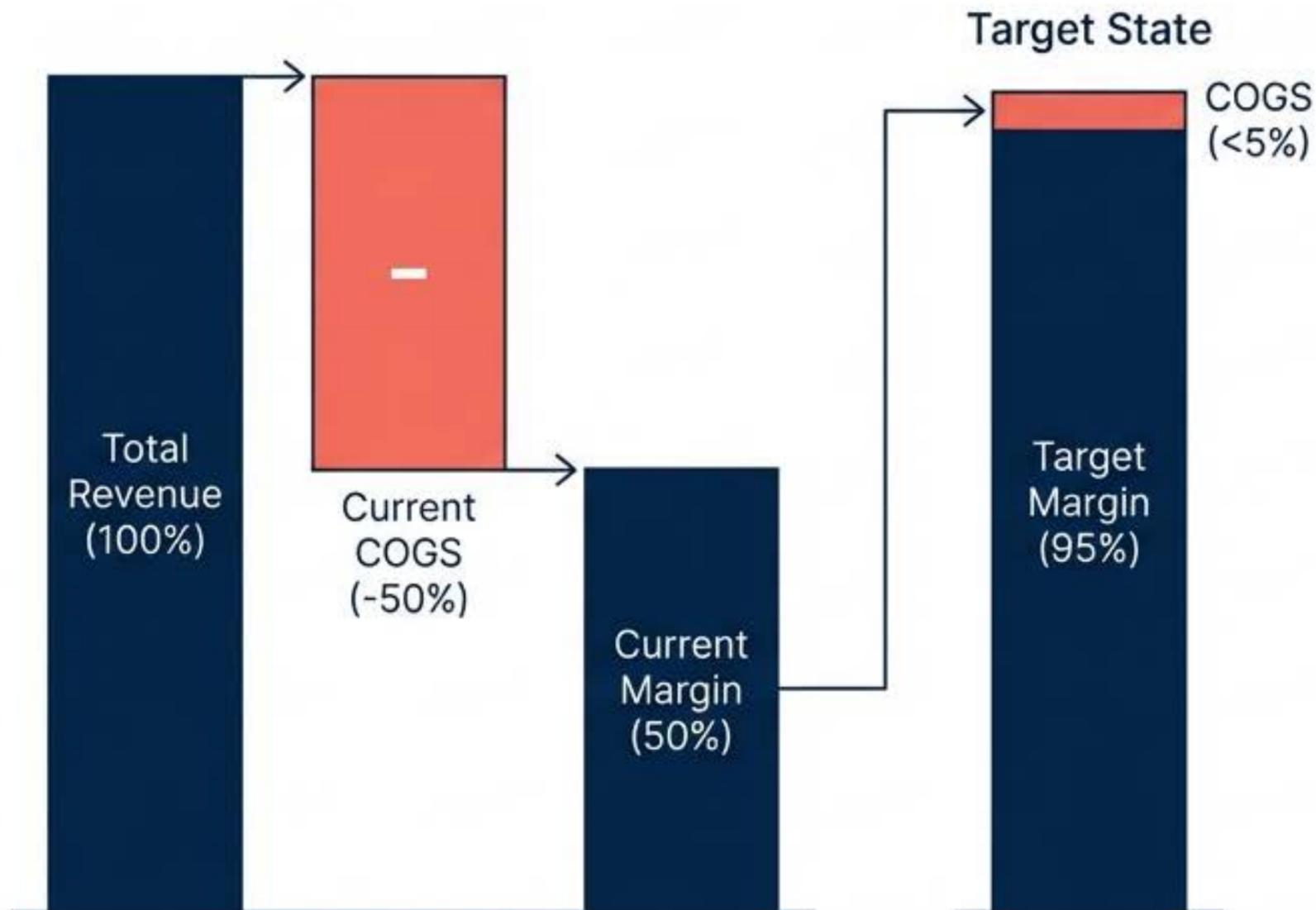
Formula: FTE Staff / Total Enrolled Students



- **Too Low (e.g., 1:8):** Costs spike, 95% Gross Margin becomes impossible.
- **Too High:** Safety risks and churn increase.
- **Actionable Insight:** Use group-based STEAM projects to safely increase ratio towards 1:15 without sacrificing quality.

Gross Margin %: Eliminating Material Waste

Formula: $(\text{Revenue} - \text{COGS}) / \text{Revenue}$



Context:

Currently projected COGS is 50%.
Needs to be <5%.

Strategy:

1. Negotiate bulk STEAM materials.
2. Strict inventory tracking (Zero Spoilage).
3. Keep staff costs out of this metric.

Customer Acquisition Cost (CAC): Validating the Spend

Formula: Marketing Spend / New Enrollments



The Golden Ratio

LTV (Lifetime Value) must be 3x CAC.

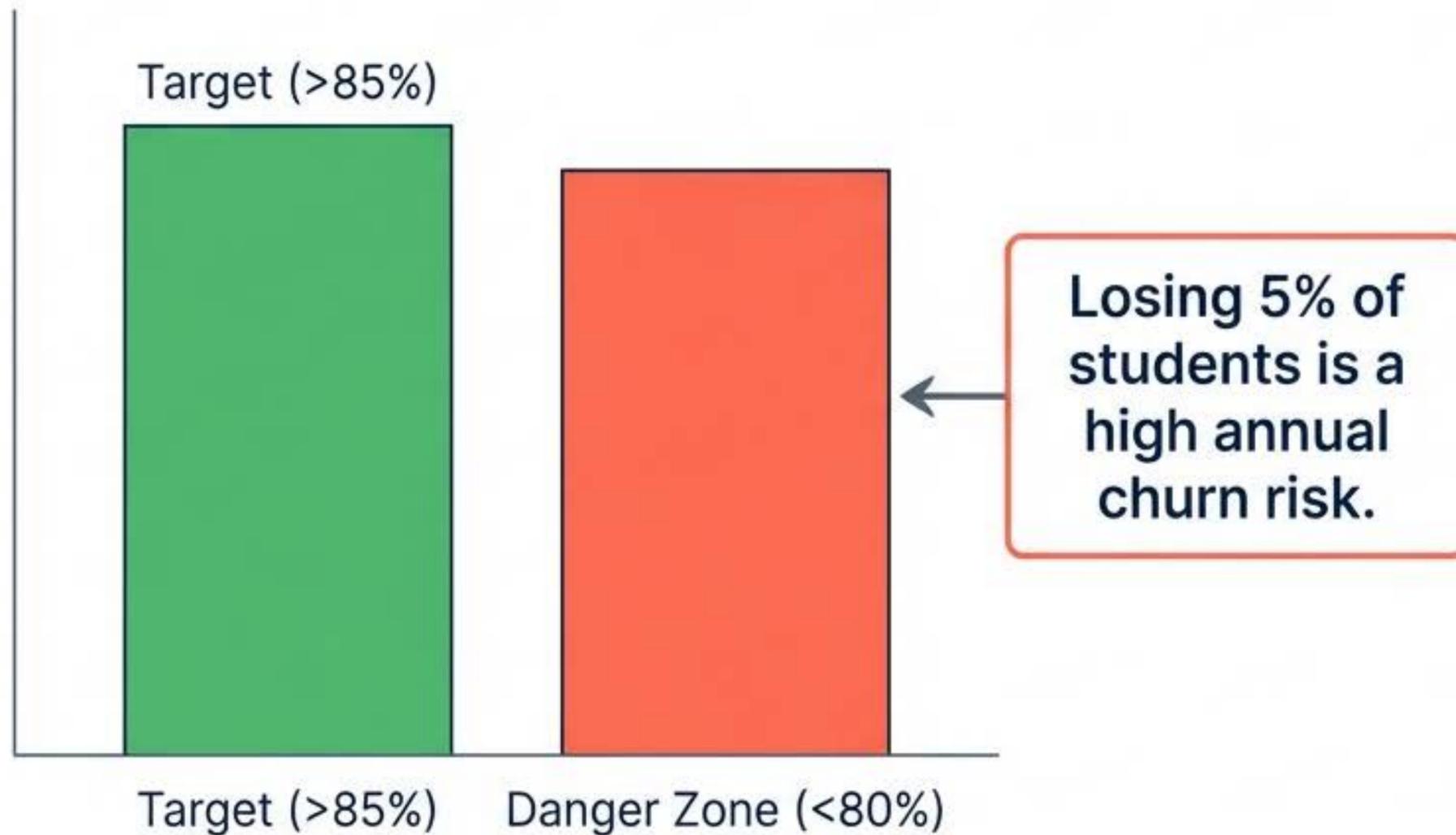
Risk Alert

Onboarding Risk: If onboarding takes >14 days, churn risk rises, wasting the CAC investment.

Retention Rate: Protecting the Base

Formula: $(\text{Re-enrolled} / \text{Prior Month Total}) \times 100$

Churn Thresholds



- Map churn against the academic calendar.
- Use Project-Based outcomes to justify 7% annual price hikes.
- Survey departing families immediately.

The Benchmark Cheat Sheet

Metric	Current/Risk	Target/Goal	Review Frequency
Labor Cost %	73%	60%	Weekly (Monday)
Occupancy	<100%	650% (2027)	Weekly
RPS	Variable	\$350+	Monthly
Retention	<80%	85%+	Monthly
Gross Margin	50%	95%	Monthly

Operational Rhythm & Discipline

Helvetica Now Display Bold, heavy tracking



Review Occupancy & **Labor Cost %**. Adjust staffing schedules to match enrollment (**SSR**).

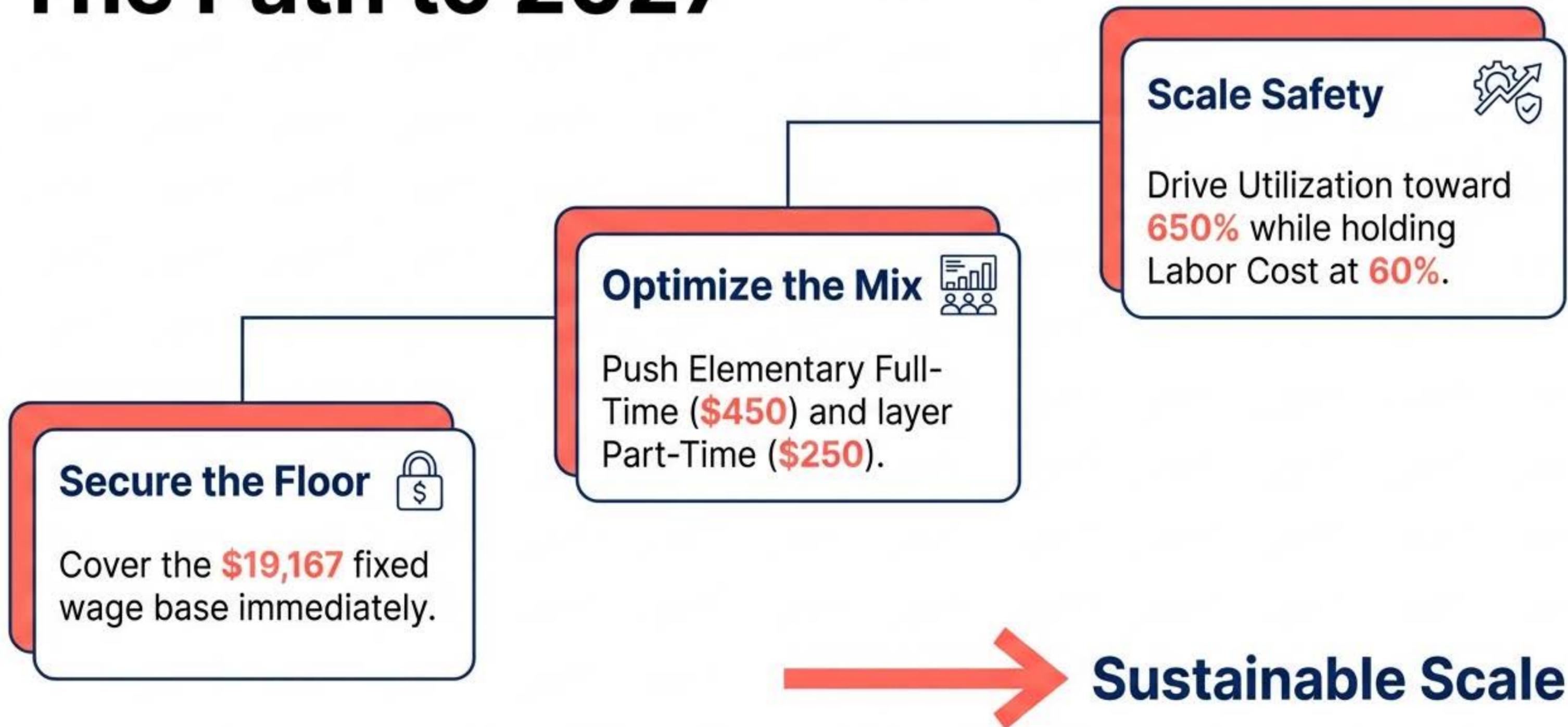


Review Financials: **RPS**, **Gross Margin**, **Retention**. Check COGS against **5% limit**.



Review Marketing Efficiency: **CAC vs. LTV (3:1)**. **Plan for academic churn**.

The Path to 2027



Establish the baseline RPS first, then scale volume.