

# Optimizing Unit Economics to Drive Sustainable EBITDA

After-School Program Profitability & Margin Growth Strategy



# Strategic realignment creates a path to \$365k EBITDA.

## THE CHALLENGE

Current monthly fixed overhead is **\$26,217**.

Includes **\$19,667** in labor and **\$3,500** facility lease.

Utilization hovers at **50%**.

Marketing and variable costs are bloated (50% of revenue).

## THE SOLUTION

Pivot focus to **Full-Time** enrollment (Net contribution: **\$332.82**).

Increase educator ratios to **1:18**.

Cut variable waste to **35%**.

Target **90%** utilization via retention.

## THE IMPACT

**Target Annual EBITDA:**  
**\$365,000**

Required Occupancy:  
198 Full-Time Seats

Result: Sustainable economic engine.

# Full-Time enrollment generates nearly double the cash contribution of Part-Time.

## FULL-TIME STUDENT

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Monthly Tuition: \$387

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Variable Costs (14%): -\$54.18

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**Net Contribution: \$332.82**

← Margin % is identical (86%), but **Cash Contribution** is **1.8x higher.**

## PART-TIME STUDENT

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Monthly Tuition: \$215

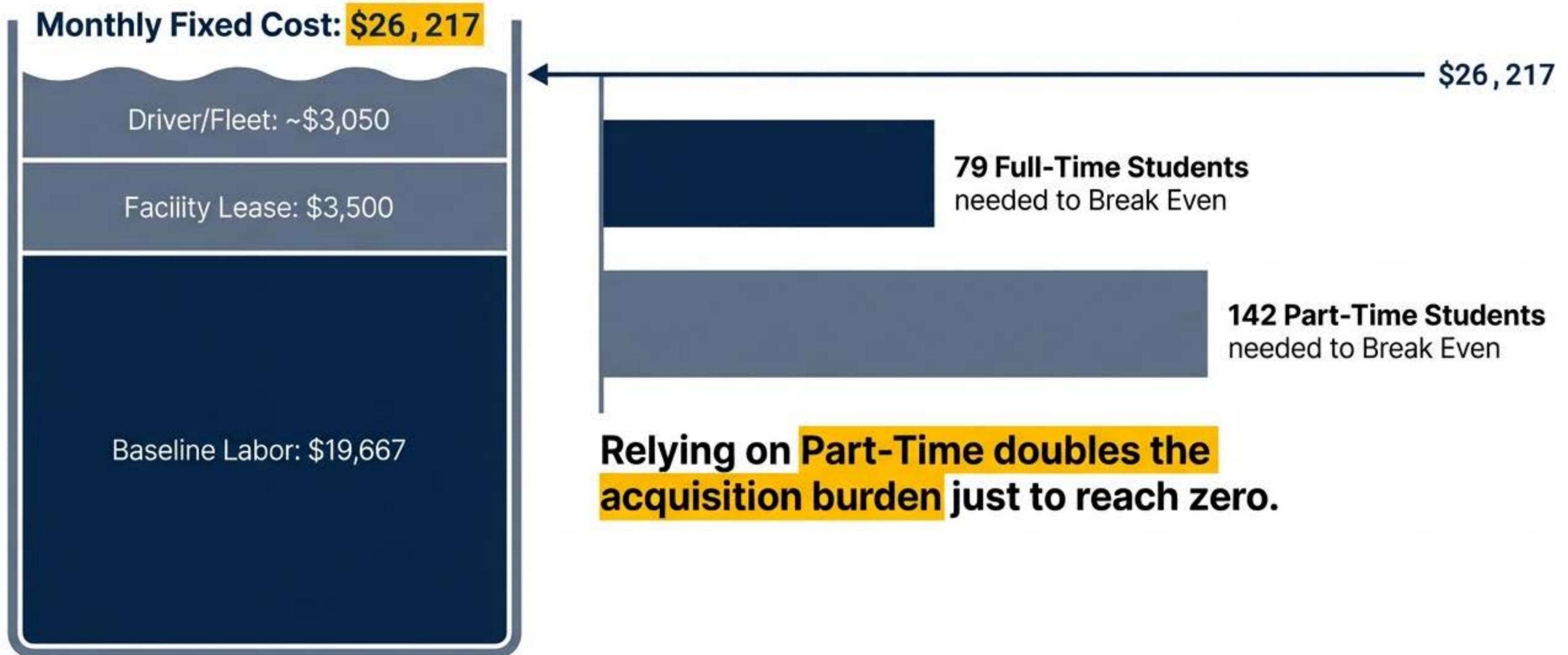
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Variable Costs (14%): -\$30.10

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**Net Contribution: \$184.90**

# Fixed overhead creates a steep break-even threshold of \$26,217 monthly.



# Seven levers tailored to bridge the gap from 50% to 90% utilization.

50% Utilization  90% Utilization

## REVENUE QUALITY

1. Optimize Enrollment Mix (PT → FT)
2. Tiered Pricing (Workshops/Camps)
3. Maximize Occupancy (Road to 90%)

## OPERATIONAL EFFICIENCY

5. Staffing Ratios (1:15 → 1:18)
6. Non-Core Hours (Monetize Downtime)

## COST DISCIPLINE

4. Rationalize Variable Spend
7. Reduce Marketing Dependency

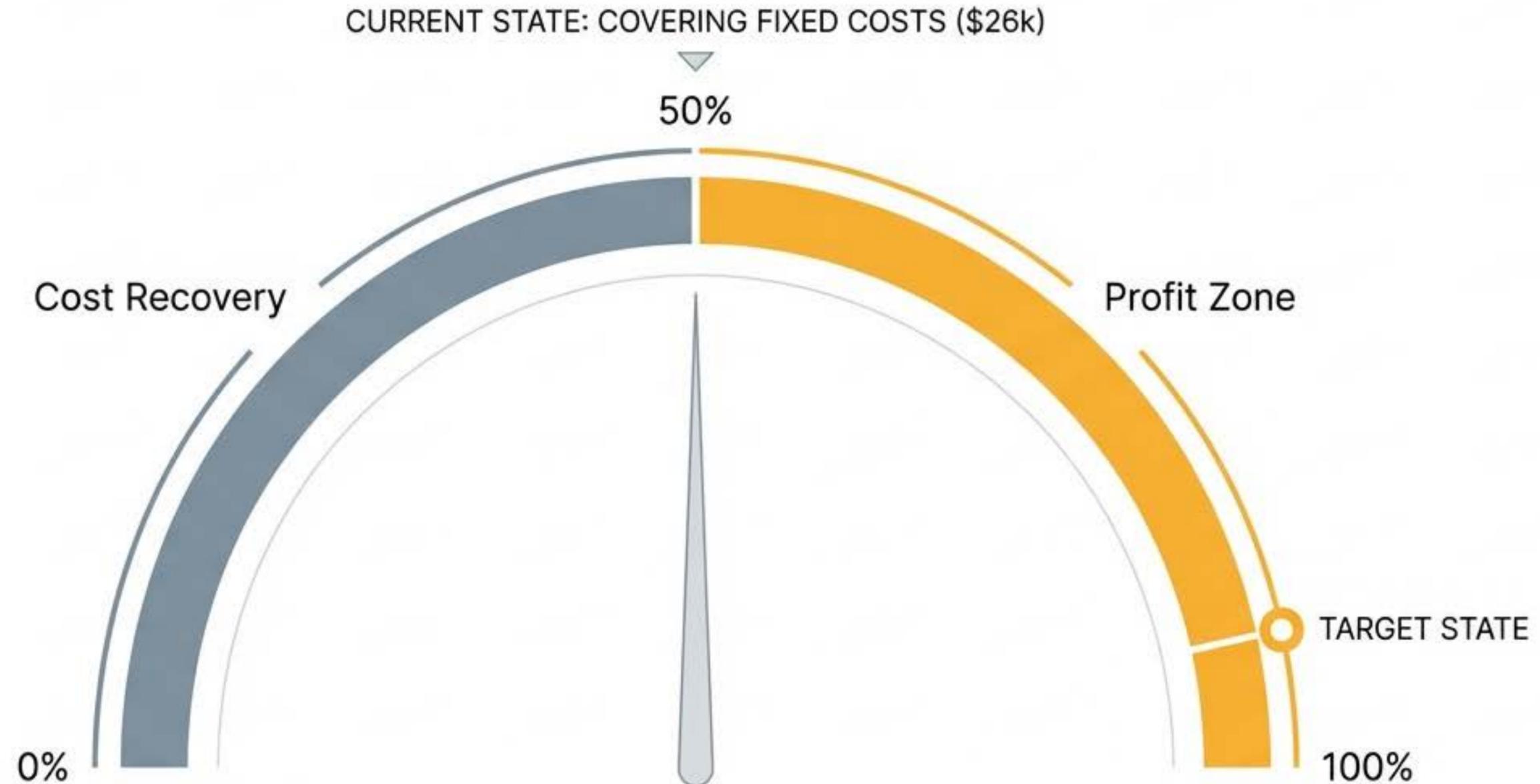
# Shifting the mix to Full-Time drives revenue density without increasing headcount.



# Tiered pricing monetizes fixed capacity with zero marginal labor cost

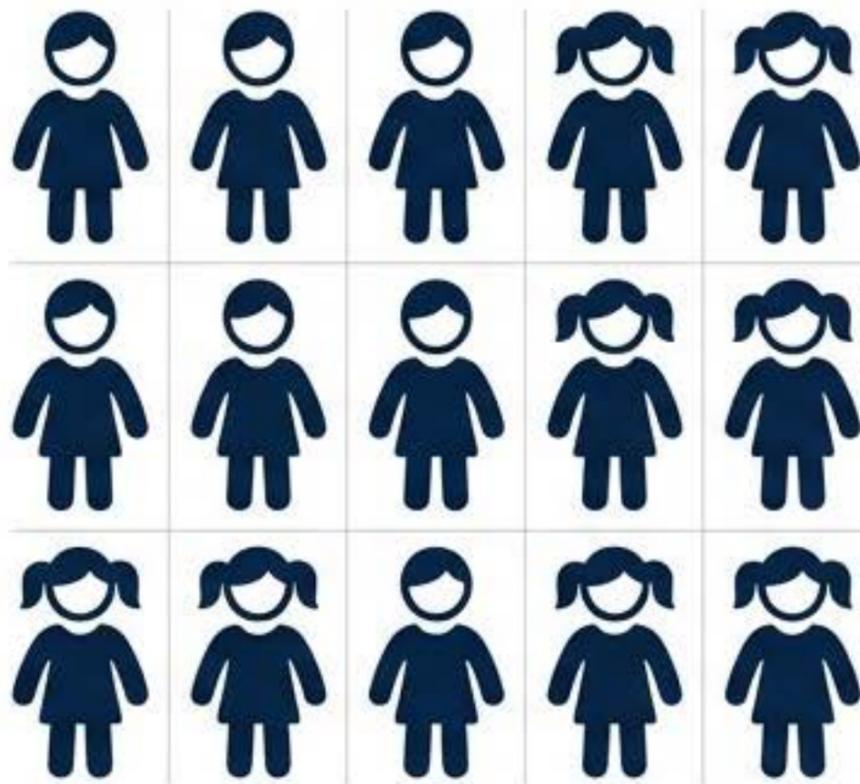


# Profitability sits between 50% and 90% utilization.

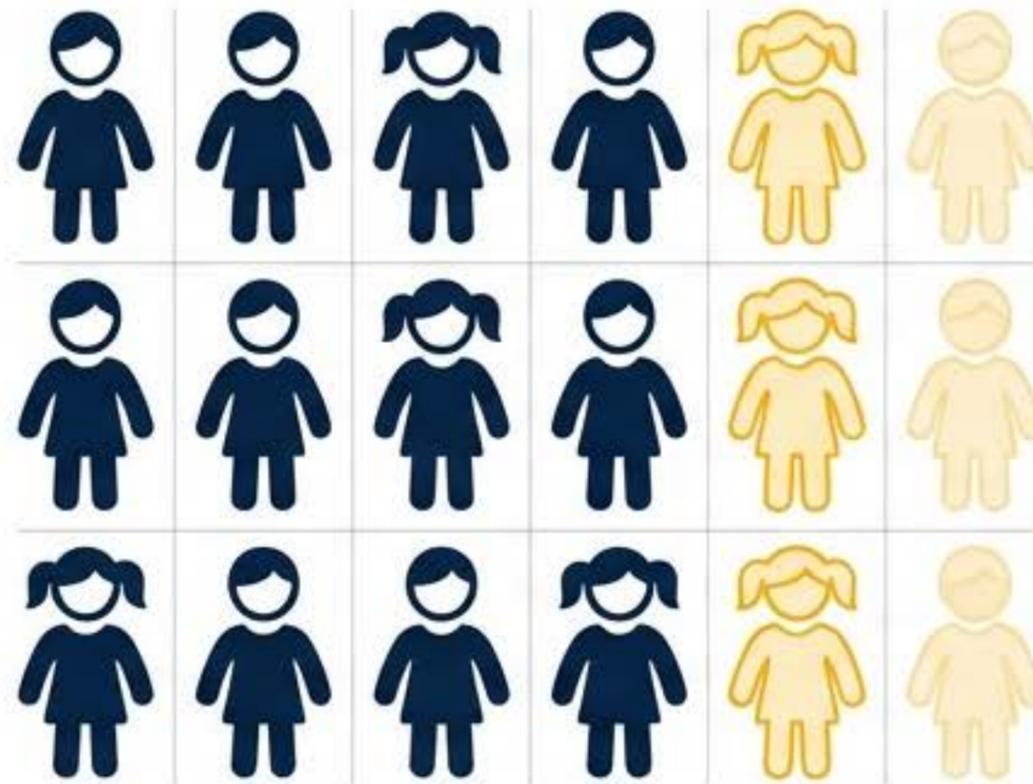


Logic: Facility (\$6,550) and Labor (\$19,667) are sunk costs. Every enrollment past 50% flows directly to the bottom line.

# Optimizing educator ratios reduces per-student labor cost by 16.7%.



Current Ratio 1:15



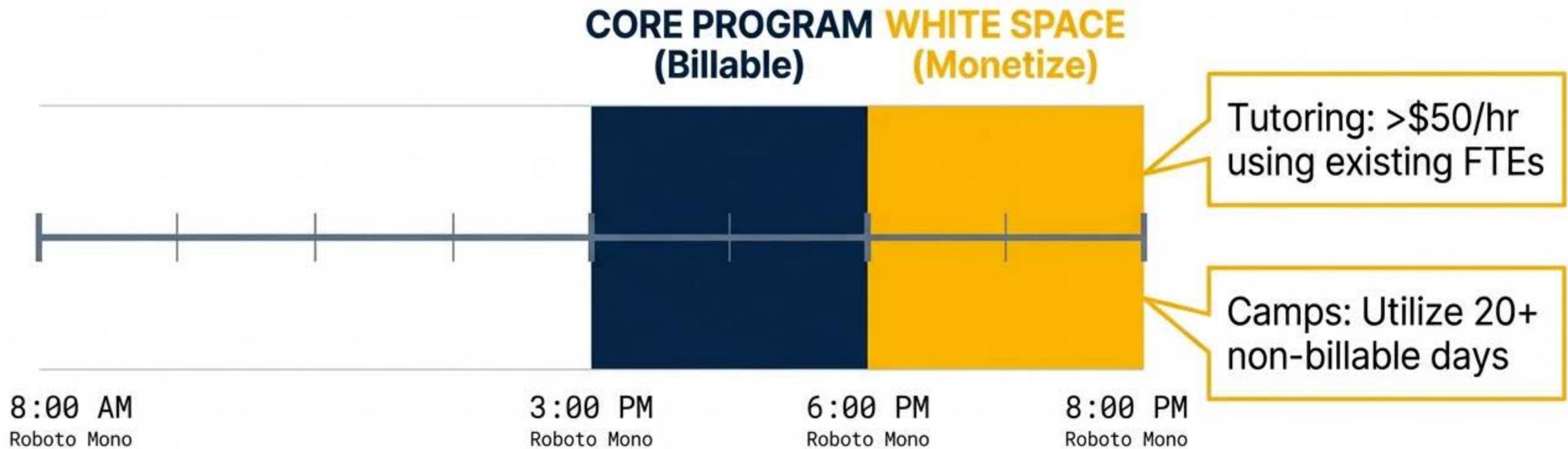
Target Ratio 1:18



**16.7%**  
Reduction in  
Per-Student  
Labor Cost

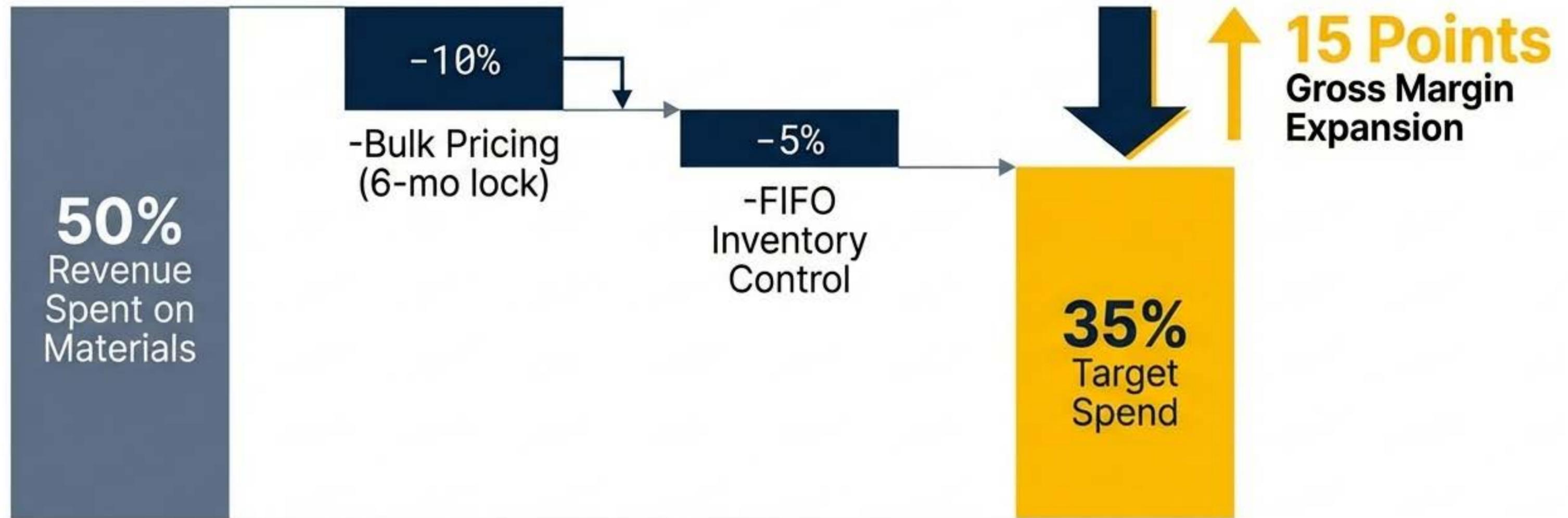
Safeguard: Do not exceed safe limits. STEAM curriculum quality is the product.

# Monetizing non-core hours converts fixed downtime into billable revenue.



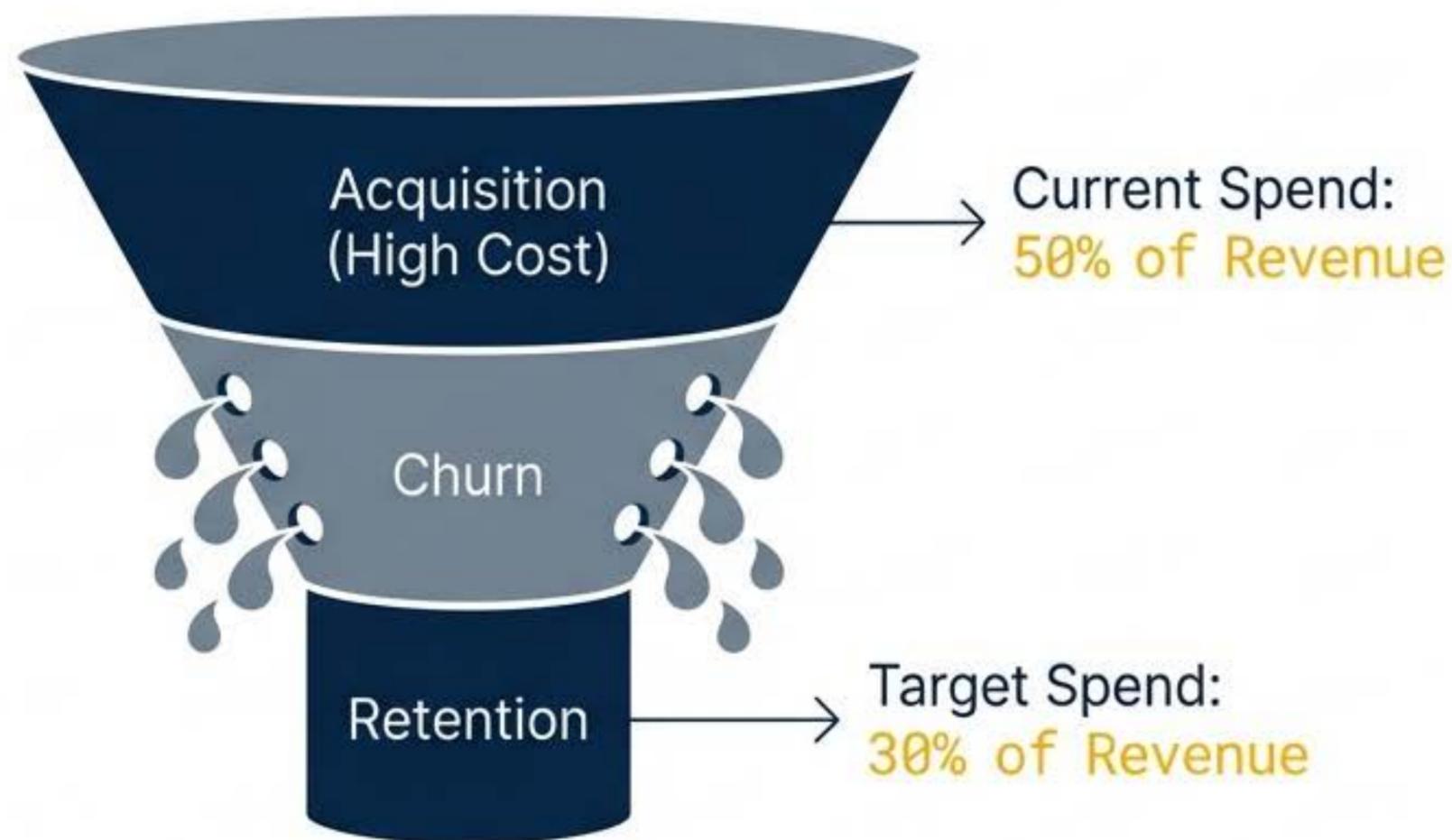
**Audit Requirement:** Immediate review of driver routes and manual admin (0.5 FTE) to reclaim capacity within \$3,500 lease.

# Rationalizing supply chain spend expands gross margins by 15 points.



**Inter:** Tactics: Bulk agreements, waste reduction, supplier benchmarking.

# Moving from Acquisition to Retention cuts marketing drag from 50% to 30%.



CAC via Ads: ~\$500

Referral Credit: \$100

**Impact: 5x Cost Efficiency Improvement**

# Pricing sensitivity and churn risk define the upper limit of revenue growth.



**Scenario:** Raising FT fee from \$450 to \$550

**Warning:** One lost family erases the **gain from 4-5 price increases**

**Constraint:** Do not cut variable costs below 5% or quality degrades

# Implementation Roadmap: Phasing the 7 Levers

## IMMEDIATE (Audit & Fix)



- Audit non-billable admin & driver routes
- Implement Bulk Buying
- Shift Marketing to FT focus

## MEDIUM TERM (Build)



- Launch Referral Program (\$100 Credit)
- Introduce Workshop Tiers
- Adjust Ratios to 1:18

## LONG TERM (Scale)



- Drive Utilization to 90%
- Target \$550 Price Point

# Hitting 198 FT seats secures the \$365k EBITDA target.

<b>High Density</b> (FT Focus)	<b>+</b>	<b>High Utilization</b> (90%)	<b>+</b>	<b>Cost Discipline</b> (35% Var)	<b>=</b>	<b>\$365,000</b> <b>ANNUAL</b> <b>EBITDA</b>
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**Call to Action:** Audit non-billable hours immediately.  
Profitability buys the runway to deliver on the STEAM promise.