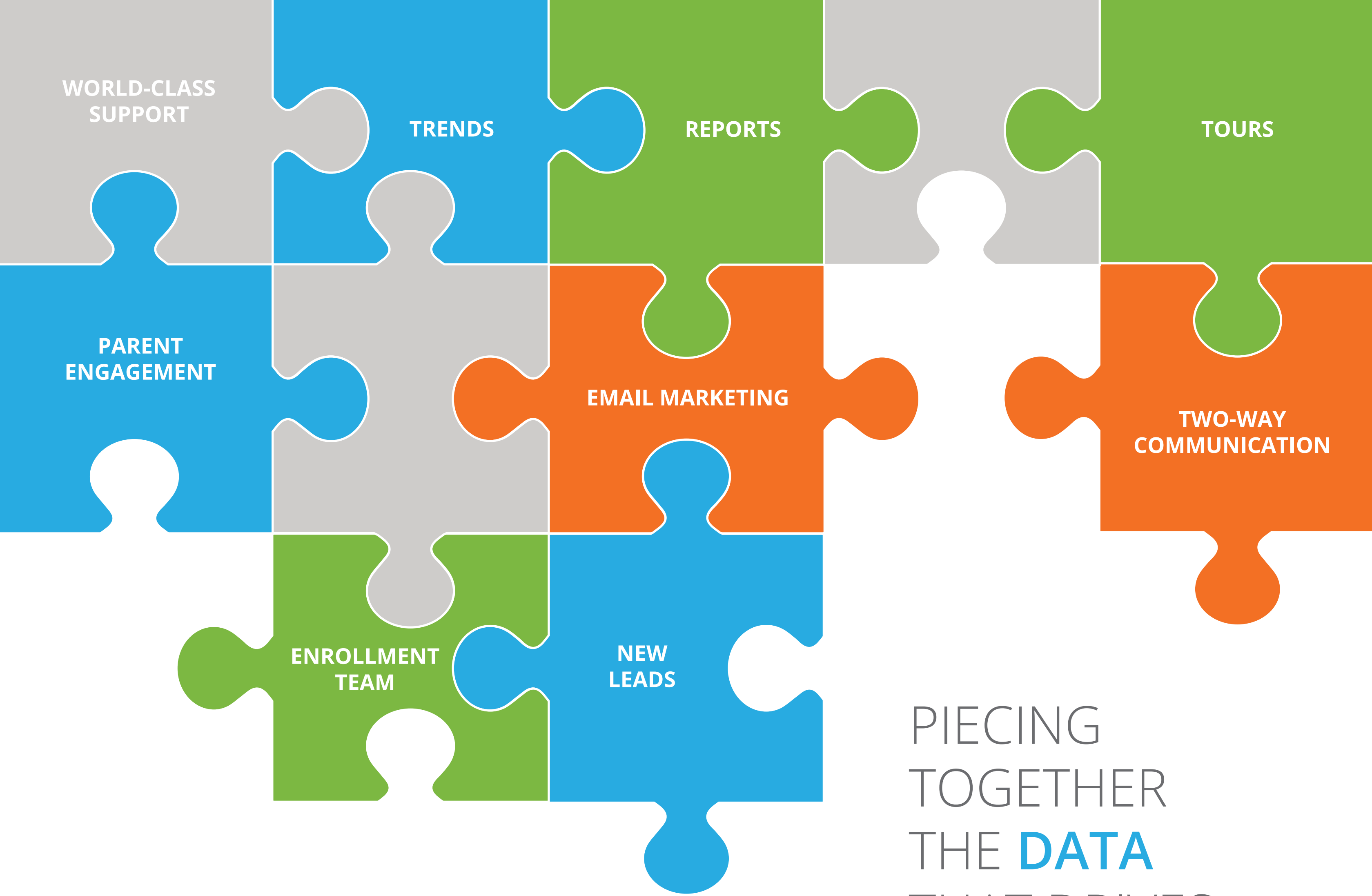
UNITED STATES

2019 DATA-DRIVEN ENROLLMENT BENCHMARKS

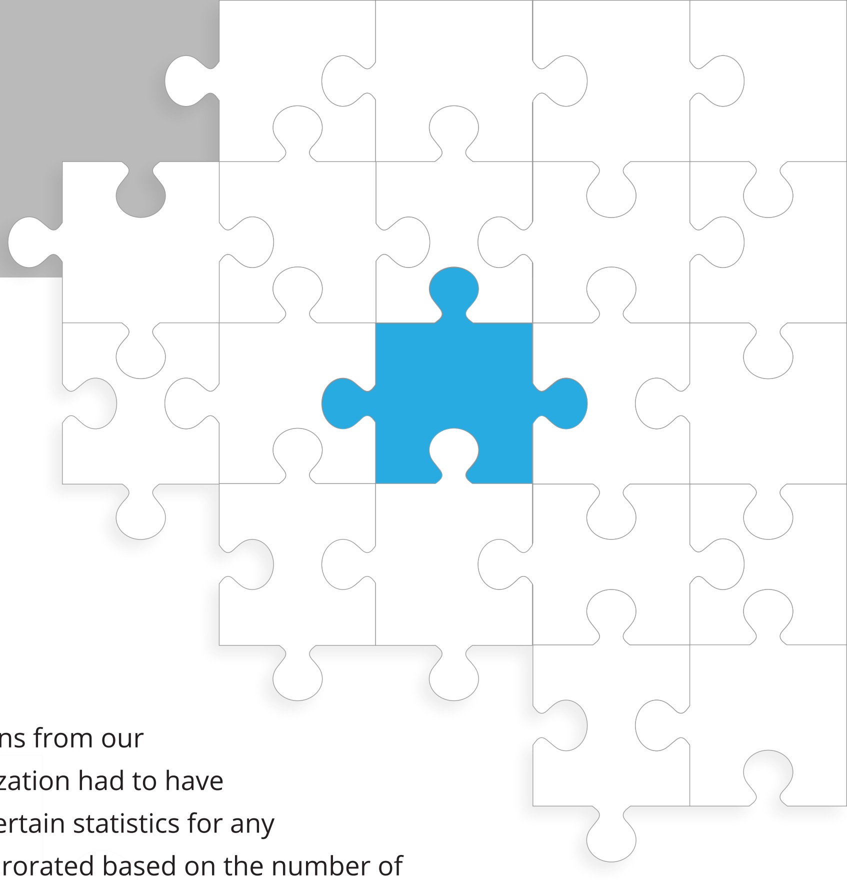
ChildCareCRM



PIECING TOGETHER THE **DATA** THAT DRIVES **ENROLLMENT**

Table of Contents

INTRODUCTION



ChildCareCRM is pleased to release their sixth annual report of enrollment benchmarks surrounding key data points of our growing customer base. This data is intended to give insights into industry trends as well as compare how you are doing against those trends, both in the United States and Australia.

Organizations Included

We included 359 organizations comprised of 2,724 locations from our customer base. The only requirement was that the organization had to have started using ChildCareCRM actively by January 1, 2019. Certain statistics for any organization that did not have a full year of activity were prorated based on the number of months of activity between 7 to 12 months. The breakdown of the organizations and locations used within this study is shown below.

			CENTRAL ENROLLMENT		LOCAL ENROLLMENT		SINGLE (1)		FEW (2-4)		SMALL (5-9)		MID (10-24)		LARGE (25+)	
COUNTRY	ORGANIZATIONS	LOCATIONS	ORGS	LOC	ORGS	LOC	ORGS	LOC	ORGS	LOC	ORGS	LOC	ORGS	LOC	ORGS	LOC
UNITED STATES	332	1746	12	461	320	1285	162	162	98	255	35	222	26	378	11	729
AUSTRALIA	27	978	17	927	10	51	8	8	4	9	3	23	6	91	6	847
TOTAL	359	2724	29	1388	330	1336	170	170	102	264	38	245	32	469	17	1576
AVERAGE		7.6		47.9		4.0		1.0		2.6		6.4		14.7		92.7

Time Period Covered

The metrics compiled herein were taken from the twelve-month time period between July 1, 2018 and June 30, 2019. The Task and Event ratios for active leads were run for the 60-day period between July 1, 2019 and August 31, 2019.

Key Comparisons

This year, where results were significantly different, we have provided additional segmentation of data by size of organization, centralized lead management versus location-based lead management, and country where the customer is located... Australia or United States.

Things to Remember

Please keep in mind that every location has unique attributes exclusive to that location which may affect results. The metrics presented herein are only averages across a wide range and variety of organizations and locations.

KEY FINDINGS

More Leads are Originating from the Web

This year, overall web leads accounted for 54% of leads versus 48% last year. All of the reduction was from phone leads which accounted for 25% this year versus 31% last year. This is the first year over the past four years that has shown a significant uptick in reliance on the web, making the ability to schedule tours online even more important.

Conversion Rates are Improving with Better System Use

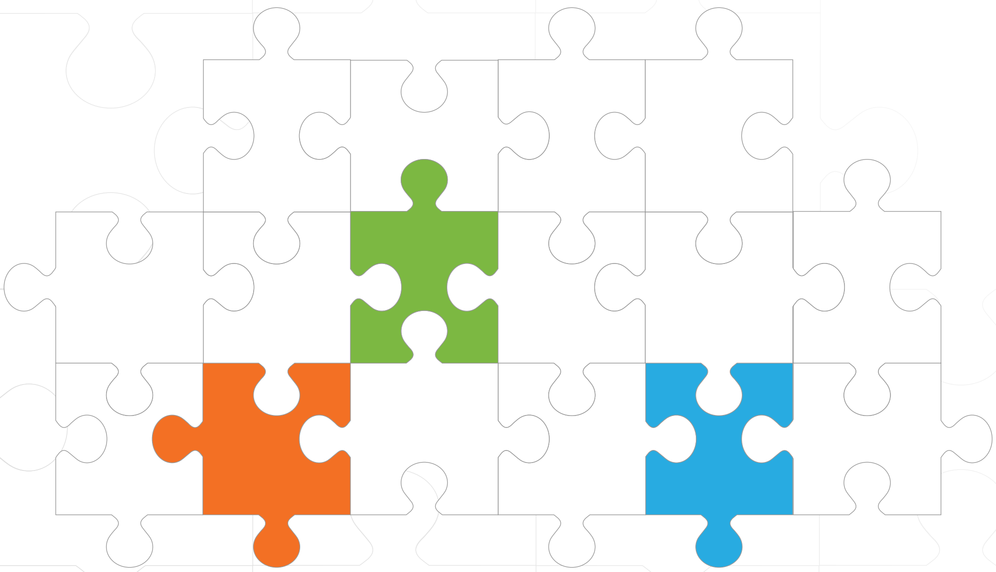
Over the past years we have seen conversion rates throughout the entire sales cycle consistently improve and we are happy to see the trend continue this year. New Leads to Tours Scheduled, Tours Completed, Registered and Wait Listed are all up as users more readily adopt the best practices within ChildCareCRM.

Time to Scheduling Tours is a Factor in Conversion Success

The quicker tours are scheduled, the better the conversion results. The top 20% of customer locations had scheduled 85% or more of their tours within the first 24 hours versus 70% or less for the bottom 20%. The difference in New Lead to Registered conversion rates was an astounding 16.61% between the two groups (37.44% versus 20.83%).

Having a Central Enrollment Team or Dedicated Resource Improves Results

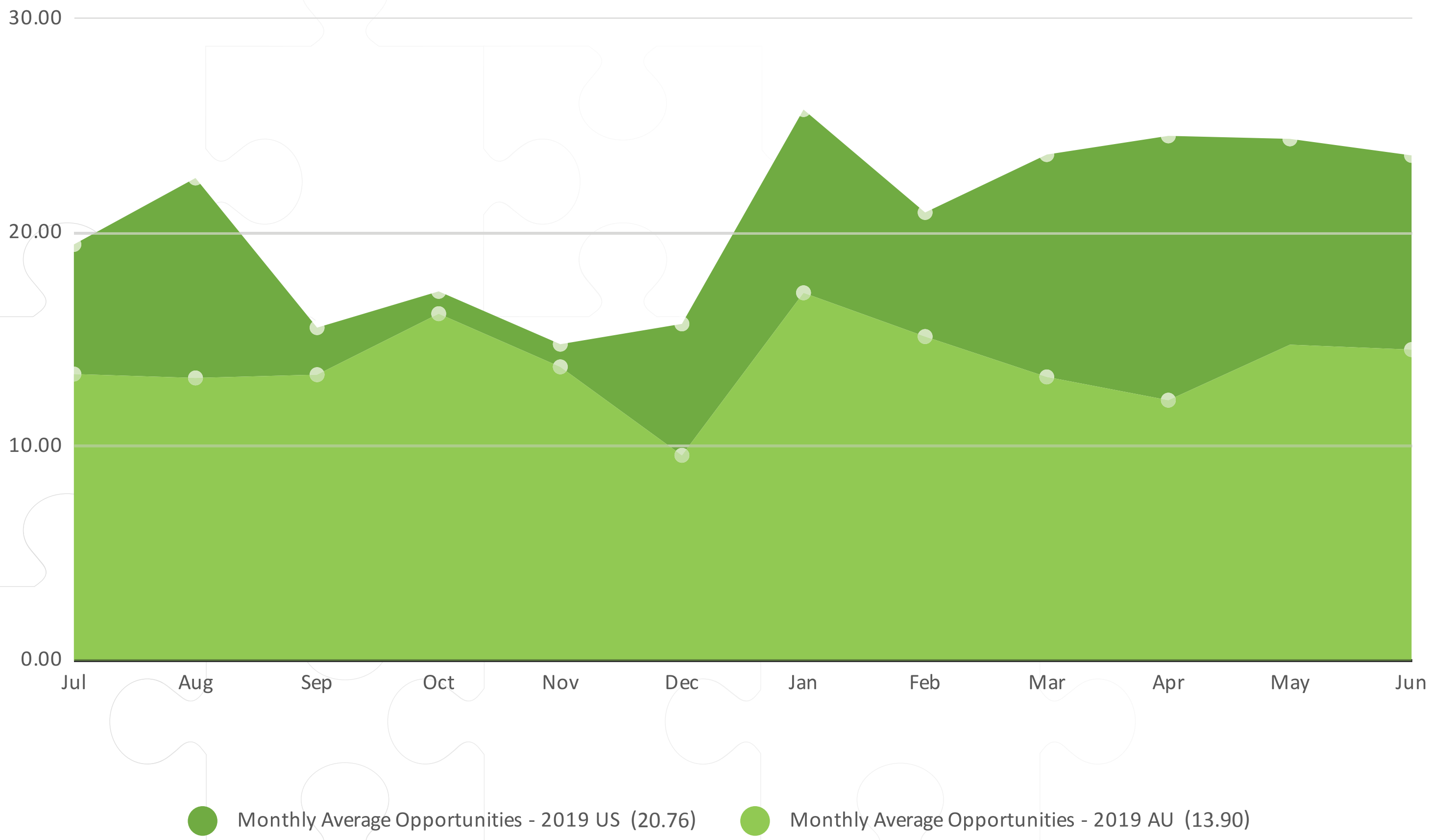
More and more organizations are starting to have dedicated resources to manage their leads, especially to the point of getting tours scheduled. Those that did had an average increase of 8.15% in New Lead to Registered conversion rates (35.86% versus 27.71%).



2019 MONTHLY AVERAGE OPPORTUNITIES

Total Opportunities

Total average opportunities for 2019 were down a bit from the prior year to 18.28 overall. However, there was a significant difference between the United States and Australia. The United States' average was 20.76 whereas Australia was 13.90. With opportunities decreasing somewhat, it is even more important to effectively engage those leads that are received.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Monthly Average Opportunities - 2019 US	19.47	22.58	15.58	17.28	14.81	15.76	25.78	20.97	23.68	24.55	24.41	23.64
Monthly Average Opportunities - 2019 AU	13.41	13.23	13.38	16.23	13.75	9.61	17.21	15.16	13.28	12.19	14.78	14.55
Monthly Average Opportunities - 2019 Combined	17.28	19.20	14.78	16.90	14.42	13.52	22.71	18.88	19.94	20.11	20.95	20.38

HISTORICAL AVERAGE OPPORTUNITIES

The monthly trends over the years have remained intact with January being the strongest month for both countries. In the United States, March, April, May, June and August were also strong periods with average opportunities between 22.5 to 24.5. In Australia, February, May, June and October were months with the highest opportunities after January.

2016 MONTHLY AVERAGE OPPORTUNITIES - 21.00

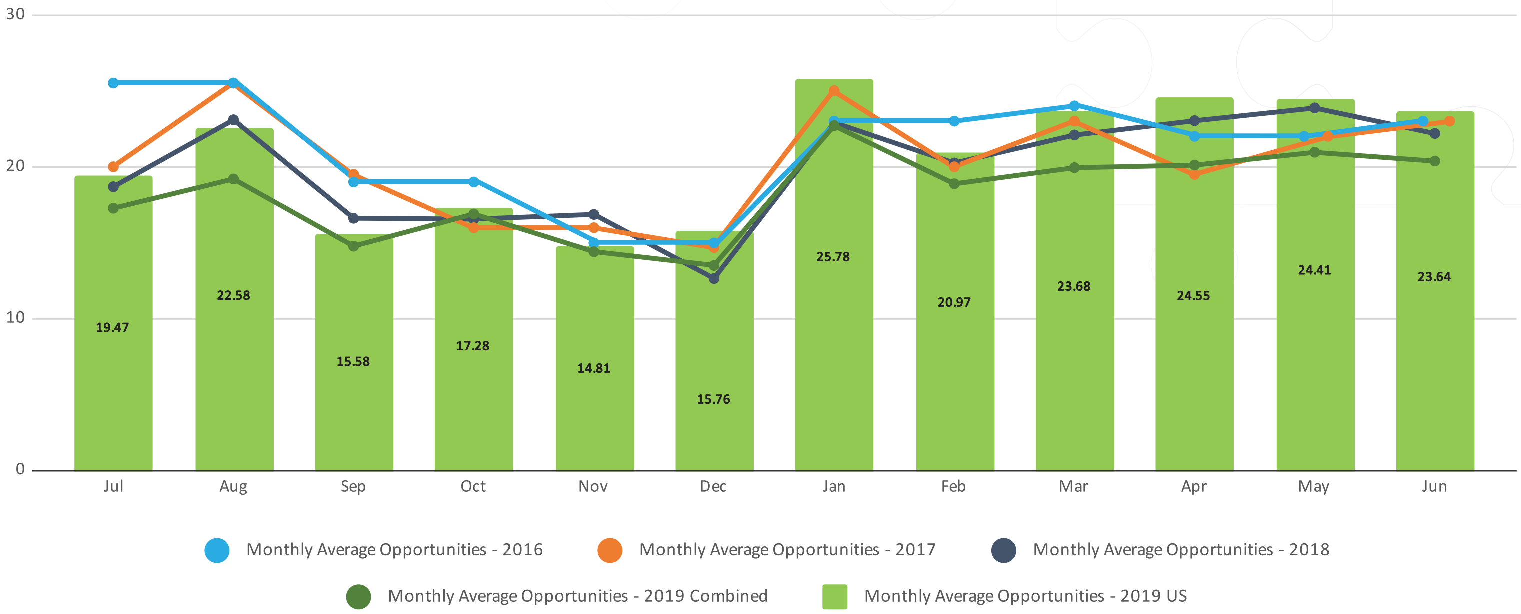
2017 MONTHLY AVERAGE OPPORTUNITIES - 20.80

2018 MONTHLY AVERAGE OPPORTUNITIES - 20.41

2019 COMBINED MONTHLY AVERAGE OPPORTUNITIES - 18.28

2019 US MONTHLY AVERAGE OPPORTUNITIES - 20.76

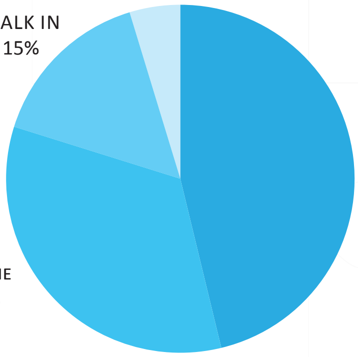
2019 AU MONTHLY AVERAGE OPPORTUNITIES - 13.90



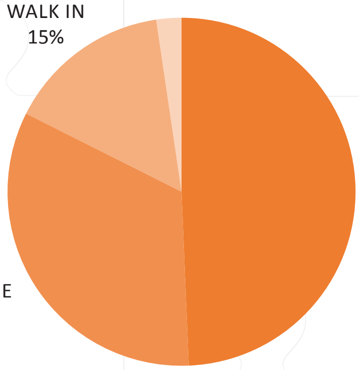
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Monthly Average Opportunities - 2016	25.50	25.50	19.00	19.00	15.00	15.00	23.00	23.00	24.00	22.00	22.00	23.00
Monthly Average Opportunities - 2017	20.00	25.50	19.50	16.00	16.00	14.70	25.00	20.00	23.00	19.50	22.00	23.00
Monthly Average Opportunities - 2018	18.69	23.09	16.62	16.56	16.87	12.66	22.91	20.25	22.09	23.03	23.87	22.19
Monthly Average Opportunities - 2019 Combined	17.28	19.20	14.78	16.90	14.42	13.52	22.71	18.88	19.94	20.11	20.95	20.38
Monthly Average Opportunities - 2019 US	19.47	22.58	15.58	17.28	14.81	15.76	25.78	20.97	23.68	24.55	24.41	23.64
Monthly Average Opportunities - 2019 AU	13.41	13.23	13.38	16.23	13.75	9.61	17.21	15.16	13.28	12.19	14.78	14.55

LEADS BY INQUIRY TYPE

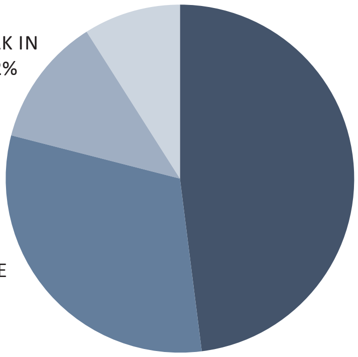
In 2019, there was a significant movement towards more leads coming from the web and less from phone calls. This held true in both the United States and Australia, although Australia had a bit more diversity in how leads were being received. This points to the importance of having a great web presence and making it easier for parents to inquire for more information and schedule tours directly from your website. Below is a display of leads over 2016, 2017, 2018 and 2019.



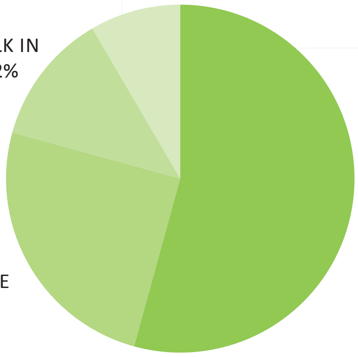
2016	Web	Phone	Walk In	Other
Avg. Per Location	8.25	6.00	2.76	0.84
Yearly Average	17.85			



2017	Web	Phone	Walk In	Other
Avg. Per Location	8.89	5.96	2.75	0.42
Yearly Average	18.02			



2018	Web	Phone	Walk In	Other
Avg. Per Location	8.38	5.37	2.14	1.46
Yearly Average	17.35			



2019 - Combined	Web	Phone	Walk In	Other
Avg. Per Location	9.66	4.45	2.19	1.50
Yearly Average	17.80			

2019 - US	Web	Phone	Walk In	Other
Avg. Per Location	11.24	5.20	2.20	1.45
Share of Lead Source	54%	25%	12%	9%
Yearly Average	20.10			

2019 - AU	Web	Phone	Walk In	Other
Avg. Per Location	6.83	3.09	2.17	1.57
Share of Lead Source	50%	23%	16%	11%
Yearly Average	13.66			

12 MONTH CONVERSION RATES

Conversion rates continue to improve year-over-year. ChildCareCRM users have improved their usage of the system and incorporated more of the best practices being shared. Over the past four years, New Leads to Tours Completed have improved from 50% to nearly 65% and New Leads to Registered have increased from 23.5% to nearly 32%. If you include those Wait Listed along with Registered, New Lead conversions have improved from 30% to 50% over that time.

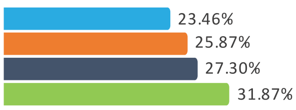
New Leads to Tour Scheduled

Tour Scheduled to Tour Completed

New Leads to Tour Completed

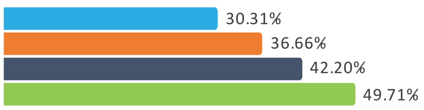
Tour Completed to Registered

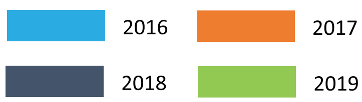
New Leads to Registered



Tour Completed to Registered or Wait List

New Leads to Registered or Wait List





ChildCareCRM

AVERAGE USAGE STATISTICS

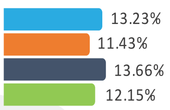
Usage statistics help you understand how well users are obtaining certain information and staying on top of their leads. Leads that have a follow up task are at their highest level in four years, and those that are past due are close to their lowest levels. There is still improvement to be made, but things are trending in the right direction.

Leads that do not have child information on them are on the right track and at their lowest levels in four years which is important in making sure valuable information is captured around age group demand, booking patterns and expected starting dates.

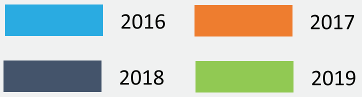
Children past their start date have ticked up since last year and a better job needs to be done to make sure that proper actions have been taken to maximize enrollment opportunities or keep the statuses updated.

Leads with a Next Task

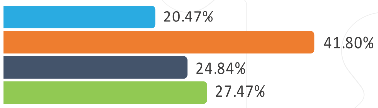
Tasks that are Past Due



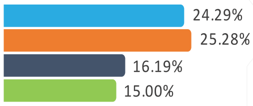
Children with a Start Date



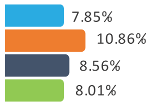
Children Past their Start Date



Leads without Children at Contacted Status

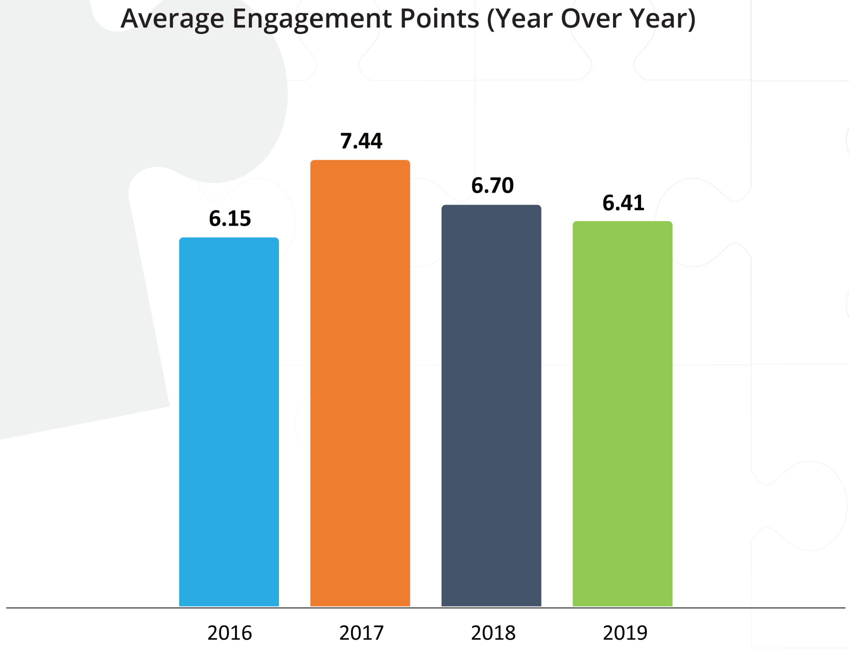


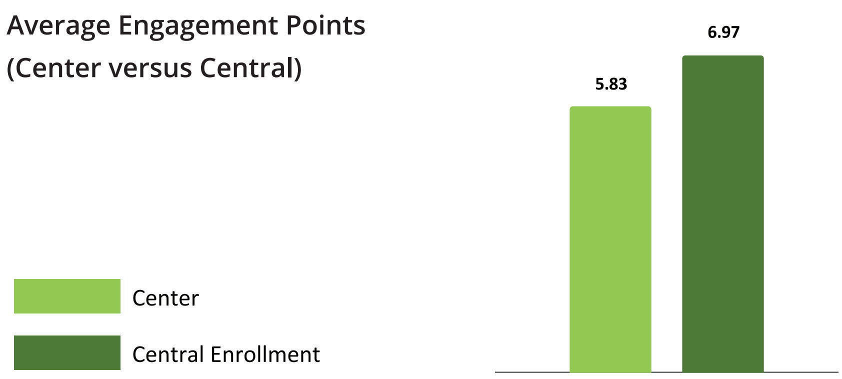
Leads without Children at Tour Completed Status



AVERAGE ENGAGEMENT POINTS

Average engagement points have remained relatively stable over the past four years at around 7, which is the sweet spot in this industry. It is important to make sure there is the proper amount of continuing engagement with leads to get them to tour and then convert them to enrollment. While this number can vary, you can assume that a location that has an average engagement of 3 is not effectively engaging with a lead in comparison to a location whose number is 8 or 9. More often than not, engagement equals enrollment.

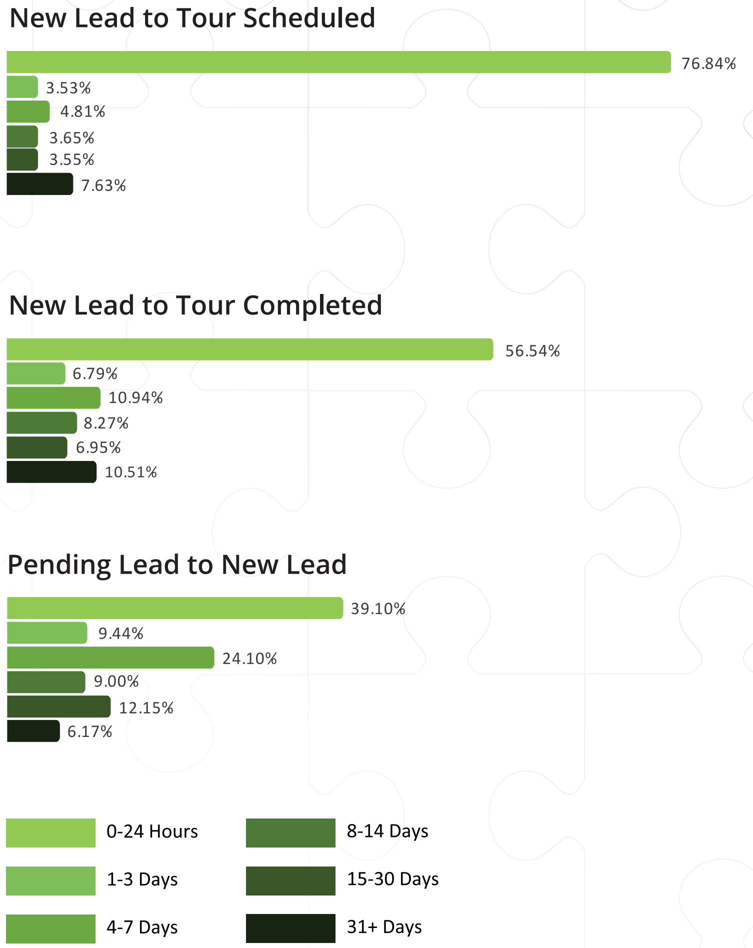


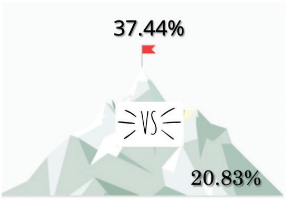


ChildCareCRM

FASTER ACTION… BETTER RESULTS

Quick action equals results and the numbers around the timing of scheduling tours and getting them completed has a significant impact on the ability to convert opportunities into registrations. The top 20% of customer locations had scheduled 85% or more of their tours within the first 24 hours versus 70% or less for the bottom 20%. The difference in tours scheduled was nearly 30% (88.61% versus 59.02%) with New Lead to Registered conversion rates an astounding 16.61% between the two groups (37.44% versus 20.83%). Using average annual opportunities, conversion rates, and value of a child, this translates into a growth of over $410,000 in annual revenue per location. The primary impact derives from getting tours scheduled and completed faster with a lesser, but meaningful, influence from the post-tour experience.





167 Annual Average Opportunities

16.61% Difference → **27.74 Additional** Children Registered

= **$15,000 Average Annual Tuition per Child**

$416,100
Total Value Added per Location

Top 20% versus Bottom 20%

How does faster response time influence new lead registration?

16.61% difference in Registration Rates from New Lead between Top & Bottom 20%

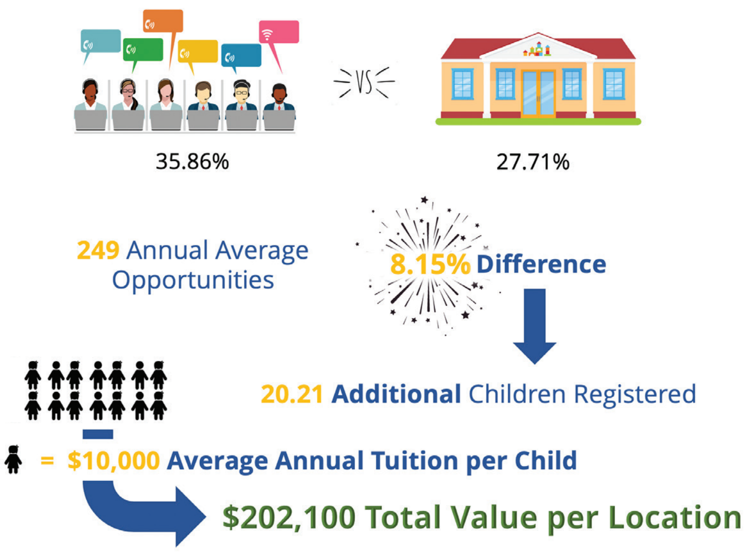
CENTRAL ENROLLMENT EFFECT

More and more organizations are starting to have dedicated resources to manage their leads by utilizing a central enrollment team, or at least a person specifically allocated to the task, with the primary focus of getting tours scheduled as fast as possible. Those that did had an average increase in enrollments of 8.15% with New Lead to Registered conversion rates of 35.86% for central team lead management versus 27.71% for location-based lead management. There are improvements all the way across the sales cycle and there is a significant return on any investment made in those resources.

Central Enrollment versus Center-Based Parent Engagement

How does faster response time influence new lead registration?

8.15% difference in Registration Rates from New Lead for Central versus Location engagement of parents.



CONVERSION RATES BY ORGANIZATION SIZE

Conversion rates tend to improve the larger the organization. Based on the conversion rates below, we are led to believe that, since larger organizations tend to use more central enrollment teams and have more marketing resources, their results are better. This is not universally true, but the trends are visible. Smaller organizations can have similar results if they embrace the best practices surrounding the use of ChildCareCRM and the findings herein.

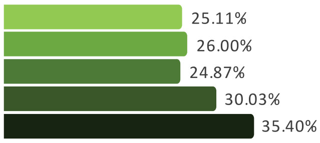
New Leads to Tour Scheduled

Tour Scheduled to Tour Completed

New Leads to Tour Completed

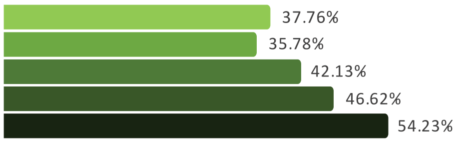
Tour Completed to Registered

New Leads to Registered



Tour Completed to Registered or Wait List

New Leads to Registered or Wait List



NOTES:

INFO@CHILDCARECRM.COM 1-866-306-1985