

It takes an entrepreneur to raise a child

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By Richard Miniter

ALEXANDRIA, Va. — Hillary Rodham Clinton, author of now-famous book "It Takes A Village," is focusing the spotlight on day care. For while day care allows mothers to work, it doesn't keep them from worrying about the quality of care their children are receiving.

One approach advocated by the first lady is to demand a national dialogue on day care, a move expected to culminate in a wave of licensing and regulation of day-care providers.

Another approach is to talk to clever entrepreneurs, like Rosemary Jordano, who are already improving the quality of corporate child care _ without the help of the nanny state.

Helping children and their parents has been Rosemary Jordano's personal mission for more than decade.

After graduating from Wellesley College, she started work as an investment banker at Merrill Lynch & Co. "I knew it wasn't the right thing for me on day one," she says.

Within a year, she was accepted into Oxford University's prestigious program on early childhood development.

She studied day-care facilities in both the United Kingdom and United States. "The conditions were appalling," she says, ticking off their shortcomings: too many unqualified teachers, too many children per class, weak academic programs, dismal and unhealthy classrooms.

"They just weren't the best places for children," she says.

Convinced that "business is the perfect vehicle for social change," Jordano enrolled in Stanford Business School.

Near graduation, she went to see a business professor with a plan to provide the world's best possible child-care facility: qualified teachers, small classes, demanding curriculums, safe and pleasant classrooms.

"Rosemary, this is not a business. This is a social service," she recalls her professor saying dismissively.

She vowed to try anyway.

After business school, she opened a child-care facility in Waltham, Mass., a suburb of Boston.

She soon realized why so many child-care facilities were so poor. Parents wouldn't pay enough to enable Jordano to hire top-quality staff. Without any other source of funds, she had to keep class sizes large just to break even.

"You know day care is the only educational facility in the world that doesn't have an endowment?"

It is 100 percent dependent on tuition," Jordano says.

Another problem: limited growth potential. Eighty percent of parents prefer to trust their children to nannies, spouses or relatives and avoid day care.

Then inspiration struck: What if employers paid instead of parents? And what if services were provided to the 80 percent of parents who avoid day care? (What do they do when the baby sitter calls in sick or the school closes for a "snow day?" Employers know only too well.)

With this in mind, Jordano started Children First Inc. to provide "backup child care" for corporate employees in December 1993.

She sold the idea to law firms, banks and corporations with a simple pitch: Keeping employees at work (rather than filling in for the baby sitter) was good for the bottom line.

She promised her clients that her services would improve morale, boost productivity and help recruit and retain valuable employees.

She delivered. The average Children First client sees a return on investment within two months.

The revenue has enabled Jordano to hire and keep a highly trained staff, 68 percent of whom have master's degrees.

Staff turnover is low. Children First replaces only 10 percent of its employees per year, compared with an industry turnover rate of almost 50 percent.

She pays her staff one-third better than the industry average and provides opportunities for promotion and more education. Competitors are now forced to meet Children First's high standards or go out of business.

Jordano, 34, has 12 centers in six cities (Boston, New York, Los Angeles, San Francisco, Chicago and Jersey City, N.J.) and more than 9,500 children registered. Three more centers are in development.

Children First is changing the lives of some of its customer's employees.

One woman from NationsBanc Montgomery Securities, an investment bank, recently had to travel from San Francisco to New York and then to Boston. She was able to take her child to each city and leave him at a Children First facility each time.

An attorney was able to take her three young children on a business trip from Chicago to Los Angeles because she knew there was a Children First facility there.

"So many of us have our professional and personal lives in such a fine, delicate balance that one thing off can throw us into a tailspin. Why should families have to experience that stress?"

Jordano asks.

Recently, a student of Jordano's nay-saying former professor arrived at Children First to do a case study.

When the student completed the study, she asked, "So, professor, what do you think now?" And he said, 'So I was wrong.' I felt so vindicated!" Jordano exults with a laugh.

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