



Kids & Company

Cost-Effective Benefits Plan
Supports Kids & Company Growth



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Kids & Company is a unique early childhood learning environment that partners with some of North America's largest and most recognizable businesses to help promote work-life balance while providing the quality care needed to make life-long learners of corporate "munchkins."

Such a unique childcare environment fittingly needs to recruit and retain top talent, which is why founder and CEO Victoria Sopik, a life-long entrepreneur and mother of eight, turns to employee benefit experts EBi and People Corporation for help.

"As a company that prides itself for caring for other people's children extremely well, one of the things we have going for us is our ability to attract top talent," Sopik said. "We want to have the best available teachers and they have lots of options available. So it's important we are seen as an employer of choice by offering things that other childcare businesses do not."

A photograph of four children in a classroom. A girl in a yellow shirt is jumping in the air with her arms raised. A boy in a patterned sweater is leaning forward on the right. Two other children are on the left. The background features a wooden ladder and a wall with a clock and colorful square decorations.

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The challenge: retaining top talent amid growth

In an industry where there are more jobs available than talent, and with a mandate to pick the top talent, Sopik felt Kids & Company needed to up the ante on employee benefits, an area she says is often lacking in the childcare education sector. "It's more unusual than usual to have benefits," she said. "And in our case we cover 100 per cent of the cost."

Recruiting and retaining top talent can be difficult for any business, but Kids & Company has also seen rapid growth in Canada and the U.S. of between 25 and 30 per cent year-over-year. While this helps differentiate the company for employee prospects and their existing staff of 1,500—showcasing a greater opportunity for career growth and advancement—it also can drive up the cost of benefits.

As a further consideration, in some regions Kids & Company employees are unionized, so corporate benefits are affected by and need to be rolled into their collective agreement. As the company's staff grew to better support its growing customer needs, Sopik recognized they would further benefit from a better system to manage the changes in part-time, full-time employees.

The solution: high-touch, affordable benefits

"We want it to be easy for them in every way," she said. "For example, if they fill a prescription we want it to be a system where they don't have to pay and be reimbursed."

A self-professed "customer-service freak," Sopik recognized that to help ensure employees maintain the highest degree of customer care that she and her team need a benefits program that mirrors that high-touch level of respect and care. To find it, Sopik turned to EBi in 2008. EBi partnered to bring to Kids & Company strategies that met its needs, but also afforded room to continue growing and evolving.

"We're unique, we provide excellence and we expect excellence. EBi and (its partner) People Corp. brought that to us and continue to."

"You're just shifting costs around"

Temporarily cutting costs from benefits can be easy by shopping around for promotional offers from carriers; however, those loss-leading marketing activities are recouped later. Similarly, savings could be found by putting greater financial onus on employees, an unacceptable option for Kids & Company.

"I would argue those aren't even cost savings," said John Shoniker, vice-president of Integrated Solutions at People Corp. "You're just shifting costs around."

Instead, EBi and People Corp. investigated program efficiencies to provide greater value to Kids & Company employees while cutting costs for the business. Although investigating all options, they found a savings of approximately seven per cent and annual savings in the range of 18 per cent without changing insurers.

In order to help do this, the firms changed Kids & Company to a more accountable financial platform that included refund accounting. In such a system if there's a deficit the insurer absorbs some loss and increases fees the following year; however, any surplus is given back to the company at the end of the year.

"Because of the changes we've made for Kids & Company, we've been able to refund money to them during surplus years rather than the insurance provider keeping it," said Serge Gingras, vice-president at EBi. "Anybody can shop around and save 10 to 15 per cent in the short term. We'd rather save it by making it accountable and give the right price. It's about providing value for money and that brings long-term success 100 per cent of the time."

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More than just numbers

The relationship between EBi, People Corp. and Kids & Company has moved beyond simple cost-savings to find greater opportunities for all organizations.

To continually support Kids & Company's ever-growing needs, Sopik, Shoniker and Gingras meet periodically to review industry trends and new options that become available. New opportunities and changes to the plan are focused on through the lens of Kids & Company's business needs.

"It's paramount for us," Shoniker said. "It goes hand in hand with our approach to strategic counsel, because data without direction is useless."

An opinion echoed by Gingras. "Our relationship has grown," he added. "We've all become closer and more familiar with each other's business needs, and we meet regularly and exchange ideas and potential other leads that we might be able to help with. There's a mutual respect and exchange of ideas. We have those on top of our renewal meetings."

Four years ago, they developed a plan to offer Kids & Company corporate memberships to EBi and People Corp.'s client base, giving them access to the educator's services, as a value add to all three organizations and their clients. Sopik attests to the unique overlap that exists between the corporate clients of the organizations to make this unique partnership very sensible.

It highlights the mutual respect and trust between the three organizations. "We're not in it for a year of business," Shoniker said. "We're in this business for long-term relationships."