

# CALCULATE THE ROI OF CLOUD-BASED SOFTWARE

Swim Schools



Jackrabbit Swim





# DECISIONS

To maintain that feeling of long-term personal satisfaction, smart business decisions are essential. As an example, determining the potential return on investment (ROI) of swim school software management is a smart decision.

Most swim school management solutions have a monthly fee, often based on the number of students. In truth, most of the monthly fees are low even when measured against your current monthly revenue. The greater ROI potential is due to the opportunities the management software offers to increase revenue, profit, and return time.

# COST PER STUDENT



Let's start by looking at the direct cost from expenses compared to monthly revenue. In other words - can you cover the monthly cost of the management software? The monthly fee to use professional management software for the smallest school averages less than \$2 per student. For even the newest of school owners, it's very affordable.



## Average Revenue and Cost Per Student by Length of Time in Business

Time in business	# of students	Monthly fees per student	Total monthly revenue	Monthly software fee (example)	Cost per student
New	25	\$35	\$875	\$45	\$1.80
Average	150	\$60	\$9,000	\$85	\$0.56

(Data based on averages from Tututix's Software Survey - 2019)

You can see what a low-cost barrier there is to getting started with a swimming center solution. But to see how high your ROI could go, you need to understand how management software cuts hard costs, increases revenue opportunities across all areas of your business, and returns time back to you.



“Every concern that I had vanished after trying the system out. That’s what is great about the free trial that Jackrabbit offers. It’s your data set up like you would really use it. After our ‘test,’ I knew that putting online registration in place for our school would be a game-changer for our operations.”

~ Kelly Gaines,  
Charlotte Aquatics

# SAVE MONEY

with swim school management software

You’ll experience two types of cost savings. First is saving on direct costs — money that’s flowing out of your pockets right now. The second way is saving on opportunity costs. That is, recapturing money and time you currently spend on manual tasks to invest in opportunities that grow your swim school.

Without swim school management software, nearly all your day-to-day tasks are probably being done manually. Either you are doing them (your biggest opportunity cost), or you’re paying someone else to do them (direct cost). Let’s look at some of your most substantial management tasks:

Task	Without Specialized Software	With Specialized Swim School Software	Direct Savings	Opportunity Cost Savings
Collecting and managing family and enrollment information	You and/or staff spend hours each day getting information from parents, entering it into a spreadsheet, managing changes	Parents self-serve through online enrollment portal	Save labor costs by reducing staff hours	You can invest more of your time in higher value tasks such as professional development, customer service, or marketing
Monthly bookkeeping	Either you or a bookkeeper manages the books	Integrating swim school management software with QuickBooks Online® or Desktop for Small Businesses to automatically share data	Replace monthly fees to the bookkeeper (avg. monthly cost for part-time bookkeeper - \$400-\$8001); with the monthly fee for QuickBooks, between \$17-\$60 a month  Eliminate the hours you spend on bookkeeping	You have more time for inspirational tasks such as training and coaching, and for income growth such as business development
Depositing payments	You or staff spend hours depositing checks and/or manually processing individual credit card transactions	Set up monthly recurring credit card payments Parents can make specific payments as needed through the parents' portal	Save labor costs by reducing staff hours Improved cash flow, so you operate less on credit, which is expensive	Have more cash on hand to respond to business development opportunities as they arise and to support critical business decisions
Following up on late payments	You have to investigate which families are overdue and for how much; then follow up with uncomfortable emails, calls, and talks	Financial reporting tools clearly show you and families what's owed  Automates email follow ups for missed payments  Parents pay directly through the online portal (saves them time too and they love it)	Improves cash flow Improves parent relations  Frees up your time	Still more time is freed up for possibly training new instructors, developing new classes, coaching for competitions
Hour tracking for payroll	Staff manually track hours and send them to you or an admin Hours get entered into the payroll system	Automatic time tracker lets staff clock in and out; accurately capturing actual time worked in real-time	More accurate labor costs, as manual hour tracking often results in over-paying for labor	Hire more instructors and increase class offerings to appeal to newer students, or keep current students engaged and growing in their mastery

1 Part-time bookkeeper costs sourced from: [www.growthforce.com/blog/how-much-bookkeeping-services-cost-small-businesses](http://www.growthforce.com/blog/how-much-bookkeeping-services-cost-small-businesses)

# Automation Pays

Other ways swim school management software reduces the effort in hours you and your staff have to spend on non-revenue generating tasks include:

- Streamlining class and staff scheduling
- Using an online parents' portal to share announcements and valuable information, so parents can self-serve instead of calling and emailing you or your staff

Eliminating all the hours spent on manual tasks that can be automated gives you the most significant ROI in recovered opportunity costs. You and your staff can use your newly recovered time and energy to focus on high-value work that attracts more students and increases your swim school's reputation and reach.

# FOCUS



# PROFITABILITY

Use swim school management software to enhance revenue and profitability.

After cutting costs, you have two main levers for increasing your center's profitability:

- Maximize the average lifetime value of your students
- Minimize the cost to acquire new students

## **Maximizing student average lifetime value**

Loyalty is critical to maximizing average lifetime value. The longer a student learns with you, the more revenue they generate for your swim school. Loyalty is earned through the quality of your services and the excellence of your students' and families' experiences.

Providing exceptional swim training and coaching — that's all about you and your instructors.

Providing an exceptional swim school experience — specialized management software can help with that.





A photograph of a swimming pool with blue water and red and white lane lines. The text 'INCREASING REVENUE' is overlaid in large, white, bold, sans-serif capital letters.

# INCREASING REVENUE

The right software platform directly improves customer service through the online parents' portal that lets parents enroll their students in classes, make payments, and stay current on announcements. Mass communication tools like group emails and texts get parents urgent reminders and even emergency updates when needed. Personalized communication tools help you update parents through the parents' portal when their students learn a new skill or have an upcoming performance or competition.

## **Cashing in those recovered opportunity costs**

With the time and energy a system saves you, you can get creative about how to provide added-value services to your families – the sort of services that set your swim center apart from all the others.

For example, you can roll out a comprehensive onboarding process for new students and families, which makes them feel welcome, integrates them quickly into your community, and teaches them how to navigate both the portal and the swimming world confidently.

You can also cash in some of that newly found time using the best communication tool – quality face time with parents and students!

“Having the functionality for a parent to look at the website or customer portal allows us to have more time with customers instead of entering data.”

~ John Kirk,  
Little Otter Swim  
School

# MINIMIZE COST

## **Minimize cost of acquiring new students**

How much effort does it take you to find new students for your school? Without an active marketing strategy, it's nearly impossible to create a cost-efficient pipeline of potential students to grow your business. Yet marketing projects so often sit on the back burner, if they happen at all! They're hard to get to when you're feeling overworked or overextended. Not to mention finding the time and money needed to do truly effective marketing.

With the software automating and simplifying most of your admin work, you can use that newly found time on the high-value work of networking and marketing. You can learn more about your local market and competition to find out what messages will make you stand out along with discovering what marketing really works well!

Last, a secondary benefit to inspiring customer loyalty, as discussed above, is that you're also creating a band of roving ambassadors who refer their friends and promote your school because they've had such remarkable and memorable experiences.

# CRUNCH NUMBERS

## Understand the Formulas

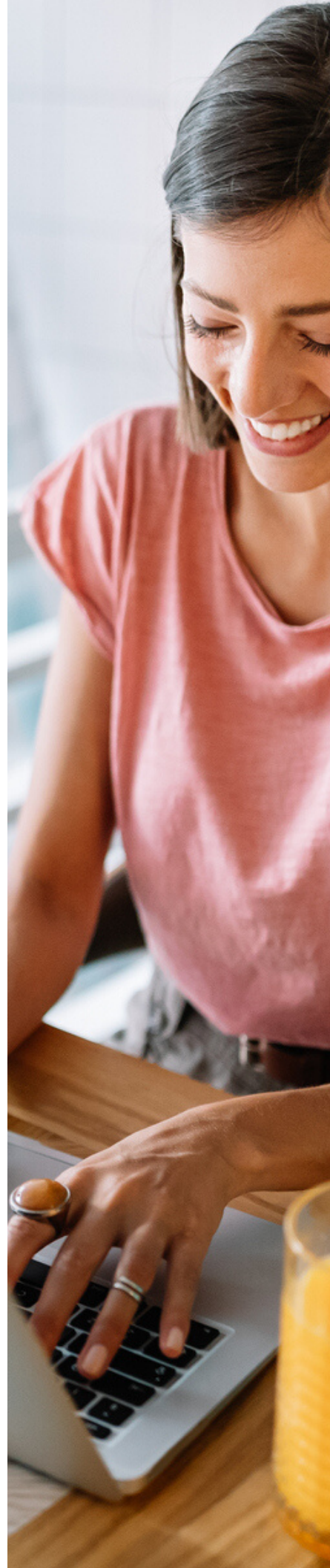
Now you see the two tracks swim school management software provides towards greater profitability: reducing costs and improving opportunities to increase enrollment.

Here are some variables you can use to quantify your cost savings — compare the pre- and post-implementation numbers:

- Your hours spent on admin tasks
- Admin staff labor costs
- Bookkeeping costs
- Software fees (software, accounting, payroll)
- Loan and/or credit card interest and fees
- Electronic payment processing fees

Here are some formulas you can use to determine your average student lifetime value (LTV) and the cost to acquire a new student. These formulas may be difficult to run before you've started using the software, but try to get a baseline at the start. Then use the system's financial analysis tools to recalculate every three to six months to quantify the changes and see the trends:

[JackrabbitSwim.com](http://JackrabbitSwim.com)



“ We see registrations coming in at all hours and we are proud to be able to offer our customers this 24/7 service.”

~ Cindy Tonnesen, Swim Kids

- Average LTV of student = [average class or monthly fee x average number of classes taken or months with your gym] + average product sales revenue per student + average per student non-tuition or other revenue

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### Lifetime Value of a Student An Example

\$61	(avg. monthly class fee per student)
x \$60	(total months of classes per student)
<hr/>	
\$3,660	(total tuition)
+ \$1,200	(product sales over 60 months)
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\$4,860	(subtotal)
+ \$1,500	(private coaching over 60 months)
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<b>total \$6,360</b>	(lifetime value of a student)

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- Average Student Acquisition Cost (SAC) = annual swim school management software subscription divided by the number of new students enrolled

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### Student Acquisition Cost

\$1,020 annual software subscription costs  
÷  
40 new students enrolled

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**\$25.50 per student (student acquisition cost)**

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# SUMMING IT UP

Looking at these averages, this school earns nearly 250x more in revenue per student than it paid to acquire each student using professional management software. You can quantify your reduction in admin costs. You can track how much more quickly you get payments into your accounts.

The real gold shows itself when you quantify the increase in per student revenue (their lifetime value) and you see how it dwarfs what you spend on the software that supports your swim school.

## **There's no roof on the ROI you can see from your swim school software management system**

The initial investment of a management software's monthly recurring fee is a minuscule portion of your operating costs. Even with its low cost, the more enticing benefit of professional management software is the quantifiable opportunities it creates for you to be able to increase enrollment, non-tuition revenue, and your gym's profitability.

# TAKE THE PLUNGE

The revenue increases you can experience by streamlining and expanding operations with a professional swim school management software system aren't incremental — they are exponential!

A Jackrabbit coach can provide you with a customized demo of the Jackrabbit Class software to show you exactly where your immediate cost savings and revenue opportunities are.

The image shows a hand holding a tablet displaying the Jackrabbit Class software interface. The screen displays a dashboard with various charts and a table of family data. A callout bubble on the right says "Schedule a Customized Live Demo today!" and a cartoon rabbit character is at the bottom right.

*Schedule a Customized Live Demo today!*

LOC	FAMILY	BALANCE	STATUS	ADDRESS	CITY	STATE	ZIP	PHONE
	Herwitz	\$5.00	ACTIVE	764 Thunder Gate Crossing	Anytowne	AZ	854321	321-654-0987
ABC	Dorwart	\$5.00	ACTIVE	1096 Lazy Forest	Anytowne	AZ	654321	321-654-0987
ABC	Carder	\$5.00	ACTIVE	1550 Shady Anchor Passage	Anytowne	AZ	654321	321-654-0987
OC	Bator	\$5.00	ACTIVE	524 Cinder Mountain Corner	Anytowne	AZ	654321	321-654-0987
	Dokids	\$5.00	ACTIVE	1397 Hidden Subdivision	Anytowne	AZ	654321	321-654-0987
	Culhane	\$5.00	ACTIVE	945 Broad Pony Vista	Anytowne	AZ	654321	321-654-0987
	Baptista	\$5.00	ACTIVE	1184 Silent Rise Bank	Anytowne	AZ	654321	321-654-0987
	Kenter	\$5.00	ACTIVE	1920 Honey Wagon Campus	Anytowne	AZ	654321	321-654-0987
	Herwitz	\$5.00	ACTIVE	690 Green Sky Wind	Anytowne	AZ	654321	321-654-0987