

Childcare/Early Years Education Providers: Creating a Business Plan Factsheet

Key points to consider when writing a business plan:

- keep it simple and concise
- presentation is extremely important - Type onto a professional computed document such as Word.
- ensure that the important information stands out and is not hidden amongst all the words
- use bullet points or short sentences / paragraphs wherever possible
- be objective and realistic.

Items to include when writing a business plan:

Executive summary

An overview of your business, what you want to achieve, how and by when.

Make it brief and concise, you can go into detail in later sections.

Include:

- the name of the business - it should be easy to remember, may describe the type of business and should convey the image of that which you wish to be associated with the business
- a description of what the business will do, in a very general sense
- a brief description of how your business will achieve what it wants to do
- identify its distinguishing characteristics and how it will differ from any local competition- summary of the type of day care you will offer, how many places you will offer, the age range you will cover, your location, the geographic area you will get your children from and a brief breakdown of charging structure
- what you have done so far, what “milestones” you still need to complete and an idea of when you hope to achieve these targets
- give an indication of the starting date of your business.

Objectives

- long-term objective of the business and how this is to be achieved by splitting the long term objective into short term SMART goals
- short-term goals should be for a period of no more than a year.
- you should set enough goals to ensure that you can meet your objectives, but to ensure that you can keep track of them, there will probably be no more than half a dozen

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- you must ensure that you regularly monitor and review your efforts against these goals.

The market

- who will use your services?
- who you are going to target, and why?
- do not only be subjective, have hard evidence and statistics
- try to get demographic data (information on the ages of people in your chosen area) from your local council, get other local data from your library or try the Internet
- how will you attract customers?
- what needs are you meeting, are you in a convenient location, will you have good premises and equipment, do you have a good reputation in the area or is it that you can offer good qualifications and experience in childcare?
- strengths and weaknesses. For weaknesses show how you will overcome them. Highlight and expand on your strengths
- carry out market research
- visit competitors.

The service

- sell your service - build on your market research to show there is a need for your service. Highlight all your strengths
- give a description of exactly what you will provide, where you will provide it and how you will provide it
- include information on the age range you can accommodate, how many sessions and at what times these sessions are. List your fees, including registration and session charges, and when these are payable
- brief description of your facilities, who owns them and if applicable the type and length of any lease or details of hire contracts
- List what you can / hope to provide.

Promotion

- include any promotional literature, including brochures in the appendix
- create an image, which is easy to associate with your business and which you will use to attract attention
- describe your proposed campaign including what advertising media you will use (local newspapers, parish magazines, leaflets, posters, local radio or cinema)
- list any public relations exercises, for example holding open days for parents, free or reduced rate sessions as tasters
- ask a local dignitary or personality to attend the opening to attract the local press.

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Management

Give brief details of the backgrounds, experiences and length of time in the industry of the people who will be running the business. If you employ a manager or supervisor include them in this section, along with any other key staff. Include information only relevant to your business, for example only put in qualifications and previous employment that directly relate to the business.

Operational details

Describes objectives for one and two years and beyond, depending on the complexity of your childcare venture. Then highlight how the business will operate by giving a description of it's:

- legal structure – sole trader, partnership or limited company
- premises

Financials

This section contains all the details about the finances of the business, and must show where all your anticipated income will come from and what expenditure you will have to make.

Probably the most important document for your business is the cash flow forecast. This is simply a record of when you think you will receive cash and when you will have to pay it out and should be completed by anyone who runs a business.

You may also be asked to supply an Income and Expenditure Account (or Profit and Loss Account).

Appendices

This section contains any additional information and examples that do not fit neatly into the main plan – and interrupt the flow of the person reading it.