

Advice for your childcare business

Business Planning



Why have a business plan?
Businesses evolve and are constantly subject to change and progress. Business planning is therefore an essential process that helps you to react to challenges, and adapt to new circumstances. Having a good business plan will enable you to identify not only where you want your business to be but also how you are going to get there.

A business plan is a working document that should be re visited at regular intervals and whenever any changes occur or are planned. It is also a document that will be used when approaching potential sources of funding.

Your business plan

The process of producing the plan is as important as the plan itself. It will tell everyone involved what needs to be done, why, when and by whom.

When it comes to writing the plan, you can design your own or use the Childcare Development Plan template, available from the Business Team. Before you start you must consider who is going to read it and what they need to know.

What to include

Executive summary

The executive summary needs to contain all the information necessary for the reader to understand what your business is and what



your plan is for the future, but without the evidence and detail that you will include in sections which follow.

It is the first, and sometimes the only, section that people read. For this reason it is the most important, and will be written last, after you have completed the rest of the document.

Background

Provide a brief history of the business containing details of legal status, the main activities of the business and an explanation of the structure of the organisation, including key staff. A summary of income and expenditure from the last financial year should be included.

If your business is already established you may want to see whether the legal status that you have chosen is still the most appropriate for your business. If your business is a new venture you will need to consider a number of factors before deciding on your status. Your childcare business adviser can provide information to help you decide.

Aims and objectives

In this section you need to identify your aims and objectives. Your aims outline what you want to achieve as a business. An objective breaks down the aims into the steps you need to take to reach your goals.

For example you may want to increase occupancy and need to identify what steps you will need to take to achieve this. These steps are your objectives.

When considering your objectives it is useful to try to make sure they are SMART. This stands for:

- **S**pecific
- **M**easurable
- **A**chievable
- **R**ealistic
- **T**imebound

Your service

Describe in detail the childcare services you will offer. Market research will help you to identify the potential gaps in the market and you will be able to decide exactly how you might tailor your services in the future. A SWOT analysis is a useful tool here to help you to decide on the detail of your operation. (See over.)



Work programme

Explain the daily operation of your business and set out a programme of the key tasks you need to deliver your service. This should include both the financial and human resources required.

When considering the work programme remember to set realistic time scales and allocate each job to a specific person. You should also set down how you will monitor progress towards the aims and objectives.

Staffing

The recruitment and retention of appropriately qualified, high quality staff is essential to the success of your childcare business. For further advice contact the Recruitment and Retention Team on careersinchildcare@surreycc.gov.uk. ACAS also provides useful advice on employment and the law.

Local market

In this section you should paint a picture of the

local childcare market in terms of both your potential customers and also your competitors. This information will enable you to plan effectively with a clear idea of where you fit in to the existing market. Another sheet in this series, entitled 'Market Research' gives further information on finding out about the local childcare market.

Marketing

Effective marketing is one of the essential tools that will help you to become a sustainable childcare business, fill current childcare places and continue to attract new customers in the future. Another sheet in this series, entitled 'Marketing' gives more information on planning your marketing effectively.

Resources

In this section you will need to identify the financial and human resources that you will need to achieve your goals. The most effective way to achieve this is by setting a budget and monitoring how closely you stick to it. (See financial management sheet.)

If you are setting up a new childcare business you will need to work out exactly what equipment you will need.

The Inland revenue are a useful source of advice. Their website is www.hmrc.gov.uk.

Legal obligations

You will need to ascertain that all legal requirements are met. These might include Ofsted registration, public liability insurance, employers liability insurance, lease or premises agreement, planning permission, registration with Inland Revenue.

Contingency planning

This is a risk assessment process, which should highlight anything that might go wrong and a brief summary of how you would deal with this. This is your opportunity to identify any possible problems that might affect your plans. This could include the possibility that expenses might be higher than predicted or that fewer children will take up places. You should also consider what would happen if your personal circumstances were to change.



Using SWOT analyses

SWOT analyses can be useful tools to help you to focus on challenges or decisions that are facing your business. By identifying the strengths, weaknesses, opportunities, and threats, you can gain insight into which direction your business might take. A SWOT analysis may help you to see how you can change your weaknesses into strengths and if you are aware of potential threats you can take action to counter them. It can also be helpful to give this exercise to others to gain a different perspective. Staff and colleagues are often more supportive of plans if they have been involved in their development. The subject of the analysis can be anything that is relevant to your business.

Strengths

Weaknesses

Opportunities

Threats

Further advice

For further advice regarding writing a business plan, contact your childcare business adviser on: 01372 833833 or email: childcarebusinessadvice@surreycc.gov.uk



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