**Business plans**

The idea of creating a business plan tends to strike fear into most people but it should actually be viewed as an interesting and useful management tool.

**What is a business plan?**

A business plan is simply a document that shows what your organisation is intending to do over a specific period of time – normally 2- 5 years. A business plan could also be called a *development plan* or a *project plan*.

**Why have a business plan?**

One of the main reasons for the failure of small businesses is the lack of planning and contingencies. Producing a Business Plan enables any small business to:

* Focus on what you are actually doing
* Stimulate creative thinking by involving lots of people
* Challenge assumptions that you are, or are not, meeting your aims and objectives.
* Minimise risk and potential problems
* Avoid making potentially ruining decisions
* Go ahead with a business venture having confidence that there is a direction to follow and clear plans
* Identify actual and potential weaknesses and strengths
* Identify where the business is likely to go and how it is going to get there
* Identify what resources are required
* Establish a list of priorities
* Help to develop action plans
* Help you spot new opportunities
* Provide a means of monitoring and evaluating your progress
* Help to avoid crisis management

In summary the Business Plan will provide the small business with both structure and direction. It is important to assess the environmental factors that may affect the business such as the general state of the local economy and any competition. It is also important to consider the quality of ideas and whether there are the resources and abilities within the business to steer these ideas. The business plan is an essential checking device for business to measure its success.

This type of planning will also enable more effective management of the business and importantly it will show others the direction of the business. Support from others outside of the organisation will almost certainly be needed. This support will not be forthcoming if they are unable to identify clear plans.

**A basic business plan template to support the development and planning to manage a childcare provision**

**Complete your business plan using the headings and bullet points, below, as a guide.**

**Cover page**

**To include:**

* Name and type of childcare provision
* Name of person/group submitting the plan
* Date: plan completed
* Contact details.

**A. Context**

**1. Demand**

* State what the primary motivation for starting the childcare provision.
* Briefly state what the demand for the service is.

**2. Description of Childcare services**

* Describe the type of childcare services that will be provided by the setting. Include:
	+ Anticipated date that childcare services start.
	+ Opening times including days of the week, times and whether or not open during school holidays.
	+ What is the fee structure or cost of the childcare services to the customers / users
	+ Where is the childcare to be based
	+ What are the key activities that the children will be involved in?

**3. Advice and Support**

* Who have you received advice from related to the setting up and running of the childcare. Please state their names, job titles and the organisation that they work for.

**4. Consultation with the Community and other providers**

* Describe what consultation has taken place.
* State to what degree you anticipate your childcare services will place these existing services at risk of closure

**B. Marketing**

**1. Market research**

* State what market research activities have been carried out to prove that there is demand for the service.
* Insert a summary of the results of the market research including: dates of each stage, number of questionnaires distributed, returned and the number of places requested and or booked.
* Please attach a sample questionnaire.

**2. Promotion and Communication**

* State how you will recruit children to the setting
* What marketing activities will you use to promote your childcare services?
* How will you communicate with user on an on-going basis?

**3. Strengths, weakness, opportunities and threats Analysis (SWOT)**

* List the Strengths, Weaknesses, Opportunities and Threats of the childcare services
	+ Strengths: Those things that are positive and within your control such as existing resources etc
	+ Weaknesses: Those things that are negative and are within your control such as limited rooms or outdoor areas to designate purely for Childcare activities.
	+ Threats; Things outside of your control that will have a negative impact on the services such as a large local employer making staff redundant.
	+ Opportunities: Things outside of your control that will have a positive effect on your childcare such as a limited local childcare providers.

**C. Operational Management**

1. **Governance**
	* Describe the proposed governance structure for the provision and plan & time-scales for incorporating this structure.
* If a committee has been formed with monitoring responsibility state who they are, their roles and who they are representing.
* Description of to whom and when they have delegated day to day management responsibility.

**2. Timetable**

* List all of the important milestones that have been or are to be achieved in the development of the childcare (past and future). This should include as a minimum issues related to;
	+ Proving demand
	+ Recruitment and appointment of staff
	+ Promotion of setting to customers – initial and ongoing
	+ Start date
	+ Review meetings of Childcare performance (financial and other)

|  |  |
| --- | --- |
| Date | Action description |
|  |  |
|  |  |

**3. Staffing**

* Briefly outline the childcares organisational structure including line management responsibilities that will apply to the running of the childcare including delivery of childcare session and the business administration functions.
* State what child to staff ratios will be applied to the provision
* Clearly state the job titles, descriptions and specifications, grades and pay scales of each post.
* With key bullet points describe each of the roles.
* State what type of contracts are in place for each of these posts
* State the current position in terms of recruiting these staff.
* If appropriate insert a timetable for staffing.

**4. Premises**

* Describe what premises/ parts of premises are to be used for the childcare.
* If rooms or outdoor areas are to be shared with other users please describe how this will be coordinated including storage, timetabling etc.

**5. Insurance**

* Describe the insurance arrangements that are in place.

**6. Ofsted implications**.

* State whether or not the service needs to be registered with Ofsted.

**E. Finances**

**1. Financial Summary**

* Give a summary of the financial forecast related to the childcare provision including income and expenditure totals for an appropriate time period(s).
* A financial forecast is to be attached clearly detailing all income and expenditure for an appropriate time period in most instances this will be for a minimum of 1 year.
	+ Please note that there are to be clear links between: market research results & anticipated fee income and pay scales & monthly wage costs.

**2. Fund raising**

* Describe what fund raising has or will take place to financially support the childcare.

**5. Financial management**

* Describe how the finances will be managed. Name the person with primary responsibility such as a leader/treasurer.
* State planned the childcare finance review procedures.
* Using the table below state who will be responsible for each of the main finance related areas.

|  |  |  |
| --- | --- | --- |
| **Business Administration task** | **Role**  | **Name(s)** (person or group) |
| Child and Family details |  |  |
| Attendance registers |  |  |
| Invoicing |  |  |
| Debt collection |  |  |
| Payments |  |  |
| Staff – details, wages, leave |  |  |
| Financial record keeping |  |  |
| Financial management – budgets |  |  |