

The Child Care Center Business Plan Workbook

A Tool to Assist You in Designing Your Business Plan

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INTRODUCTION

This booklet is designed to be used as a workbook. There is a two-page business plan overview, followed by workbook pages highlighting each section of the business plan. The intent of this booklet is to help you collect all the information you will need to create a final business plan.

This document was created by a collaborative team to help current and potential child care center owners/managers/directors start up and continue to provide stable and quality child care. The team brought together business consultants and early childhood specialists to develop a plan that will combine best business practices with appropriate care and education of young children.

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THE CHILD CARE CENTER BUSINESS PLAN AN OVERVIEW

Introduction

The Child Care Center Business Plan provides a description of the center, tells who the center serves, and outlines its competition. In addition, it lays out the center's marketing strategy (how the center will maintain full occupancy), and explains the financial operations of the center. The Plan should provide the reader the ability to understand the child care industry itself, as well as the details about YOUR specific center.

Developing the Child Care Center Business Plan is a process which includes:

- Outlining the general concept of your center
- Conducting research
- Refining your ideas based on your research
- Developing specific components of the Plan

The Child Care Center Business Plan that you develop through this process:

- Explains WHO specifically you will serve and WHAT services you will provide
- Describes why your child care center is a needed service
- Describes in detail how the center will operate

Your Child Care Business Plan has four functions:

- It forces you to define the “mission” of your center, your center's goals, and your action plan to meet these goals
- It compels you to look at your center objectively to determine its feasibility
- It communicates your center's ideas to friends, family, investors, bankers, supporters, and others within your management team
- It serves as an operating tool to help you run your center

The Body of the Child Care Center Business Plan

The Plan must be credible, clear, and authoritative. Although intuition, educated guesses and gut instinct are very important to small business owners (who may be child care center operators), the Plan should cite specific “sources” of information that are within in the Plan. The Plan should be 10-15 pages in length (excluding the introduction and any supporting documents) and it should be typed (single or double spaced) without grammatical or typographical errors. Readers of your Business Plan may view mistakes or sloppy presentations as examples of poor business skills

Be sure to write in the third person. Don't say “I”, “me”, “we” or “our”, instead, say “Castle Child Development Center”, “the owner” or “Jane Doe”. Be positive and write in the present tense. Don't say, “I hope to care for...” instead, say “The owner cares for 75-90 children between the ages of”

The Sections of the Child Care Center Business Plan

- The Business Introduction
- The Business Organization Section
- The Management/Operations Section
- The Marketing Section
- The Financial Section
- Supporting Documents

These sections are interrelated. The marketing section, for instance, cannot exist without the financial section, and visa versa. This means that when you are writing the marketing section (how you will communicate about your center to the public), you must keep track of any financial implications (costs involved in communicating, for example: brochures, media, etc.)

When presenting a Child Care Center Business Plan to a bank or investor, include a cover letter stating how much money you are requesting, the type of loan (equipment, line of credit, etc.), and a specific description of how you will use the money. It is important that you include financial spreadsheets showing your method of intended repayment. The Plan must be viable, and must satisfy the loan officer's or investor's most basic questions:

- Does the Plan make sense?
- Is there sufficient need for a child care center in the proposed location?
- Are the financial projections healthy and realistic?
- Is the child care center manager experienced and capable of
 - providing the child care service AND
 - operating the center as a business?
- Will the bank get their money back or will an investor receive a healthy return on his/her investment?

Final Thoughts on Creating a Child Care Center Business Plan

Simply stated.....In developing a Child Care Center Business Plan, you are developing a “road map” for your center. You are defining WHERE you are going, and HOW you will get there.

MANAGEMENT/OPERATIONS

- ◇ Personnel/management team
 - Who are they?
 - What are their qualifications?
 - What education have they had?
 - Are they competent, capable, and experienced?
- ◇ Benefits
 - What benefits are being offered to employees, if any?
- ◇ Employee requirements and job descriptions
 - What are your hiring practices?
 - What is your wage scale?
 - What are your staffing patterns?
 - What will specific employees be expected to do?
- ◇ Business operations
 - How will you actually run your business?
 - What are your major business policies?
 - What is your schedule of daily program activities and how will they provide you with a competitive edge?
- ◇ Suppliers
 - What equipment and materials do you need?
 - Where will they be obtained?
 - Provide breakdown of costs by supplier.
- ◇ External partners
 - Will a lawyer, accountant, or early childhood specialist's served be used?
- ◇ Technology needs
 - Do you need or will you need any technology to help you, such as computers, telephone add-ons, etc.?

NOTES:

SUPPORTING DOCUMENTS

- ◇ Personal resume(s)
- ◇ Letters of reference
- ◇ Job descriptions
- ◇ Contracts, leases, licenses to operate business
- ◇ Client lists

NEXT STEPS

For additional help, contact:

Grand Rapids Opportunities for Women (GROW)
Small Business Development Center (SBDC)

458-3404
336-7370