

**UNIVERSITY OF NIGERIA, NSUKKA**  
**FACULTY OF AGRICULTURE**  
**DEPARTMENT OF HOME SCIENCE, NUTRITION AND**  
**DIETETICS**

**TOPIC:**  
**DAY CARE CENTER**

**A BUSINESS PLAN**  
**PRESENTED IN PARTIAL FULFILLMENT OF THE**  
**REQUIREMENT FOR THE COURSE: CED 342**  
**(BUSINESS MANAGEMENT AND DEVELOPMENT)**

**BY**  
**NWODO, CHINENYE JULIET**  
**REG. NO: 2013/189677**

**LECTURER: NWAOGA, T. C.**

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## **1.0 EXECUTIVE SUMMARY**

- 1.1** Juli child day care is a startup organization that will provide care services in Enugu southeast of Nigeria. This mid-sized childcare facility serves children 3months to 2years of age. My services are safe and secure providing the parents with an excellent place where their children can be taken care of.
- 1.2** The project would require a startup capital of #2,487,000 made up of #11000000 fixed capital and #1384000 as working capital.
- 1.3** The vision of Juli child day care center is aimed to provide quality child care for children.
- 1.4** The proposed project will be located in Enugu state because of its growing population density, business activities and the rising demands of parents for a good and sound quality day care service.
- 1.5** The financial projections show that the project would be financially stable and liquid by the time it matures. The sales figure stand at #1900000 for year 1, year 2 and year 3 respectively. Also the profits after tax are: #327371, #591608.1 and #1308851 respectively for year 1, year 2 and year 3 respectively. The cash flow position is equally good and encouraging by the second year through the third year.

**1.6 Our competitive edge-** Every business has its competitors and to overcome this contingency, Juli child day care would treat our clients with much respect, offer discounts and also upgrade our operating systems to meet up the competitive market.

1.7 The profitability measures are as shown below:

	Year 1	Year 2	Year 3
Net profit	306871	571108.1	1308851
Return on equity	1377000	14003600	1420700
Return on investment	70000	1200000	1225141
Total turnover	1753817	3174708.1	3954692

From the point of view of the analysis of our findings, the proposed project is found to be technically feasible, viable and economically desirable. Thus, the project offers good investment benefits, and is therefore highly recommended for implementation.

## **2.0 BACKGROUND**

### **2.1 INTRODUCTION**

This project is as a result of the needs assessment studies undertaken in south eastern zone of Nigeria, particularly Enugu state by the working class families. These studies reveal that the increasing demand for a daycare center is high while there are few day child care centers to meet with this

demand. Also, the bias that has hindered the enrolment of kids by the population has gradually waned over the years that most individuals (especially the working class families) today, enroll their kids into the day care center. This has made the demand for child day care center to be rising at an astronomical rate and this is expected to be sustained into the future.

## **2.2 VISION OF JULI DAY CARE**

To provide quality childcare services at all times for children.

## **2.3 MISSION**

To produce the best care for children by providing adequate and experienced personnel to ensure the best care and attention needed by children.

## **2.4 KEY SUCCESS FACTORS**

Key success factors for Juli child day care are:

- Maintaining a reputable and untarnished reputation in the country.
- Quality care
- Competitive pricing
- Flexible hours

## **2.5 INHERENT RISKS**

Currently, there is a lean resource to contain the expansion that is usually associated with day care centers. Also, the implementation of this project may attract more entrants to the business to compete with. Although utilities such as water and electricity are guaranteed in the area, there may still be cases whereby such facilities may fail. Plans are being made to checkmate these identified risks.

## **2.6 BUSINESS OWNERSHIP**

The business is sole proprietorship wholly owned and managed by Nwodo Chinenye Juliet.

## **2.7 LOCATIONAL FACTORS**

The day care center is located at no 24, independent layout drive, Enugu. It was located in this area because the area is accessible to all, mostly inhabited by full time working class families,

The facilities will consist of a building in a quiet neighborhood. The house is fenced to take note of people that come in and out of the day care center to ensure adequate security with the compound furnished with toys and a conducive playing environment for the children.

## **2.7 PRODUCTION/SERVICES**

Juli day care offers a child care services from the ages of 3months to 2years. Opening hours: 6.30am- 7.30pm Monday through Friday.

## **3.0 MARKET**

### **3.1 NATURE/SIZE**

The nature and size of a day care in Enugu is expanding due to the presence of many working class families and busy individuals. The enterprise is ever growing to accommodate upcoming entrepreneurs since it is competitive, has a satisfactory service and are in high demand by people in the generations to come.

### **3.2 TARGET MARKET**

Juli is established to provide quality daycare center to the people in Enugu town especially working class families, married students, business people and traders as well as the general public.

### **3.3 KEY COMPETITORS AND PLAYERS**



Juli day care is dominated by good quality day care as well as taking care of the children. Despite the intense competition from other day care center situated around us, Juli day care center intends to become an active member or player in the center before 2018.

### **3.4 SERVICE DELIVERY**

The childcare business is lucrative; as a result, there are many centers that provide quality care for children in the same area a Juli child day care center. The childcare industry is split between large, commercially run centers and smaller locally owned centers. Juli would compete with small scale centers; this is where the competitions lies. The enterprise is confident that this will be a successful venture because of its managers and the capacity of its care staffs.

### **3.5 QUALITY ASSURANCE**

Since my objective at Juli day care services involves providing good and quality day care at a minimized coat and t maximize utility of its customers. I shall seek to provide quality services for my customers.

### **3.6 DEMAND AND SUPPLY ANALYSIS**

From my market survey analysis, I noticed that there is a high demand of day care centers due to the high rate of working class families, married students and other individual in Enugu town in the location of our enterprise. This demand is hardly being met because of the lack of daycare center, and as such, there is great opportunity for our enterprise as we hope to fill the demand/supply gap.

### **3.7 TECHNOLOGY**

Juli child care center will use the available technology at my disposal, incorporating both modern and existing technologies in order to offer quality service to our customers. Since the company founders has an extensive information technology background, it is only natural that Juli child care center will employ the latest technology to enhance its curriculum, office management systems, payment processing and record keeping.

### **3.8 COMPETITIVE EDGE**

Every business has competitors and to overcome this contingency, Juli day care would treat our clients with much respect, offer discounts and also upgrade our operating systems to meet up the competitive market. Juli day care competitive edge also involves the effort in obtaining all appropriate licensing and certifications. Additionally, thorough pre-hire background

screening is performed on all individuals before hired background screening is performed on all individuals before hired for employment.

#### **4.0 MARKETING PLAN**

A market plan is an important part of any business plan. Marketing informs families interested in day care services about their programs and why they should choose the program. Therefore, Juli day care intends to win over customers through marketing which would make my customers to be aware of my products and services and the value associated with them. I would do this through advertising using print, television, radio and internet and also create a sense of identity or 'branding' for our products.

#### **4.1 PROMOTION AND DISTRIBUTION**

Juli day care is a program targeting two groups of people:

- Full time working family nursing a child.
- Those that needs child care under certain conditions (ex. Student mothers). The need of families is good and quality care services and ensuring good orientation, good start and development of their child which we listed in our vision and mission statements. Some of our unique aspects are that our staffs have experience and have been carrying such tasks under small scale quality care, creative caring, games and other

services for children will be at its maximum. Some of our awareness creation mediums are:

- Child care resources and referral agency
- Advertising – I will be developing my core position message as “a community college for kids” (Juli day care) to differentiate my services with that of my competitors. I will be using direct mail campaigns, pre-enrolment drives and local community newspaper advertising to launch the initial campaign.
- Setting up billboards
- Distribution of handbills and flyers
- One on one contact
- Radio jingles
- Internet
- Television presentation

## **4.2 ALLIANCE**

Juli child day care center will work in alliance with parents, government, media, other child care centers, business organizations and others in order to carry out an effective business and achieving our objectives, mission and vision respectively.

### **4.3 MARKET POSITIONING**

Juli day care will position itself as an advanced daycare service that offers unique learning and development programs which would be situated at no 24 independent layout drive, Enugu. The position will be good market and reduced threat and weaknesses as we shall consider in SWOT analysis.

### **4.4 SERVICE DELIVERY STRATEGY**

Juli day care will deliver her services to parents who ensure quality care and services for their children. This also includes the planning and funding of a broader child care system (branches) which may also include specialized efforts to children with special needs and after school programs.

### **4.5 SWOT ANALYSIS**

In SWOT analysis, I am going to consider how I analyze my strengths, weaknesses, opportunity, and threat in carrying out any services effectively.

**STRENGTHS:** The strength of a SWOT analysis discusses the demand for the center's services. Single parents are usually workers who need a day care service, full time working class families nursing a child are also in need of this service. In terms of startup capita, I have potential funding from local or federal government agencies, banks, friends, relatives, corporations to help

improve access to quality care. This strengthens work with the contribution of the community I provide when I offer quality child care that enriches the lives of my charges.

**WEAKNESSES:** In our SWOT analysis, I will be objective about the potential weaknesses of my business (Juli) model. This will help me to prepare challenges and avoid pitfalls later in the process. Some of my potential weaknesses include: startup capital which could be exorbitant as they include insurance, supplies, equipment and a marketing budget. Also, obtaining a license to run the enterprise and be in compliance with all local, state. And federal laws also poses a major challenge. In addition, meeting up with daily utilities in the center and also its maintenance would be expensive. Finally, the stiff competition I may face from my competitors and security of the children.

**OPPORTUNITIES:** Some opportunities also exist which I would identify: there is always potential growth, which includes not only more children but also the possibility of additional buildings. Once established, the opportunity exists to partner with businesses in the area which could potentially subsidize the cost for employees who use my center. It is also feasible for me to provide care for children whose low-income families benefit from

government programs, which could help ensure that I will receive full payment.

**THREATS:** The threats aspect of a day care would focus on competition especially from companies that offer in-house child care. There is also the possibility of law suits for alleged cases of neglect or abuse, which can happen even in the best-run and staffed facilities. High risk of employee turnover and difficulties in finding qualified staffed members.

### **SWOT ANALYSIS CONCLUSION**

SWOT report seems useless except I analyze it to determine the profitability of my day care in Enugu province. I look at every aspect and equally decide whether the SWOT favors the proposition or not. From the above, strengths and opportunities are positive and symbolize the go ahead order. Weaknesses and threat are negative but that would not stop me from forging ahead because it allows me to face the challenges and find solutions to each issue.

### **5.0 ORGANIZATION AND MANAGEMENT**

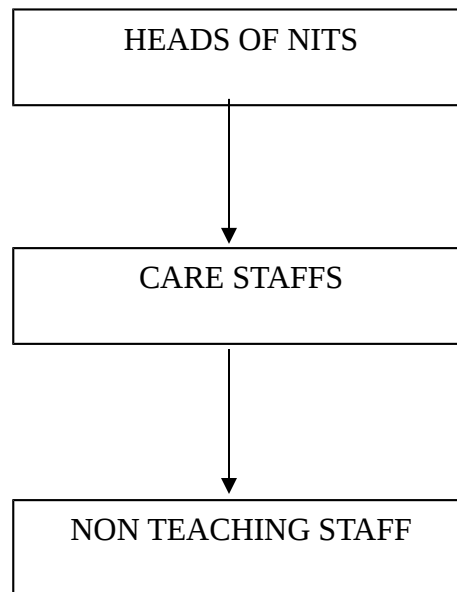
The business will comprise of heads of various units: Miss Nwodo Chinenye Juliet who has impeccable credentials in child care industry. Also,

I have 8 care staffs and 2 non-teaching staffs (cleaner and security man).

This will benefit Juli day care in the following ways:

- Clients will be brought from previous employers and
- The experience each has will attract new clients.

### 5.1 ORGANIZATION STRUCTURE (organogram)



### 5.2 SHAREHOLDERS AND DIRECTORS

There is no room for shareholders and directors in my day care center.

### 5.3 MANAGEMENT TEAM

It comprises of:

- Head of unit – Miss Nwodo Chinenye Juliet



- Care staffs
- Non-teaching staff

#### **5.4 EXTERNAL SUPPORT**

I may seek external support from other experienced personnel in the field when the need arises.

#### **5.5 PERSONAL PLAN**

This shows how the company expects to make gradual investments in care personnel over the next three years, always keeping in mind the number of children in need of the care at the center.

PERSONAL PLAN	YEAR 1	YEAR 2	YEAR 3
Heads of unites	900000	910000	920000
Care staffs	240000	250000	260000
Non-teaching staffs	72000	73000	74000
Total	1212000	1233000	124000

## **5.6 VALUES AND NORMS OF THE COMPANY**

The values and norms of Juli day care in order to ensure a strong market output and in the spirit of a better service are:

- To do my business within the boundaries of the laws of the federal and state regulations.
- To serve my customers with excellence.
- To keep my integrity.
- To work for the benefit to my community and nation at large.

## **6.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES**

### **6.1 Legal Issues**

Juli child day care is currently being registered with the corporate affairs commission.

### **6.2 Environmental Issues**

The premises of the business will be kept neat and friendly for customers to explore and access. The school environment will have no waste that directly affects the community because I am going to ensure that all

wastes are properly discarded and any other means of power supply (ex, stand by generator) used do not create a noisy environment.

### **6.3 Social Issues**

The implementation of the project will bring social and economic benefits to Enugu State:

- New jobs will be created.
- It will build both managerial and social skill of manager (mental empowerment)
- It would advance wealth creation and poverty alleviation in line with the Millennium Development Goals (MDG). The National Economic Empowerment and Developmental Strategy (NEEDS), as well as The State Economic Employment and Developmental Strategy (SEEDS).
- It would add to The National Gross Domestic Product (GDP)

### **6.4 Regulatory Issues**

The enterprise will comply with all the relevant industrial safety regulatory requirements as directed by the regulatory authorities and also the ministry o education.

## 7.0 FINANCIAL PLAN

### 7.1 Summary of Project Cost

The total cost of the project is ₦2487000; this is made up of ₦1100000 in fixed capital and ₦1387000 in working capital.

### 7.2 FIXED CAPITAL INVESTMENT

S/N	DETAIL	QUANTITY	UNIT PRICE (₦)	TOTAL AMOUNT (₦)
1	Rent	3 years	250000	750000
2	Office Equipment	4	50000	100000
3	Classroom and toys	5	50000	250000
	Total			1100000

### 7.3 UTILITIES

Juli day care is located in a place that is connected to readily sources of water and electricity, as such water and electricity is available to the daycare but I estimated ₦10000 in case of emergencies.

### 7.4 OTHER OPERATING

TYPES OF EXPENSES	YEAR 1(₦)	YEAR 2 (₦)	YEAR 3 (₦)
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Wages and salaries	1212000	1233000	1244000
Travels	50000	51500	53000
Fuel/Oil	20000	22000	24000
Vehicle Repair	20000	20500	21000
Insurance	30000	30000	30000
Diapers	10000	10500	11000
Food	5000	5100	5200
Beverages	20000	20500	2100
Toiletries	10000	11000	11500
Total	1377000	1403600	1420700

## 7.6 TOTAL START UP CAPITAL

S/N	CAPITAL ITEMS	AMOUNT (₦)
1	Fixed capital requirement	1100000.00
2	Working capital requirement	1387000.00

## 7.7 FINANCING PLAN

Source	Amount (₦)
Equity contribution	820710
Bank loan	1666290
Total	2487000

## 7.8 LOAN REPAYMENT SCHEDULE AND INTEREST PAID

YEAR	LOAN	REPAYMENTS	INTERESTS	LOAN BALANCE
1	1666290	NIL	166629	1666290
2	1666290	1000000	166629	666290
3	666290	666290	66290	NIL

## 7.9 DEPRECIATION

S/N	CAPITAL ITEMS	LIFESPAN	INITIAL VALUE	SALVAGE VALUE	DEPRECIATION
1	Office equipment	10 years	100000	10000	9000
2	Classroom and toys	20 years	250000	20000	11500

## 7.0 FORCE CAST OF PROFIT AND LOSS

PARTICULARS	YEAR (₦)	YEAR (₦)	YEAR 3 (₦)
Expected sales	1900000	2300000	3000000
Less 1% discount	19000	23000	30000
Net sales	1881000	2277000	2970000
<b>Expenses</b>			
Utilities	10000	12000	14000
Other expenses	165000	171000	176700
Wages and salaries	1212000	1233000	124000
Total expenses	1387000	1416000	1434700
Profit before interest and tax	494000	861000	1535300
Less interest	166629	166629	66290
Profit before tax	327371	694371	1469010
Less 1% tax	Nil	102762.9	160159
Profit after tax	327371	591608.1	130851
Less depreciation	20500	20500	
Net profit	306871	571108.1	1308851
Retained earnings	306871	571108.	1308851
Dividend			308851

## CASH FLOW PROJECTION

CASH IN	YEAR 0 (₦)	YEAR 1 (₦)	YEAR 2 (₦)	YEAR 3 (₦)
Equity	820710			
Bank loan	1666290			

Net profits		396871	571108.1	1308851
Depreciation		20500	20500	20500
Total cash in	2487000	286371	550608.1	1288351
Cash out				
Equipment and others	1100000			
Working capital	1387000			
Increase/decrease in cash		70000	200000	250000
Loan repayment			1000000	666290
Dividend				308851
Total cash out	2487000	70000	1200000	1225141

### BALANCE SHEET

	YEAR 0 (₦)	YEAR 1 (₦)	YEAR 2 (₦)	YEAR 3 (₦)
Fixed assets				
Machinery, equity etc.	1100000	1100000	1100000	1100000
Less con depreciation		20500	41000	61500
Net fixed asset	1100000	1079500	1059000	1038500
<b>Current asset</b>				
Operating balance before debtors	1387000	100000	400000	450000
Cash in / and bank		306871	400000	450000
		1397500	1028000	307351
Total current asset	2387000	1714371	1999108.1	2066202
<b>Total assets</b>	<b>2887000</b>	<b>2793871</b>	<b>3058108.1</b>	<b>3104702</b>
Long term liabilities				



Capital (capital)	820710	820710	820710	820710
Retained earnings		306871	571108.1	1308851
Bank loan	1666290	1666290	1666290	
Total long term liabilities				
Loan repayments			1000000	666290
Dividend				308851
Total current liabilities			1000000	975141
<b>Total liabilities</b>	<b>2487000</b>	<b>2793871</b>	<b>3058108.1</b>	<b>3104702</b>

## 8.0 RISK ANALYSIS

This project has been subjected to risk subjected to risk analysis and some inherent risks identified and appropriate mitigants preferred to avoid the business being disrupted.

### IDENTIFIED RISKS AND THEIR MIRIGANTS

RISKS	MITIGANTS
Stiff competition	Use of innovation
Irregular water supply	A big water reservoir will be constructed to harvest all during raining season which will be used during seasons
Fire outbreaks	Installation of fire extinguishers and wiring of the entire building.

## 8.2 CONTINGENCY PLAN

CONTINGENCY	PLAN
Stronger competitor	Change in strategy of operation
Power failure	Use of standby generator.
Reduced clients	Proper handling of the client's needs
	Offering of discounts.

## 8.3 EXIT STRATEGY

No exit plan is planned; rather we would aim at expanding and diversifying the business for long survival and profitability.

## **9.0 OTHER CONSIDERATIONS, CONCLUSIONS AND RECOMMENDATIONS**

### **9.1 ECONOMIC PROJECTION**

From the viewpoint of our study and analysis of the findings made, the project offers good benefits to the promoters, and the economy at large. Wealth will be created even as jobs are also created. These are consistent with the federal and states government policy on entrepreneurship, wealth and job creation.

### **9.2 COMMERCIAL VIABILITY**

The commercial viability of NOCIN day care center is very clear. The project has been found to be commercially viable, having shown through projections, impressive sales, profits and cash flow projections.

### **9.3 CONCLUSION**

Based on the findings of this proposal, the business is viable and therefore qualifies for implantation and it is worthy to be invested upon.