

UNIVERSITY OF NIGERIA, NSUKKA

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TOPIC:

HAPPY FEETS DAYCARE CENTER

A BUSINESS PLAN PREPARED IN PARTIAL

FULFILMENT OF THE COURSE CEDR 342

**(BUSINESS DEVELOPMENT AND
MANAGEMENT)**

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CHAPTER ONE

EXECUTIVE SUMMARY

- 1.1 The following report and recommendation relates to the proposal by HAPPY FEET DAYCARE to establish a day-care centre at Victoria Island Lagos.
- 1.2 The project would require a start-up of #1,000,000.00. This is made up of #800,000.00 in fixed capital and #200,000.00 in working capital.
- 1.3 The company vision is to be the most outstanding daycare centre that provides a serene and comfortable environment for the children to grow.
- 1.4 The project will be located at Victoria island because of its easy access the target audience at this location.
- 1.5 A huge market is available for the business to serve.
- 1.6 The financial projections show that the project would be financially stable by the time it matures. The sales figures stand #600,000.00 for year 1, #1.2million for year 2 and #5million for year 3. Also the profits after tax are #500,000.00, #4,000,000.00 and #10,000,000.00 for year 1, year 2, and year 3 respectively. The cash flow position is equally good and encouraging by the second through the third year.
- 1.7 The competitive edge of the enterprise lies in its ability to take care of children and produce healthy children for the future.
- 1.8 The profitability measures are shown below.

	Year 1 (4 months)	Year 2	Year 3
Turnover	600,000.00	1,200,000.00	5,000,000.00
Profits before Int. and Tax	600,000.00	1,200,000.00	5,000,000.00
Profits before tax	500,000.00	4,000,000.00	10,000,000.00
% return on turnover	N/A	33.3	20.2
% return on equity	N/A	89.76	100.20
% return on investment	N/A	65.44	81.0

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

CHAPTER TWO

BACKGROUND

2.0 Introduction

A daycare centre is an attractive business even in a dwindling economy, ranking as one of the more low-risk venture to get involved in. The daycare centre is a necessity in this 21st century because mothers are going into the working class economy fast and they would need help in taking care of their children while they work. HAPPY FEET DAYCARE CENTRE will provide the necessary facilities to make sure the child grows in a serene and clean environment.

.1 Vision

To be the most outstanding day-care centre that provides a serene and comfortable environment for the children to grow.

2.2 Mission Statement

The mission of HAPPY FEETS DAYCARE CENTRE is to provide safe, affordable, high quality child care for the working class women. It provides a cognitive based program for children aged 3 weeks to 4 years. We provide a home like environment where the children are encouraged to develop at their own pace. Our goal is to strengthen the bridge between your work and family life by creating a special place that supports them both.

2.3 Ownership of the Enterprise

The business is owned by HAPPY FEETS DAYCARE CENTRE.

2.4 Legal Status

The industry is currently undergoing registration processes with the corporate affairs commission under the name HAPPY FEETS DAYCARE CENTRE.

2.5 Location and Facilities

The project will be located at No. 20A, Adeola Odeku street, Victoria island, Lagos state.

Factors that formed the choice of location are:

- Proximity to the targeted clients.
- Easy accessibility and high visibility.
- Low cost of supply.
- An environment that appeals to the customers.
- Security consciousness.

These qualities are consistent with HAPPY FEETS DAYCARE CENTRE. The facilities of the business will be rented building, machineries and equipment like generator, air conditioner, water dispenser e.t.c

2.6 Products and Services

HAPPY FEETS DAYCARE CENTRE will provide the general public with high quality child care service.

HAPPY FEETS DAYCARE CENTRE seeks to fulfil the following so as to expand her business and reach out to her customers.

2.7 Business Strategy

HAPPY FEETS DAYCARE CENTRE will do everything possible to make sure her day-care is known to be among the best affordable daycare. Also, efforts will be made to ensure that the high class service are within affordable price range .

Risk

- Staffing issues:
- Building safety
- Health and sickness
- Crisis

2.8 Key Success Factor

The key to success is to meet and exceed the customer's needs and wants in the terms of excellent service in childcare.

Some of the key success factors derive from the fact that; its location is easy to find, and its childcare quality is good. It is also affordable and is backed by an aggressive market force. These factors make the product highly sought after.

CHAPTER THREE

MARKETING AND CLIENTS

1 Nature and Size

HAPPY FEETS DAYCARE CENTRE is market driven and also a fast growing sector of the economy. It is ever growing to accommodate little children; it would also market her services through publicity which include social media (Instagram,

Facebook, Whatsapp etc.) flyers, billboards and posters. Thus, the nature and size of the market will be a very large area; hence we seek to move in to fill the gap.

2 Target Customers

HAPPY FEETS DAYCARE CENTRE has the following target populations:

Our target clients are the pregnant women, working class women, married men, and the entire lagos community .

- **Full-Time Working Couples**

The company wants to establish a significantly large full-time regular client base in order to establish a healthy, consistent revenue base to ensure stability of the business. Customer relations are extremely important, as it is imperative to keep the parents pleased in order to keep their children in the daycare center.

- **Part-Time Workers / Drop-Ins**

Part-time workers and drop-ins comprise approximately 20% of revenues. While this market is not the primary focus, sufficient flexibility to handle this secondary market is important to producing supplemental revenues.

Key Competitors and Players

Keys to success for the company will include:

1. Maintaining a reputable and untarnished reputation in the community.
2. Quality care.
3. Competitive pricing.
4. Flexible hours.

3 Service Delivery

HAPPY FEETS DAYCARE CENTRE will deliver one of the best services of childcare. Making sure the childrens future is secured through provision of healthy services, friendly staffs and educative programs.

4 Quality Assurance

With our objective at HAPPY FEETS DAYCARE CENTRE , which is to provide safe, affordable, high quality child care for the working class women. It provides a cognitive based program for children aged 3 weeks to 4 years. We provide a home like environment where the children are encouraged to develop at their own pace. Our goal is to strengthen the bridge between your work and family life by creating a special place that supports them both.

5 Competitive Edge

HAPPY FEETS DAYCARE CENTRE will present its competitive edge as follows:

- HAPPY FEETS DAYCARE CENTRE's competitive edge is based on their customer's attention and inventive approach to wild service.
- HAPPY FEETS DAYCARE CENTRE competitive edge is the facility's efforts in obtaining all appropriate licensing and certifications. Additionally, thorough pre-hire background screenings are performed on all individuals before hired for employment.

CHAPTER FOUR

MARKET PLAN

HAPPY FEETS DAYCARE CENTRE marketing plan will be based on developing visibility among the islanders. This will be accomplished through ways. The first method is;

- ❖ A targeted advertising campaign: Advertisement will be placed in various newsletters. Additionally, we will advertise in few specific newsletters.

The other marketing strategy which is less formal is

- ❖ A networking campaign among the population; while the population is to decent size, numbering around, it is a close-knit community where people tend to know each other. We will leverage contacts within the community to raise awareness. It will cost far less and the relationships that it builds will be far stronger because of the trust relationship that has already been established.

4.1 Alliance

Other major alliance in business shall be our mentor who gave us help from his many years of experience in the business. Also CBN, CEDR of NAU shall be constantly solicited for. This will contribute in nurturing the business towards profitability and growth.

4.3 Market Position

HAPPY FEETS DAYCARE CENTRE will position itself as the market leader in lagos and its surrounding environments. The following is how the company will want to be seen by its customers, competitors and the public at large.

- As a company that delivers excellent services
- As a company that places customers satisfaction as a priority
- As a company that has the customer's interest at heart by providing good prices.
- As a quality oriented body providing good child care service.

4.4 SWOT Analysis

To ascertain a proper, thorough analysis of this project we have subjected it to SWOT analysis which captures the key strength and weaknesses within the company and describe the threats facing HAPPY FEETS BUSINESS PLAN.

4.5 Strength

- Experienced staff
- Staff trained in customer care
- Management experience in the industry
- Established practise through existing centers
- Availability of sufficient funds
- Availability of state of the art facilities
- Availability of good space to set up large play area
- Access to latest child care methodology
- Quick response time
- Decentralization decision making
- Small overheads

4.6 Weakness

- New to the locality
- Poor brand awareness or visibility among target populace
- Uncertain cash flow during start up

4.7 Opportunity

- A good residential area with high proportion of dual income families.

4.9 Threats

- Presence of established competitors in the vicinity
- Shortage of adequate support staff
- Major employers may offer in house day care center.

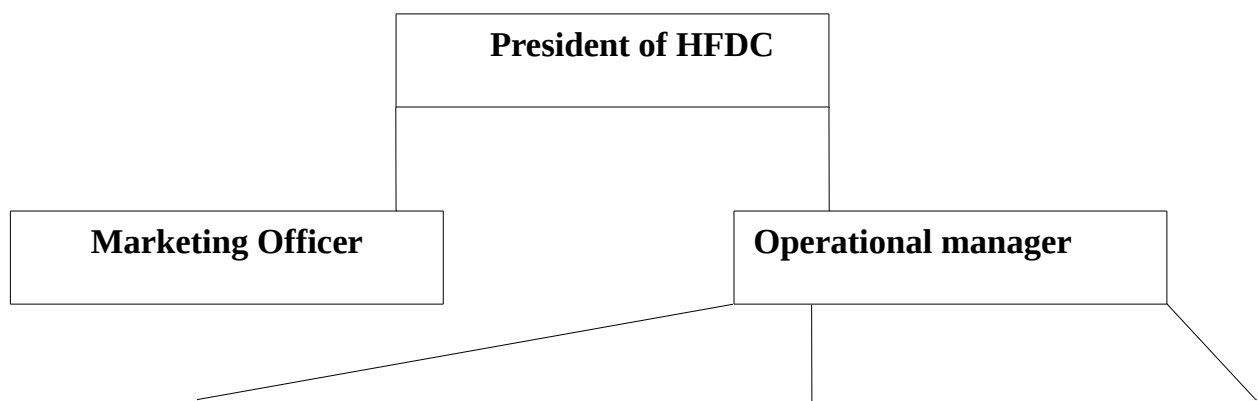
4.10 Exit Strategy

- No exit is planned, rather diversification will be pursued.

CHAPTER FIVE

ORGANIZATION AND MANAGEMENT

5.1 Organizational Structure



Director of finance

Nurses

Cleaners

5.2 Shareholders and Director

The HAPPY FEET DAYCARE CENTER hopes to welcome shareholders.

5.3 Management Team

The management team shall be made up of the manager, nurses, service officer, cleaner and driver

5.4 External Support

We are soliciting for help from NERDFUND (National Economic Reconstruction Fund) Centre to give us some period of year's strong management and business support services to our industry. Centre for Entrepreneurship of Development and Research (CEDR) of NAU will also offer a strong support to ensure that the business priorities and milestone are kept in focus.

5.5 Value and Norm of the Industry

To maintain a sustainable strong market presence and in order to drive our vision, our industry will adopt this value and norms

- It will build a good corporate cultural value
- It will build a good management team
- It will lay-down procedure of local condition for the pay system
- It will provide an effective childcare system

In many successful businesses enterprise of which ours will not be left out, culture is a paramount, vital factor to be put in place. In breeding business culture, it must give proper attention to the features of breeding enterprises.

CHAPTER SIX

LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES

6.1 Legal Issues

HAPPY FEET DAYCARE CENTER is a partnership owned company; the investors chose this type of business because it is the most essential business for a real start up entrepreneurs.

This business is about undergoing regulations with the corporate affairs commission. The business is legally approved.

6.2 Regulatory Issues

The company will comply with all relevant industrial safe regulatory. It has no stringent regulation. In addition, it discover any regulation policies that will

infringe on our business in any way, we will observe it strictly meanwhile, the industry will pay its taxes as at when due, however it's corporate and social responsibility to its host community.

6.3 Social Issues

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

- New job will be created
- It will build both managerial and social skill of manager.
- Providing a home away from home for the children.

6.4 Environmental Issues

The premises of the business will be kept neat and friendly for the customers to explore, access and prevent the spread of disease and germs to the children. An incinerator shall be constructed and disposal bin shall be provided to reduce air and environmental pollution.

CHAPTER SEVEN

FINANCIAL PLAN

7.1 Project Cost

The proposed project will be fully complemented with an investment of approximately #1,000,000.00 (1million) and #600,000.00 (six hundred thousand naira) working capitals

7.2 Break down of the project cost

Start-up expenses	Amount (#1,000,000)
Legals	#50,000
Consultants	#50,000
Insurance	#500,000

Rent	#100,000
Research and development	#100,000
Expensed equipment	#200,000
Total Start-up expenses	#1,000,000

7.3 Start-up Asset needed

Cash balance on the starting date	#600,000
Other short term assets	#200,000
Total short term asset	#800,000

Long term assets	#400,000
Totals of the whole	#1,200,000
Start-up requirement	#1,000,000

7.4 Funding plan and statement

The funding plan for that as structured as follows

Owner's contribution (equity) #600,000

Loan capital (Debt) #400,000

Ratio of Equity to Debt (risk) is 60:40

- ✓ Forecast of sales
- ✓ Estimate of costs
- ✓ Working capital projection
- ✓ Start-up capital required
- ✓ Proposed financial structure

- ✓ Depreciation
- ✓ Loan repayment and interest payment schedules
- ✓ Project profit and loss account
- ✓ Cash flow projection
- ✓ Projected balance sheet
- ✓ Financial analysis

CHAPTER EIGHT

OTHER CONSIDERATIONS AND CONCLUSION

8.1 Economic Justification

- Large increases over the last twenty years in the numbers of employed mothers with young children has more than doubled the number of young children in non-parental care; by 1995 there were almost 10 million children under 6 with employed mothers in non-parental care. This trend is likely to continue as welfare reform moves many mothers with young children off welfare and into the workplace.
- Many families with young children and employed mothers rely on informal, low direct-cost care supplied by relatives. But over half of these families purchase child care, and for those without access to subsidized care, child care costs can be a sizable financial burden. This burden is particularly heavy for poor families: Poor families who pay for child care for their young children

spend an average of 18 percent of their income on child care, compared to 7 percent for non-poor families.

- There is also reason to be concerned about the quality of care: Recent surveys of child care centers and family day care homes found that the majority of child care was not of a high enough standard to have a positive impact on child development, and a disturbing fraction was of a level that could threaten the child's health and safety. Quality problems are particularly serious for infants and toddlers and for children from low-income families.
- Potential economic arguments for intervention in the child care market include external benefits, information problems and redistribution.

8.2 Commercial Viability

The commercial viability of the project is very clear. The project has been found to be commercially viable, having shown through projections, an impressive sales, profits and cash flow positions

CONCLUSION

Therefore, the project is highly recommended both for finding and implementation.