

UNIVERSITY OF NIGERIA
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(HISTORY/ARCHAEOLOGY)

TOPIC:

KINGDOM KIDS CRECHE AND DAY CARE BUSINESS PLAN

**AN ASSIGNMENT SUBMITTED IN PARTIAL FULFILMENT OF THE
COURSE CEDR 342 (BUSINESS GROWTH AND DEVELOPMENT)**

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Kingdom Kids crèche and daycare Business Plan

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Chapter one Executive Summary

- 1.1 Kingdom Kids day care is a small business that provides day care services to behind flat, Nsukka Enugu state. This small in-home care facility serves children from infant to three years of age. The services provided are safe and secure, providing parents with an excellent alternative to large child care facilities.
- 1.2 The business will require a startup capital of ₦950,000 made up of ₦600,000 for fixed assets and ₦350,000 for working capital.
- 1.3 The business vision is to be the best in the provision of day care services to children of both working and non-working parents.
- 1.4 The center is located at No 15 behind flat, Nsukka
- 1.5 A moving market is available because we live in times where price inflations are running riots across countries and households cannot seem to survive without multiple breadwinners. Consequently, people are suffering from scarcity of time to carry out even the most important of their responsibilities, one of such responsibilities for parents is taking care of their children which is not possible if the parent is single and incumbent or when both parents are working individuals this is where facilities such as day care and crèche come in.
- 1.6 In Nsukka, the child care market is competitive for large care facilities. The largest and most popular day care facility is Nauw nursery crèche. The market for in-home day cares is quite limited.
- 1.7 To get a competitive advantage over the larger facilities, Kingdom Kids will employ two different strategies. I will price lower than the larger commercial run centers. Second, will market the business as a customizable, personal, one-on-one day care center, where children are responded to immediately. Parents will be able to pick and choose what programs they want this child to participate in. I will only hire the best, most qualified employees, those with professional or educational experience. Parents will be able to meet with all staff

members to get to know who will be watching their child. The small atmosphere of Kingdom Kids will provide a home-like, stable setting, which is crucial to children at this stage in their life.

1.8 The customers I would like to attract are those who value education. The first market includes full-time working couples, which will account for 80% of my customers. The second, wealthy grandparents, which will account for 10% while the remaining 10% will account for single working mothers.

1.9 Kingdom Kids is an exciting opportunity that provides safe and reliable child care to Nsukka, behind flat. Through a combination of competitive pricing, excellent curricula and meal plan, outstanding customer service and an excellent staff, Kingdom Kids will quickly gain market share and a reputation as a premier child care provider. In the future, growth opportunities are endless. I hope to have a chain of crèches and day care centers all over Nsukka, Enugu State and Nigeria.

1.10 The profitability analysis is shown below:

	Year 1(4 months)	Year 2	Year 3
Profit after tax	₦300,000	₦700,000	₦1,000,000
% return on turnover	Not available	25.04%	43%
% return on investment	Not available	55%	78%

Chapter two

Background

2.0 Introduction

With the ever growing population of Nigeria, the middle class is also growing hence a facility like Kingdom kids is important.

A day care is a place where working and non-working parents keep their toddlers, babies or young children while their parents are busy with work and other important things. A crèche is a place where these little children can hang out, play and also learn with other children. With the

2.1 Vision statement

The business vision is to be the best in the provision of day care services to children of both working and non-working parents.

2.2 Mission Statement

Kingdom Kids exists to provide a safe, developmentally appropriate environment for infants to preschool aged children.

2.3 Locational factors

Kingdom Kids is a day care business which will be located in my home on No 15 behind flat Nsukka. This is because of its nearness to the university, and to the target market.

2.4 Key Success Factors

- **Marketing:** differentiating Kingdom kids care in giving and educational services from traditional day care offerings and extra curricula activity programs.
- **Service quality:** care giving and educational programs provided by a degreed and certified educator in a technologically advanced, educational environment.
- **Reputation:** maintaining a highly regarded reputation for excellence in care giving and

education. Being the employer of choice in the child care market.

- Profitability: controlling costs and managing budgets in accordance with business goals, adhering to strategic business plans for growth and expansion and reinvesting in the business.
- Clientele: establish good relations with the parents by growing trust. Establish long term clients.

2.5 Inherent Risks

With the startup of this business, other entrepreneur will be attracted to the business and thereby causing competition. Other risks are:

Identified risk	Mitigants
A child may become sick	The service of a qualified nurse
In adequate start up demand	Promotion and advertising campaigns
Irregular water supply	A tank to be filled by tankers
Irregular power supply	A stand by generator

2.6 Business Ownership

The business is a sole proprietorship, wholly owned and managed by Ifunanya Vivian Ugwuoke.

2.7 Available Market

Recently, birth rates are increasing and it is expected to continue, positively impacting the outlook on the child care services. However, labor force participation rates for women aged over 40 years have increased, resulting in parents opting for childcare services. The decreases in the economy are resulting in more people working overtime or acquiring second jobs. This decrease should increase the amount of parents looking for affordable childcare services.

Chapter Three

Products and Services

3.0 Products/Services

The services of Kingdom Kids crèche and day care is to provide a safe, developmentally appropriate environment for infants to preschool aged children between the ages of six months to five years

3.1 Service Description

Infants:

My infant room is warm and homelike to help children feel comfortable and secure. I will meet infants' needs consistently, promptly and lovingly in response to each child's individual schedule. I will encourage infants to use their senses and their rapidly growing physical and cognitive skills to explore their environment.

I will make sure parents are informed daily about their child's growth and development. The infants' needs will be monitored constantly and all feedings, diaper changes and other activities are recorded for the parents' review.

Toddlers:

An appropriate program for toddlers provides a balance between a toddler's conflicting needs for security and independence. I will respond to the toddlers' struggles to become independent by allowing them to make simple choices and to do things for themselves.

Treating each child as an individual is critical at this time in their lives and helps each one start developing his or her full creative potential.

General:

All clientele will be able to leave their children in the facility from 7 a.m. to 7 p.m. Monday through Friday. Every child will receive breakfast, lunch and two snacks. Infants will receive cornflakes or any other formula a maximum of 4 times a day. A sample menu is included in the

appendix. Additional services include providing dinner, diapers, additional or specialized formula, staying after hours and weekend care. The fee for such items have not been decided as of yet, but will be in the future. Potential services could include field trips or holiday parties.

3.2 Facilities and Equipment

Equipment and facilities immediately required include changing tables, diaper cans, additional baby proofing, play set for backyard, accounting software such as QuickBooks, groceries, mats, additional pillows and blankets, arts and crafts supplies and educational toddler and infant toys and activities.

3.3 Costing

The cost needed for immediate start up is shown below:

s/ n	Items	Amount
1.	Equipment and facilities	₦400000
2.	Working capital	₦350,000
3.	Salaries	₦50000
4.	Utilities(light and water)	₦200000

3.4 Market Demand

I will conduct both primary and secondary research. When I hold my monthly meetings, I will also provide an optional survey for parents to take. I will also have an anonymous suggestion box at the entry of my home. I will also peruse websites and see what reviews have been left for either my day care or other day care facilities in the area.

The first goal of my customer service strategy is to recognize each customer, and refer to both parent and child by name. Within the first week of having a new client, I want to be sure they know my home as the child would and introduce them to all my staff members. I also want to

hold a monthly meeting with each parent, where we can assess the services I have provided.

With the infants I will be caring for, I will record all of the child's daily activities and provide this record for the parent.

3.5 Projected Annual Demand for day care institutions in Nsukka, Enugu state.

s/n	Years	Annual growth rate	Projected demand
1	2018	0.5%	₦40,000
2	2019	0.5%	₦40,200
3	2020	0.5%	₦40,400
	Total	20%	₦161,200

3.6 Competitive edge

My competitive edge is quality services, good pricing system and friendliness between clients

3.7 Pricing system

In Nsukka, the average annual fees paid for full-time care for an infant in a family child care home is ₦6,000, or ₦500 a day. Due to the nutritious meals and extra services I offer, I will be charging ₦5500 a month. After 6 months of continuous service I will offer a discount of ₦200. For active university staff, this discount can be applied at the start of a contract. In subsequent years, child care prices are likely to raise, and I will continue to charge an additional ₦1000 above average fees. Until I am able to offer specialty services, such as well qualified staff members, the highest quality of technology, and such, I will continue to charge only ₦1000 above average prices.

Chapter Four

Market, Customers and Competitors

4.0 Market Analysis

Recently, birth rates are increasing and it is expected to continue, positively impacting the outlook on the child care services. However, labor force participation rates for women aged over

40 years have increased, resulting in parents opting for childcare services. The decreases in the economy are resulting in more people working overtime or acquiring second jobs. This decrease should increase the amount of parents looking for affordable childcare services.

4.1 Market Segmentation and Target

My market segment is divided into:

1. Parents (including: legal guardians, grandparents, foster parents)
2. Male and female
3. 20 to 65+ years old
4. Single or married
5. No education to higher level education
6. All races/ethnicities
7. Income level varies, from ₦18,000 to ₦100,000+
8. Working full time and part times.

The target is on the following:.

Full-Time Working Couples: the most dominant segment of the target markets is composed of parents aged 25 to 40. They are married and have a combined income of ₦50,000. I need to establish a regular client base in order to establish the healthy, consistent revenue base which will ensure stability of business.

Wealthy Grandparents: Aged 50 to 65. An income or retirement fund of ₦75,000+, higher education who values and appreciates early developmental learning.

Single mothers: aged 20-35 years. They are unmarried and have an income of about ₦40000

4.2 Competitors

Kingdom Kids day care has competition from two distinct categories: in-home child care and child care facilities. Both of which are direct competition for Kingdom kids. Listed below are strengths and weaknesses of the leading competition.

1. Christ church crèche:

- o Strengths: Large church congregation. Already established in market.
- o Weaknesses: May not appeal to customers of different religious beliefs. Unlicensed facility. Non-accredited. Monday through Friday only.

2. Nauw nursery crèche:

- o Strengths: Already established in area. Care for infants to 12 years of age. Open 7 days a week. Several locations.
- o Weaknesses: Kinder Care is a franchise. A franchise operation is not personal, little to no flexibility, everything is structured and rigid and the centers may have trouble adapting to new environments.

3. Family Child Care Homes:

- o Strengths: Established in market. "Personal" service. Comfortable, intimate atmosphere. Direct care.
- o Weaknesses: Capacity, only allowed a certain number of children. Non-professional stigma.

Chapter Five

Marketing Plan

5.0 Marketing plan

My immediate geographic area is in Onuiyi, beach junction and university environment. I will expand the geographic area by 50-miles, to include all of Nsukka, with an estimated population of about 130,435. Kingdom Kids day care will provide parents the opportunity to give their child the best of the day care business. A variety of options for children will be offered, including, but not limited to, arts and crafts, outside play time, field trips and nutritious meals. Parents also have to opportunity to create a program they feel will fit their child's needs.

5.1 Promotional strategy

For promotion I will focus on advertising in *the daily sun*, the local newspaper. I will post an ad every week, starting two weeks before I begin operations. I will also distribute out-of-home flyers, offerings a special introductory rate of ₦4000 off the first month. Lastly, I will focus on interactive advertising. Posting ads on university of Nigeria website, buying an ad in the online Yellow Pages, and advertising on local sites that discuss child care facilities in Nsukka.

I will also contact the local newspaper and see if they would be interested in doing a human interest piece on my new businesses.

In the future, a website will be developed to promote my business. My contact is 08105604408 while the email address is Kingdomkids@gmail.com.

5.2 Marketing strategy

The single objective is to position Kingdom kids as the premier source for childcare in the Nsukka area. To increase awareness within the target markets by August 2020: regarding the services offered such as time, days, meals and activities. To build a consistent customer base by

the end of three years of operation: establishing connections with the targeted markets and work towards building customer loyalty and referrals. To provide quality childcare to all clientele on a consistent basis: regarding the meals. To create a positive reputation within the community on a consistent basis: create a positive word of mouth reputation as the premier source of childcare.

5.3 Marketing positioning

For parents who value the importance of higher education and quality child care services, Kingdom kids offers a great alternative to traditional child care. Unlike those programs, Kingdom kids combines child care services with meals and child activities, tailored just for kids. I want consumers to perceive my service as exceptional and well worth the additional fees for above average care.

5.4 Projected income

	Income from infants	Income from toddlers	Income from general	total
Year 1	₦45,000	₦57,000	₦35,000	₦137,000
Year 2	₦55,000	₦78,000	₦49,000	₦182,000
Year 3	₦150,000	₦160,000	₦70,000	₦380,000

Technical analysis, Management and Organization

6.0 Technical analysis

Children need attention and care more than adults. It is in the childhood stage of life that a child is molded to the character which he will later become in life. However, Kingdom Kids hopes to be the character forming of children hence the packaging of my services is done to match this.

6.1 Schedule of Operation

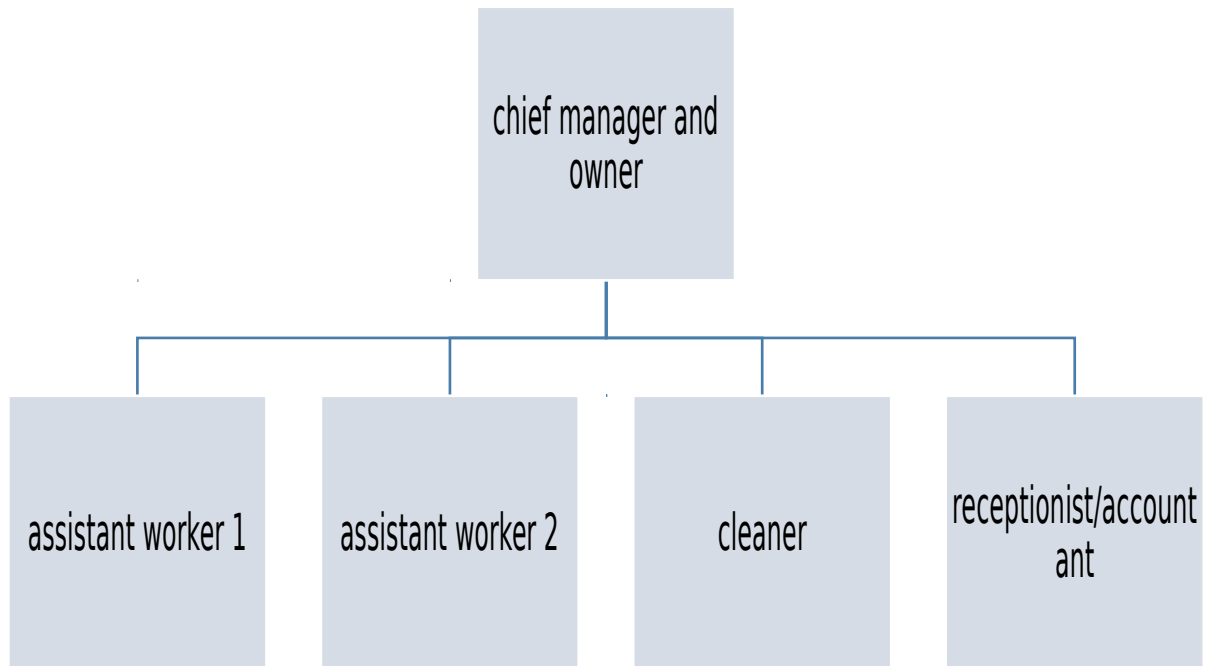
Because this is a service based business, no packaging is needed. I will package my services, the standard package will include Monday through Friday, from 7 a.m. to 7 p.m., including breakfast, lunch and two snacks. Additional packages will include weekend service, dinner service, after hours' service and providing additional supplies, such as diapers, specialized formula, etc. Packages can also be created on an individual basis and pricing will be adjusted to fit the consumer's needs.

6.2 Management and Organization (owner/manager)

The staff at Kingdom kids will include me, two part-time employees, with previous experience or a degree in Childhood Education or similar, a cleaner and a receptionist who will also do the work of an accountant. The working days will be Monday through Friday, ₱10,000 for a start. Morning shift: 7 a.m. to 2:30 p.m. and an Afternoon shift: 12:30 p.m. to 7 p.m. I will Need to interview and hire two weeks before operations start.

6.3 Organizational Structure

The organizational structure of Kingdom kids is shown below:



6.4 External Support

Kingdom Kids crèche and daycare centre will join business and entrepreneurial associations which will provide support on technical issues. The services of a registered nurse and also a pastor will be retained in due course.

6.5 Values and norms of Kingdom Kids crèche and daycare

Every child must be given maximum attention regardless of the parents' influence and wealth. Trust, confidence and cooperation is the key to serving you better.

Chapter Seven

Legal, Environmental, Social and Regulatory Issues

7.0 Legal issues

Since Kingdom Kids is a sole proprietorship, I plan on registering the business name with the appropriate department at the Local Government. No other special licenses are needed for the operation of a day care or crèche. But I will ensure to get all the necessary permit and licenses.

7.1 Environmental issues

The environmental challenge Kingdom Kids will pose is noise pollution which may be caused by the generator or the children while playing. Again, the toilet will be continually treated and sanitized daily with quality disinfectant to avoid infections.

7.2 Social issues

This project will create new jobs for the society, and also help to raise children who will be exceptional in the society. It will also help to bring about wealth creation and poverty reduction.

7.3 Regulatory issues

Kingdom Kids will comply with all environmental regulations as well as all relevant safety regulatory requirements.

Chapter Eight

Risk Analysis

8.1 Risk Analysis

The risks identified in this business and their mitigates are as follows:

Identified risk	Mitigants
A child may become sick	The service of a qualified nurse
In adequate start up demand	Promotion and advertising campaigns
Irregular water supply	A tank to be filled by tankers
Irregular power supply	A stand by generator

8.2 SWOT Analysis

A SWOT analysis carried out on the business revealed the following:

Strengths:

- A diploma in child development and entrepreneurship from University of Nigeria, Nsukka.
- Strong and effective interpersonal skills.
- Flexibility to meet each child's needs.
- Great clean home, with several areas for children to play.
- Flexible hours, including Saturdays.
- Discount pricing for long-term and repeat customers, including University staff.
- Free public relations and advertising help from my siblings.
- A nutritious meal plan, listed in Appendix A.

Weaknesses:

- A lack of visibility due to the newness of the operations.
- The ability to attract and maintain customers, due to the declining economy.
- Access to capital may be difficult, due to the limit of loans be given.
- The inability to perfectly forecast the demand of services.

- New to the childcare field, may have difficulty attracting customers.
- In-home childcare may not be most desirable form of childcare.
- No star rating until I have customers, but it may be hard to get customers without the star rating.
- **Opportunities:**
- A growing market with a large percentage of target customers not yet aware of Kingdom kids.
- Trust of local community and the University because I am a long-term resident and I studied at the university of Nigeria, Nsukka.
- Increased revenue as more and more people start working, thereby unable to care for their children during the day.
- Ability to get a high score on the Star Rating Scale.
- Lower prices than childcare facilities may attract more customers.
- As the number of children served grows, fixed costs are spread thinner over a larger customer base.
- Several channels of communication to advertise in.

Threats:

- Unemployment.
- Competition from already established facilities that improve their service offerings to be more competitive to Kingdom kids.
- Pricing pressure from already established facilities.
- Unfounded "public scares" regarding child care.

- Legal liability issues, either one large suit, or significant increases in premiums due to changes within the operating environment of the industry.

8.3 Exit strategy

Diversification is the only planned exit strategy for the business.

Chapter Nine Financial Plan

9.1 Initial capital for start up

The capital needed for this business is ₦950,000, ₦600,000 is for the fixed assets while ₦350,000 is for working capital. ₦900,000 will be borrowed from the bank and other finance institution while ₦350,000 is my personal savings.

Start-up requirements	
Start-up Expenses	
Legal	₦1,000
Stationery	₦250
Brochures	₦500
Insurance	₦1,500
Consultants	₦8,250
Playground Equipment	₦500
Playground Prep	₦1,000
Playground Fence	₦3,500
Furnishings	₦700
Toys	₦3,000
Buildout	₦7,500
Total Start-up Expenses	₦3,000
Start-up Assets	₦8,750
Cash Required	₦39,450
Other Current Assets	
Long-term Assets	₦65,550
Total Assets	₦14,130
Total Requirements	₦35,000

9.2 Forecast of sales

If I maintain an average of 7 children, at ₦5000 a month per child, two part-time staff members at ₦6000, and my predicted fixed costs and variable costs are correct, I should be able to break even within the first year. If I raise my rate ₦1000 a year and charge extra for additional services, I should be able to start making a profit after the first year is over.

9.4 Depreciation

Capital items	LS	IV	SV	Depreciation
Generator	1	₦37000	₦55000	₦2500
Water tank	2	₦45000	₦65000	₦2000
Playground facilities	4	₦15500	₦23000	₦3000
Cooking facilities	5	₦4000	₦7000	₦4300
Stationary	15	₦350	₦1000	₦100
Eating utensils	20	₦500	₦2500	₦1000

9.5 Loan Repayment Schedule

Year	Loan	Repayments	Interests	Loan balance
1	₦900000	nil	₦74,000	₦22,300
2	₦600000	₦87000	₦15,000	₦45,000
3	₦150000	₦150000	₦50000	nil

9.6 Projected Profit and Loss Account

Particulars	Year 1	Year 2	Year 3
Expected income	₦ 55,000	₦56,000	₦100000
Expenses	₦45,000	₦55,000	₦67,000
Cost of Centre manage	₦30,000	₦47,000	₦56,000
Salaries	₦40,000	₦45,000	₦50,000
Profit	₦75,000	₦58,000	₦60,000
Less depreciation	₦34,0000	₦6700	₦17,000
Dividend	₦32,000	₦ 34,000	₦12,000

9.7 Cash flow Projection

Cash in	Year 1	Year 2	Year 3
Equity	₦15,000	₦10,000	₦20,000
Bank loan	₦50,000	₦60,000	₦75,000
Profits	₦78,000	₦89,000	₦100,000
Depreciation	₦12,000	₦23,000	₦34,000
Total cash in	₦ 79,000	₦54,000	₦35,000
Cash out	₦63,000	₦62,000	₦35,000
Equipment and others	₦65,000	₦23,000	₦70,000
Working capital	₦45,000	₦150,000	₦120,000
Loan repayment	₦95,000	₦97,000	₦100,000
Dividend	₦ 5,000	₦ 10,000	₦12,000
Increase in cash			₦56,000
Total cash out	₦340,000	₦35,000	₦78,000
Opening bal	Nil	₦47,000	₦32,800
Closing bal	Nil	₦47,000	₦93,000

9.8 Projected Balance Sheet

	Year 0	Year 1	Year 2	Year 3
Fixed assets	₦15,000	₦10,000	₦20,000	₦15,000
Current assets	₦50,000	₦60,000	₦75,000	₦50,000
Opening bal	₦78,000	₦89,000	₦100,000	₦78,000
Bank loan	₦12,000	₦23,000	₦34,000	₦12,000
Earnings	₦ 79,000	₦54,000	₦35,000	₦ 79,000
Dividend	₦63,000	₦62,000	₦35,000	₦63,000
Current liabilities	₦65,000	₦23,000	₦70,000	₦65,000
Capital equity	₦45,000	₦150,000	₦120,000	₦45,000
Creditors	₦95,000	₦97,000	₦100,000	₦95,000
Dividend	₦ 5,000	₦ 10,000	₦12,000	₦ 5,000
Total liabilities			₦56,000	

Chapter Ten

Other Considerations, Conclusion and Recommendation

10.1 Economic Justification

From the view point of my study and analysis of the findings made, the project offers good benefits to me and the economy. Wealth will be created even as jobs are also created. These are consistent with the federal and state government policy on entrepreneurship, wealth and job creation.

10.2 Commercial Viability

The commercial viability of the project is very clear. The project has been found to be commercially viable, having shown through projections, and impressive income and profit accounts.

10.3 Conclusion and Recommendation

Therefore, Kingdom Kids is a viable business both in funding and implementation.

Appendix A

Meal plan which can vary depending on the children's age

	Monday	Tuesday	Wednesday	Thursday	Friday
Breakfast	Cereal, Banana, Milk	Bread Toast, Carrots, Milk	Cereal, Milk	Rice and stew,	Pap with milk
Lunch	Boiled Egg , beans Milk	Potatoes, carrots, Milk	Pasta, Berries, Milk	Moi moi	Indomie noodles
Snack	Water Melon, , Water	Cookies, Water	Carrots, Muffin, Water	Yogurt, buns, Water	Fresh Fruit, Crackers, Water

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