

BUSINESS PLAN

CHAPTER I

Executive Summary

Today's society is no longer the society where women stay at home because they need to take care of their babies, this is because the function of breadwinning is now a function of both the men and women therefore women need to work whether or not they have babies to look after. The business is founded on the basis that people have to make ends meet and their babies shouldn't be a barrier and the babies need not just any kind of daycare but a standard daycare and this is where my business plan proposal comes to play.

The proposed project would require a start-up capital of N7,000,000. We will be located at No. 23, Queens close Wuye, opposite Wuye central market, Abuja.

The business being a partnership would be managed by the funders who are shareholders in the business and venture capitalists. Its location would be proximal to government parastatals, offices and the central market.

The business has been well planned and expected to break even within the fourth and fifth year as seen in the financial projections. Also, the laid out strategies will aid in distinguishing the business among its competitors within a very short period of time.

Name of Business

The name of the Business is QUEENS ROYAL DAYCARE.

Contact Address

No. 23, Queens close Wuye, opposite Wuye central market, Abuja.

Mobile phone: 08094471407, 08096569597 or www.queensroyaldaycare.com

SECTION TWO

COMPANY DESCRIPTION

Mission Statement: To provide quality daycare services for all babies- our treasure. Queens: A taste of royalty.

General business overview

This business will start as a partnership, owned by its founders. We will handle day-to-day operations of the business. The demand for quality and trusted day care services is growing this days and this projected intends to run for the next ten years.

Type of Business/ Concise description of the business idea (Services)

Queens royal daycare is a service oriented business firm. We take care of infants, toddlers and other little children for as long as 7:00am – 7:00pm.

Customers

Our main customers are the working class lactating mothers, especially the busy workers whose job cannot be effectively done with their babies around.

Ownership structure

QUEENS ROYAL DAYCARE, is a private business firm with the following shareholding structure:

- | | |
|---------------------------|--------|
| 1. Ms. Queenneky Chukwuka | 60.00% |
| 2. Ms. Chinemaremu Philip | 40.00% |

Legal Form of Business

Queens Royal Daycare is a private limited liability company registered with Corporate Affairs Commission (CAC) with CAC registration number RC471407.

Adviser: our business strategy counsellor and adviser is Dr. Augustina Chimaobi

LEGAL AGREEMENT

Below is the summary of the partnership agreement as stipulated by the funders and well-being venture capitalist.

1. For the first 3 years, a greater percentage of profit is to be ploughed back.
2. Decision-making shall go by majority vote.
3. Profit sharing shall be in the order of contribution made
4. If the business fails to break even within the first five years, the assets would be sold off and shared based on percentage contributed which is after all debts have been paid off.
5. Illegal acts by any staff will incur a penalty which ranges from withdrawal of appointment to punishment by the law court.

6. In the case of death of a partner (venture capitalist), the family receives 80% of his equity after the business has broken even.

Long term aim and objectives

Goal: Queens Royal Day Care aims to offer safe and secure child care at all times. Close personal attention to each child is essential to providing a quality experience for all children; therefore, adequate personnel will be hired to ensure each child has the proper supervision in our care.

Objectives

1. Maintaining a reputable and untarnished reputation in the community.
2. Premium quality care.
3. Affordable but Competitive pricing.
4. Flexible hours.
5. Serene and conducive environment
6. Job ceration

BUSINESS STRATEGY

- ❖ Providing quality products and services at optimum prices
- ❖ Appealing to the customer's sense of value

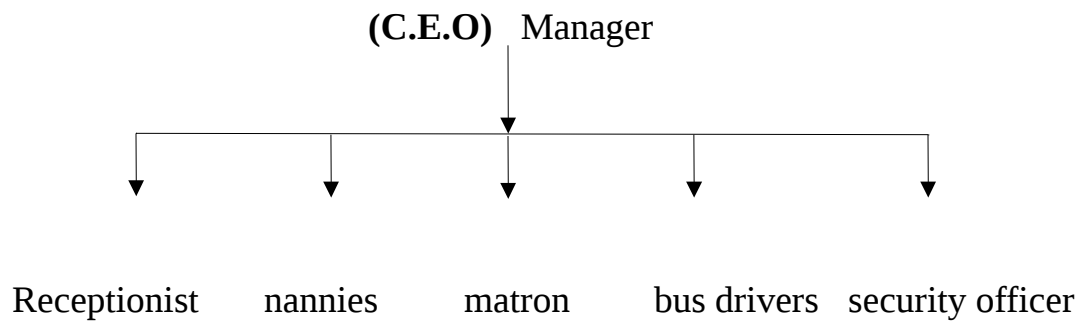
- ❖ Creating customer friendly atmosphere
- ❖ Maintaining one on one customer relationship

SUCCESS FACTORS

- Presence of government corporation and offices
- Presence of a major market
- High standard of living.
- provision of quality services
- Effective and efficient customer care service.

ORGANIZATION AND MANAGEMENT

Organizational structure



Organization and Management

The Business will be organized and managed by

1. A Managing body made up of the two funders and venture capitalist

other staff include

1. A receptionist
2. 4 nannies and 1 matron
3. 2 bus drivers
4. security officer

Risk management

1. Use of fire Extinguishers in case of fire outbreak
2. Use of CCTV cameras to monitor the activities going on per time.
3. Securing the environment to avoid cases of missing children or wounded children (accident management)
4. Proper record of each child in registers for easy accountability
5. Rule of only authorized persons to pick up children

SWOT

Strengths	Weakness
Educational qualification: Degree holder	Finance
Skilled and experienced personnel	Lack of skills

Opportunity	Threats
Diversifying into primary education/ full time education	Competition from existing and well known daycare services.
High demand for daycare schools in our urban centers.	Initial low registration

SECTION THREE

MARKET ANALYSIS

QUEENS ROYAL DAYCARE is a business that has become necessary in today's fast-paced world. There are an increasing amount of families who have become dependent on two incomes, which has created the necessity of the child care industry. Indeed, it has. There are over 50 child day care centre in this area that provide similar services, each of these has a large client base, and a lucrative business. There is no doubt that there is room in the market for a high-quality child care facility.

Target market

QUEENS ROYAL DAYCARE has a focus on meeting the local need for child care services within the 15-mile radius of Abuja. Children are taken in flexibly on either a full-time or part-time basis. The target market for QUEENS ROYAL DAYCARE is full-time working couples. Referral marketing is the key type of marketing strategy utilized. Maintaining and further enhancing its reputation in the community is crucial to gaining additional market share of this target market

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.

Total Market Valuation

QUEENS ROYAL DAYCARE is a business that has become necessary in today's fast-paced world. There are an increasing amount of families who have become dependent on two incomes, which has created the necessity of the child care industry. Indeed, it has.

Target company Revenue

Our company revenue will come from two parts, promoters will contribute equal amount and a part will be borrowed from the bank

Market trends

With the increasing demand for consistent flow of cash in the home and inflation continuing to increase every year, it has become necessary for more families to rely on two incomes to survive. In turn, this increases the demand for child care facilities. We do not foresee this trend turning in the near future, and intend to capture a share of this market.

Profile of Competitors

- The child care business is lucrative. As a result, there are many centers that provide quality care for children in the same area as QUEENS ROYAL DAYCARE. The child care industry is split between large, commercially-run centers and smaller, locally-owned centers.
- These larger chains compete well because of a good reputation among the consumer market.
- QUEENS ROYAL DAYCARE will compete with the small care centers; this is where the main competition lies.

Competitive Advantages

- QUEENS ROYAL DAYCARE is confident that this will be a successful venture because of the quality of its managers and the capability of its Care Staff.

- It offers a sound staff and children relationship lower staff to child ratio, which is appealing to most parents.
- Additionally, the company maintains child standard, secure and serene environment which is not so easy to come by especially in the area.

ACTION PLAN

MONTH	ACTION
July- august	Acquisition of building, fixtures and stocks, staff – recruitment and staff – training
September- October	Official opening of the daycare
November	Development of Alliance with offices, parastatals, organizations etc
December– January	Advert placements.
February	Management and staff meeting
March	Personnel Training, Evaluation and feed back
April	Visitation of offices, parastatals, organizations etc to establish and fortify alliance
May- June	Financial Report, Board meeting and Annual Evaluation.

Promotion Strategy

- Issuing out customized materials like bags, pens, t-shirts etc.
- Organizing rallies and bonanza to advertise our services
- Price reduction for bus fee and service charges for new customers
- Percentage share for anybody who brings a customer

CHAPTER 4

FINANCIAL PROJECTION

Key assumptions

We expect that at the end of first, second and third year, we will have the sale of N26,162,500 ,N51,502,500 and N67,474,000 respectively.

Profit and loss accounts

As the Profit and Loss table shows, the company expects to continue its steady growth in profitability over the next three years of operations.

Projected Profit and Loss

	Year 1	Year 2	Year 3
Sales	N26,162,500	N51,502,500	N67,474,000
Direct Cost of Sales	N780,600	N1,600,000	2,160,000
Other Production Expenses	0	0	0
Total Cost of Sales	N780,600	N1,600,000	N2,160,000
Gross Margin	N25,381,900	N49,902,500	N65,314,000
Gross Margin %	97.02%	96.89%	96.80%

Expenses			
Payroll	N21,000,000	N33,200,000	N37,500,000
Sales and Marketing and			
	N0	N0	N0
Other Expenses			
Depreciation	N0	N0	N0
Leased Equipment	N180,000	N200,000	N220,000
Certifications & Inspections	N240,000	N250,000	N260,000
Utilities	N180,000	N200,000	N2,200,000
Insurance	N300,000	N360,000	N4,200,000
Rent	N1,800,000	N2,000,000	N2,500,000
Payroll Taxes	N3,150,000	N4,980,000	N5,625,000
Other	\$0	\$0	\$0
Total Operating Expenses	N26,850,000	N41,190,000	N52,505,000
Profit Before Interest and			
	(N1,468,100)	N8,712,500	N12,809,000
Taxes			
EBITDA	(N1,468,100)	N8,712,500	N12,809,000
Interest Expense	N261,000	N178,000	N7,8000
Taxes Incurred	N0	N2,560,400	N3,819,300
Net Profit	(N1,729,100)	N5,974,200	N8,911,700
Net Profit/Sales	-6.61%	11.60%	13.21%

Balance sheet

The following table presents the Balance Sheet for QUEENS ROYAL DAYCARE.

Projected Balance Sheet

Assets	Year 1	Year 2	Year 3
Current Assets			
Cash	N4,896,400	N10,238,300	N18,867,900
Other Current Assets	N0	N0	N0
Total Current Assets	N4,896,400	N10,238,300	N18,867,900
Long-term Assets			
Long-term Assets	N0	N0	N0
Accumulated Depreciation	N0	N0	N0

Total Long-term Assets	N0	N0	N0
Total Assets	N4,896,400	N10,238,300	N18,867,900

Liabilities and Capital	Year 1	Year 2	Year 3
Accounts Payable	N645,500	N1,013,300	N1,731,100
Current Borrowing	N0	N0	N0
Other Current Liabilities	N0	N0	N0
Subtotal Current Liabilities	N645,500	N1,013,300	N1,731,100
Long-term Liabilities	N2,280,000	N1,280,000	N280,000
Total Liabilities	N2,925,500	N2,293,300	N2,011,100
Paid-in Capital	N4,000,000	N4,000,000	N4,000,000
Retained Earnings	(N300,000)	(N2,029,100)	N3,945,000
Earnings	(N1,729,100)	N5,974,200	N8,911,700
Total Capital	N1,970,900	N7,945,000	N16,856,700
Total Liabilities and Capital	N4,896,400	N10,238,300	N18,867,900
Net Worth	N1,970,900	N7,945,000	N16,856,700

Projected Cash Flow

The cash flow projection shows that provisions for ongoing expenses are adequate to meet the needs of the company as the business generates sufficient cash flow to support operations.

Projected Cash Flow

	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	N26,162,500	N51,502,500	N67,474,000
Subtotal Cash from Operations	N26,162,500	N51,502,500	N67,474,000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	N0	N0	N0
New Current Borrowing	N0	N0	N0
New Other Liabilities (interest-free)	N0	N0	N0

New Long-term Liabilities	N0	N0	N0
Sales of Other Current Assets	N0	N0	N0
Sales of Long-term Assets	N0	N0	N0
New Investment Received	N0	N0	N0
Subtotal Cash Received	N26,162,500	N51,502,500	N67,474,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	N21,000,000	N33,200,000	N37,500,000
Bill Payments	N6,246,100	N11,960,600	N20,344,400
Subtotal Spent on Operations	N27,246,100	N45,160,600	N57,8,44,400
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	N0	N0	N0
Principal Repayment of Current	0	0	0
Borrowing			
Other Liabilities Principal Repayment	0	0	0
Long-term Liabilities Principal	N720,000	N1,000,000	N1,000,000
Repayment			
Purchase Other Current Assets	N0	N0	N0
Purchase Long-term Assets	N0	N0	N0
Dividends	N0	N0	N0
Subtotal Cash Spent	N27,966,100	N46,160,600	N58,844,400
Net Cash Flow	(N1,803,600)	N5,341,900	N8,629,600
Cash Balance	N4,896,400	N10,238,300	N18,867,900

CHAPTER 5

CONCLUSION OTHER MATTERS

EXIT STRATEGY/PLAN

With the above plan, the business is expected to make good profit and thrive financially. In spite of that, good and efficient exit strategies have been laid out to arrest uncertain situations e.g.

- a) Failure to break even within first five years
- b) Occurrence of Natural Disaster around the community.
- c) Persistence in high rate of insecurity
- d) Death of more than five members within the first five years.

In the above cases, the Assets will be liquidated and shared in the ratio of 70:30 between Queens Royal Daycare and the Well - Being Venture capitalists respectively.

CONCLUSION

Queens Royal Daycare project is greatly recommended for both funding and investment as it is obviously a good soil to sow in and reap bountifully within a short period of time. The business is lucrative and of economical benefit to the society at large.