Business Plan Template

Purpose

A business plan can be useful to your child care service in a number of ways:

- It may assist you in defining and focusing your objectives using appropriate information and analysis.
- A business plan can uncover omissions and/or weaknesses in your planning processes.
- If you are seeking finance for your business, you will need a robust business plan to demonstrate to lenders and investors why they should invest in your business.
- Developing a business plan can provide the entire child care service with the opportunity to seek feedback on possible ideas and improvements from key stakeholders, for example families, management committee/board and the broader community in which your child care service operates.
- A complete business plan may assist your child care service in reaching your long-term goals by helping define your service's objectives and assisting in planning strategies to achieve your goals.

What information may be included in a business plan?

- Most business plans will consist of the following sections. Some of these sections may not apply to your child care service and may need to be adapted to best suit your needs. We have provided an example template with guidance on how to complete the form below to assist your child care service in creating a business plan.
- Sections most likely to be found in a generic business planning template:
  - An overview of the service, which may include information about what services your child care service provides and the current and anticipated demand.
  - Business plan on a page, which is intended to give a quick snapshot of where the service is heading, what differentiates the service, what goals have been set, and the service's philosophy. This can be augmented by a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, which may provide management with further insights that can be addressed within the business plan.
  - Financial section, which outlines key financial objectives which your child care service is targeting. An example of an annual budget template is included in the **Scenario Analysis and Budgeting Tool** that forms part of the suite of business support tools and resources developed by the Department of Education and Training (the department) for child care services.
  - Market analysis section, which may assist your child care service to assess the market needs and demand.
  - Organisational structure, which provides a visual guide to roles and responsibilities, and can assist in aligning accountability and reporting lines.
- Risk management section, which outlines possible types of risks and mitigation actions relevant to your service. There may be risks which do not fall into the categories outlined in the business plan template. See the example Risk Management Template on the department's website.

Business name
Business Plan

Imagery of the business

Using this template

A good business plan can help you secure finance, define the direction of your service, and create strategies to achieve your goals.

Before you complete this business plan template and start using it, consider the following:

1 **Do your research.** You will need to make quite a few decisions about your service including structure, marketing strategies and finances before you can complete the template. By having the right information at hand you also can be more accurate in your analysis.

2 **Determine who the plan is for.** Does it have more than one purpose? Will it be used internally or will third parties be involved? Deciding the purpose of the plan can help you target your answers. If third parties are involved, what are they interested in? Don't assume they are just interested in the finance part of your business; they will be looking for the whole package.

3 **Do not attempt to fill in the template from start to finish.** First decide which sections are relevant for your service and set aside the sections that don't apply. You can always go back to the other sections later.

4 **Use the [italicised text].** The italicised text is there to help guide you by providing some more detailed questions you may like to answer when preparing your response. Please note, if a question does not apply to your circumstances it can be ignored.

5 **Use the "tips and tricks" information pages.** The tips and tricks pages are there to help guide you by providing some background, task orientated information on how to approach your responses to Section 2 of the template.

6 **Download the Business Plan Guide.** The business plan guide from www.business.gov.au/businessplan contains general advice on business planning, a complete overview of the business plan template and a glossary explaining the main terms used throughout this template.

7 **Get some help.** If you are not confident in completing the plan yourself, you can enlist the help of a professional (i.e. Single Business Service, Business Enterprise Centre, business adviser, or accountant) to look through your plan and provide you with advice.

8 **Actual vs. expected figures.** Existing services can include actual figures in the plan, but if your service is just starting out and you are using expected figures for turnover and finances, you will need to clearly show that these are expected figures or estimates.

9 **Review. Review. Review.** Your business plan is there to make a good impression. Errors will only detract from your professional image, so ask a number of impartial people to proof read your final plan.

Section 1
Business Overview

Business details

Business Name	
Trading Name	
ABN	
Address	
Contact	
Telephone	
Mobile	
Email	
Website	
Number of years of operation	
Structure of the business	
Number of sites and locations	
Industry/Sub Industry	
Summary of business	

The table below outlines examples of things to consider when filling out business (service) information

Services provided	• Brief service description, hours open, service philosophy, value to children attending, parents and community • Assessed as part of the National Quality Framework
Business (service) location	• Location and space occupied • Service premises owned or leased
Current employees and qualifications	• List your current staff and their qualifications including educators and administrative staff • Outline any vacancies and your recruitment strategies e.g. advertising, training current staff • What documents can you provide to ensure skills of staff are maintained, training programs • Memberships and affiliations
Current number of children	• Capacity of service • Any vacancies and strategies to address these vacancies • Children with special needs
Financial position/assets	• Payment types accepted • Centrelink arrangements • Bond arrangements • Fixtures and fittings • Infrastructure
Liabilities	• Service loans

Section 2
Business Plan on a Page and SWOT

[Business Name]: Plan on a Page

A Plan on a Page is intended to give a quick snapshot of where the service is heading (vision), what differentiates your service and the value to your families and community (value proposition), what you're going to do to get there (goals) and what your service philosophy is.

Vision

[Insert vision]

Value Proposition

[Insert value proposition]

Goals

- [insert goals]
- [insert goals]

Values

- [insert values]
- [insert values]
- [insert values]

Key Metrics

- [insert key metrics - **this year**]
- [insert key metrics - **next year**]
- [insert key metrics - **year after**]

Service SWOT analysis

A SWOT analysis reviews the Strengths, Weaknesses, Opportunities and Threats associated with a service.

How to complete a SWOT analysis:

Try to list five to eight items in each of the following categories:

- **Strengths**: strengths are the service's resources and capabilities that can be used as a basis for developing a competitive advantage
- **Weaknesses**: capabilities and resources that are currently absent
  (strengths and weaknesses must be relevant to the child care industry and provide your service with competitive advantage or disadvantage. These must be particular to your service, for example, a strength is not a strength if all child care services have it).
- **Opportunities**: are in the external environment which may point to ways to grow your service
- **Threats**: are changes in the external environment that may present a threat to your service
  (opportunities and threats are about the external environment in relation to your service and the child care industry. Additionally, this external analysis should take into account the broader environment including relevant and impactful political, environmental, socio-cultural, technological, legal, economic, global and demographic factors.

Example:

Strengths	Weaknesses
- Long-serving and experienced educators and administration staff - Responsive to local community needs	- Lacking in business and financial expertise - Retirement of centre manager
Opportunities	**Threats**
- Increased flexibility in operating requirements provided by the new child care arrangements that come into effect 2 July 2018	- New child care service opening nearby (NB this could also be an opportunity to differentiate your service)

Business plan tips and tricks:

How to write a vision:

What is a vision?	- A vision statement captures the essence of where the owners want to take their service and can inspire them and their staff to reach the service's goals - The vision statement should state clearly what the overall purpose and goals are for the service - It should answer the fundamental question: "WHERE are we going?" but not get into the specifics of "HOW are we going to get there?"
Useful guidelines	- A vision should be: - clear and written in plain English - passionate, powerful and memorable - short and say a lot in a few words - realistic (i.e. in terms of resources, capabilities and growth potential) - describes the best outcome (ideal state) for the service - The following areas could be included: finances, reputation, service quality standards, growth, passion, sustainability
Linking to rest of plan on a page	- As the vision is the end-point or ideal state for your service – the goals of the service should drive change that will ideally assist your service achieving its vision - For example – if the vision includes something about "creating a quality learning environment where children are encouraged to learn and develop" then the goals should state what steps your service will take to get there - for example, what the learning philosophy of your service is
Length of a vision (time period)	- Visions are the long-term aspirations of your service and should extend beyond the time period covered by the plan – it should be the service's legacy - Try to capture what the service will look like in at least five years (but a specific time-frame does not need to be spelt out in the vision statement)
How many visions?	Just one!
Some good examples	- To be a fun, flexible and inspiring learning space for children and educators - To provide the best play-based learning environment in (name of community) - Other industries and organisations can provide inspiration. For example, Amazon's vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online

Inappropriate visions	• Our vision is to move into a new school or community building (doesn't encapsulate the entire future of the service) • We have a vision of success (too generic)

How to write a value proposition:

What is a value proposition?	• A value proposition is the innovation, service, feature or product that makes your service attractive to families and the local community and articulates why families attend your service over others • It explains how your service meets community needs • It shows what specific benefits your service delivers to children and families • Explains why families should pick your service (i.e. your unique differentiation) • It should answer the fundamental question: "WHAT you do best and WHAT you do differently?"

Useful guidelines	• A value proposition should be:
	    o clear and written in plain English (and other languages if needed)
	    o include the product / service for sale, the end benefit, the target customer and what makes it unique and different
	    o usually a bit longer than a vision
	    o describes the here and now - rather than what you aspire to be
	• The following areas could be included: innovations, value for money, quality, service, availability, proximity, finances, reputation, service quality standards, growth, passion, sustainability

Linking to rest of plan on a page	• The value proposition should work as the positioning statement within the plan on a page that helps management / board make decisions around what they want to prioritise
Length of a value proposition (Time period)	• Value propositions are the here and now
How many value propositions?	• Just one!
Some good examples	• We are the oldest provider of quality long day care in our local community with a focus on preparing children for school

Inappropriate value propositions	• Education: Because kids are worth it. (this is a slogan) • We are good educators (so are the people down the road!)

How to write goals:

What are goals	• Goals are a series of broad-based actions, identifying what the service needs to do in the coming periods in order to work towards achieving its strategic objectives
	• Goals can have different areas of focus including:
	   ○ improving the current operations/processes/systems
	   ○ reviewing the service's financial sustainability and implementing changes to improve sustainability
	• Services can then set out an action plan to achieve their goals as the goal itself is not usually specific enough to say "what" they're going to do to achieve it. For example a goal might be change operating hours and some actions to achieve this are: develop communication plan for families, community and staff, develop project plan

Useful guidelines	• Keep each goal clear and simple • Be specific • Goals must start with a verb (a "doing word"!). Some examples are: Review, Develop, Re-Develop, Prepare, Revise, Create, Establish, Evaluate, Improve, Investigate, Expand, Determine, Explore, Launch
Linking to rest of plan on a page	• The goals should be about getting your service into a good position so that it is ready in the next few years to work towards achieving its strategic goals and vision **Key metrics:** • Key metrics are ways to measure whether the service is performing and how much it expects to grow • Metrics can be financial (revenue, gross profit, gross margin, wages as a percentage of costs) or project-based (open a new building) or other operational (hire a new general manager) • Each goal DOES NOT require a specific key metric. However, you may choose to have some key metrics linked to goals if the achievement of these goals is instrumental in measuring financial health/success. Examples of goals and metrics that are the same - hiring a centre manager, partnering with a local school
Length of goals (Time period)	• Most services will develop a business plan with goals over a number of years/ periods

	• They can be sorted in the plan on a page by short-term (1-year) goals and medium-long-term goals (> 1 year)
How many goals?	• Typically six to ten • A service typically cannot focus on more than ten key goals at once • If you have more goals than ten, consider whether any of the goals can be consolidated or are too insignificant to be focused on in the service plan
Some good examples	• Revise our marketing strategy and create a marketing plan • Review the family engagement process • Introduce a new IT system to reduce enrolment administration • Re-design our website and online communication • Explore possible funding arrangement for one-off capital works such as refurb of outdoor play area • Improve cash position
Inappropriate goals	• Revenue of $500,000 in FY17 (this is a key metric) • To have the largest network of child care facilities in Australia (this is a vision) • Call bank to discuss finance (this is an action) • Add newsletter sign-up functionality to website (this is an action)

Section 3
Investment, income estimates, profit and loss and cash flow forecast

Key objectives and financial review

Financial objectives
[List your service's key financial objectives. These can be in the form of enrolments or sustainability targets. You could also list your main financial management goals such as cost reduction targets.]

Finance required
[How much finance up-front does your service need? Where will your service seek to obtain the funds? What portion will your service be seeking from loans, private sector community funding or government funding? How much of your service's cash can be reinvested?]

Section 4
Operating environment analysis

The local operating environment

Research
[What statistical research have you completed to help you analyse demand for child care in your local community and the operating environment? Did you use a survey/questionnaire? If so, you may like to attach a copy of your survey/questionnaire to the back of this plan.]

Enrolment and attendance targets
[Outline your planned enrolment targets. Are they monthly or yearly targets?]

Environmental/local community analysis
[Detail the results of any research you have performed. Is the area experiencing population growth? Are there long-term employers in the area? Is the region's economy stable? Are there timing variations such as during school term or vacation periods? What is the size of the local community with young children in your area? What recent trends have emerged in the local community and your area? What growth potential is available?]

Your families

Family and local community demographics
[Define who your target families are and how they behave. You can include location, income and disadvantage, employment status, cultural and linguistic diversity, educational attainment and attitudes to child care. How will you target your service to them?]

Family and community engagement
[How will you maintain a good relationship with your families and communities? What channels will you use? How will you keep your families coming back?]

Operating environment overview:

What environment does your service operate in?	e.g. Description of local area
What is the nature of the demand for child care?	What is the size (volume and value)? Is there a growing or changing demand? What are the future prospects?

Target families:

Who are the target families?	Demographics, socio-economic status, employment status, location (national, regional, remote), cultural and linguistic diversity, income and disadvantage, attitude to child care and education (e.g. child care philosophy)

What do they need/want and how will your service satisfy them?	Will your service offer the services that families are looking for? Will you need to educate them on the value of your service?

What other child care services operate in your area?

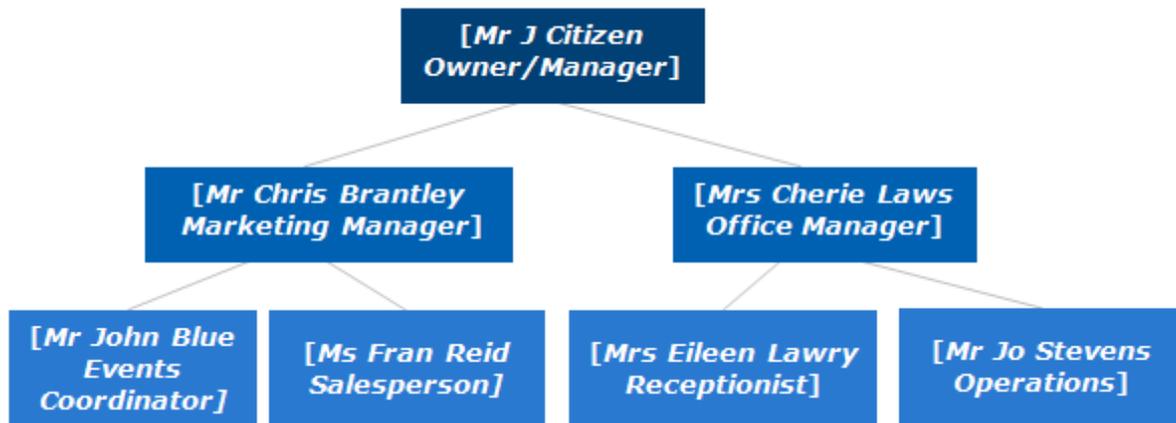| What are these services strengths and weaknesses?	Reliable/unreliable, capacity to grow/at capacity, good quality/weak quality, good service/bad service, good reputation/bad reputation, good community contacts/new to the area

Marketing and enrolments:

How will you market your service?	Consider: • word of mouth • social media • networking events • paid marketing (online, newspaper ads, billboards, letterbox drops, catalogues, radio, tv) Very important to consider who the target families and communities are and how they would like to be engaged.
Do you have the skills/knowledge to market your service or will you need to employ someone (internally or externally)?	•

Section 5
Organisational structure (Current and planned)

[Enter summary paragraph of organisational structure].

Example of organisation chart[1]:

```
                    [Mr J Citizen
                    Owner/Manager]
                    /              \
        [Mr Chris Brantley      [Mrs Cherie Laws
        Marketing Manager]       Office Manager]
         /           \            /            \
 [Mr John Blue   [Ms Fran Reid  [Mrs Eileen Lawry  [Mr Jo Stevens
  Events          Salesperson]   Receptionist]      Operations]
  Coordinator]
```

Example of key staff and metrics:

Educators:
Now: [x]
Future: [x, y% increase]

Number of new roles

No of FTEs
Now: [x]
Future: [x, y% increase]

Things to consider when filling out information:

- Use this template to show the current organisational structure plus also any planned new roles and employment type - full-time (FT), part-time (PT), casual, contractor

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[1] https://www.business.gov.au/info/plan-and-start/templates-and-tools/business-plan-template-and-guide

Section 6
Risk management

Below is an example of a table to complete when conducting your service's risk analysis as part of the Business Plan. Should you like to conduct a more detailed Risk Management assessment please view the **Risk Management Template** on the department's website.

Type of risk	Prevention/ Protection in place already	Actions to be taken
Compliance, legal and tax		
Relevant insurances have been taken out		
Brand and reputation risks		
Service competition		
Securing a qualified and experienced workforce		

Things to consider when filling out information

- These are suggestions and may not all be relevant at all or at this point in time for the service - you will need to use your judgement

- There may also be other risks that don't fall neatly into these categories

- Some risks may require external assistance. Have you engaged them?

Section 7
Supporting documentation

Attach your supporting documentation in relation to this business plan. The attached documents might include insurance certificates, family or community survey/questionnaire and/or financial documents.