

BUSINESS PLAN

For

Bouncy Kids Child

Development

Center

2001

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Executive Summary

Bouncy Kids Child Development Center will operate under a Christian philosophy that children need to be treated with warmth and respect. One major emerging trend in the childcare industry according to the Census Bureau's Report "What Does It Cost to Mind Our Preschoolers?" is the care of children during non- standard hours. The service sector is projected to have the highest and fastest growing percentage of shift workers at 42%. In 1990, 7.2 million mothers with 11.7 million children under the age of 15 worked either full or part time during non-standard hours. Mothers with children under age 5 have the highest percentage of voluntary non-standard hours.

Marketing efforts will remain primarily grassroots using local resources, current families, and churches to promote Bouncy Kids Child Development Center.

Introduction

Bouncy Kids Child Development Center is a Limited Liability Company (LLC) owned by (CDC Owner). (CDC Owner) has over 15 years in the child care industry and has worked vigorously to provide care for Development Center will operate under a Christian philosophy that children need to be treated with warmth and respect. The children served by Bouncy Kids especially need experiences that will foster physical, social, emotional, and cognitive growth. The atmosphere at Bouncy Kids will be a caring environment to encourage independence, constructive problem solving, positive self-esteem, and improved self-worth.

Bouncy Kids Child Care opened for business in 1996 and at that time was licensed for forty children. Currently, the center is licensed for sixty children aged 6 weeks to 6 years. **XX children are enrolled at Bouncy Kids .**

(CDC Owner) started the child development center with the mission to serve inner city, low-income families with quality childcare. She is passionate about the need to assist children in their early childhood development with a stable, enriching and loving environment while their parents are working. She also understands the problems of lower income parents who cannot afford to pay for quality childcare. She has been operating the center from her hearts and passion to help families find personal and financial stability. The owner is now trying to operate their centers in a more business-like manner.

Industry Analysis

The childcare industry remains essentially a mom-and-pop business ringing up annual sales estimated to be between \$10 billion and \$35 billion. Although the national chains grew 200% during the 80's, they still accounted for only 5% of the childcare centers operating nationwide. In 1995, only 9 chains had as many as 24 centers. The rest were much smaller operations, many of them non-profit or run in a provider's home.

Profit margins in the industry are very slim. The average for-profit daycare center earns 5% over costs. Some franchise operations function at about 7% margins. Information on the costs involved in the daycare industry was found in the 1995 report entitled "Cost, Quality and Child Outcomes in Childcare Centers". Because childcare is so labor intensive, labor costs account for 70% of a center's total expensed costs. Facilities make up 15% of the expended cost budget. However economies of scale can be realized. Total expended costs decline as the number of children served at the childcare center increases. On average, centers with 40 or more full-time equivalent children realized a 10% savings in total cost per child per hour, while centers with 80 full-time equivalent children realized a 20% cost savings.

One major emerging trend in the childcare industry according to the Census Bureau's Report "What Does It Cost to Mind Our Preschoolers?" is the care of children during non-standard hours. The service sector is projected to have the highest and fastest growing percentage of shift workers at 42%. In 1990, 7.2 million mothers with 11.7 million children under the age of 15 worked either full or part time during non-standard hours. Mothers with children under age 5 have the highest percentage of voluntary non-standard hours. In 1991, almost 20% of all full-time workers worked during non-standard hours. Positions requiring non-standard hours, such as nurses, restaurant workers and cashiers, are expected to account for almost 19% of the overall projected growth in employment through the year 2002.

As found in the recent study, "Cost, Quality and Outcomes Study and the Study of Quality in Family Care and Relative Care", childcare is one of the lowest paid occupations. A study by the National Committee on Pay Equity (1987) discovered that childcare is the second most underpaid profession, and that the turnover rates are the highest among any industry. Childcare workers often receive few benefits, such as medical and dental insurance and paid

time off. A good-quality center is characterized by adequate providers' wages, education and training, resulting in lower turnover. The national childcare staffing study (1990) found that wages were the most important predictor of quality of care. Adequate pay is necessary to attract childcare workers with necessary education and training to provide children with quality care.

High turnover of staff is a concern. The primary reason why people leave their jobs with childcare centers is the low income. 31% of the providers earning \$200 or less per week left the occupation during 1990 as compared with 15% for those earning more than that amount. Other factors that influence their choice to leave or stay include: working conditions, increasing demands of parents that can not be met, lack of benefits, personal reasons (retirement or pregnancy) and lack of career opportunities.

How children spend their time before and after school is a concern for many parents. According to the Child Care Bulletin (March/April 1995, Issue 2) the average child spends 3 hours a day watching television or playing video games. Other activities include playing with friends, homework and reading. 76% of school-aged children whose mothers work are cared for by 2 or more different childcare arrangements per week. Almost 15% (14.6%) of children spend some time alone each week, with that percentage increasing with age.

Critical childcare factors

There are 4 demographic and socio-economic factors that have a strong influence on the childcare industry. They are:

- The number of preschool children.
- The number of working mothers with preschool children.
- The likelihood that parents will select a childcare center over other childcare arrangements.
- The financial ability to pay for childcare centers.

Number of preschool children. The preschool population has been increasing nationally on a steady basis. Since 1989, over 4-million children have been born annually, and that figure is expected to be similar for 1997. Data from the National Center of Health Statistics indicates that over half of the babies born in 1994 were born to women aged 20 to 29, while a third were born to women in their 30's. Among women aged 40 to 44, they saw an 8% increase in the number of babies born. Older mothers are more likely to earn more and spend more on their children.

This steady growth can be attributed to several factors. One factor involves a higher than anticipated birth rate of immigrant mothers. Another factor is the fertility rates for women in their 30's are higher than anticipated. Children born to women in their 30's was 33% in 1988 as compared to 19% in 1976. The trend of women delaying childbirth is expected to continue. The encouraging impacts of this trend for the childcare industry is that women aged 30-34 are more likely to return to work quickly and require childcare services. These mothers have established careers to support their family lifestyles.

One factor that could have an impact both positively and/or negatively is the decreasing size of American families. There will be fewer children born to each family, but the overall rate, as stated above, is expected to remain relatively consistent. The good news to the childcare industry is that the shift to later child bearing and smaller families provides a greater number of households with two incomes. These families with two incomes will have more disposable income to spend on their children and the mother will be more inclined to continue to work after the children are born.

Number of working mothers with preschool children. The number of mothers with preschool children that are working has risen steadily since the 1960's. In 1990, 55% of the mothers with children under 6 were working and is expected to increase to 75% by the year 2000. This trend is expected to continue due to a shift in attitudes toward women and working. The Census Bureau reports that the percentage of mothers with infants under 1 year who return to work has increased from 15% in 1968 to 51% in 1988.

The Study of Early Childcare, by the National Institute of Child Health and Development, found that half of the infants in the study were at childcare at 3 months of age. Over one third of the infants had been in at least 3 different childcare arrangements by the end of their first year. The study also found that the children that entered the childcare at a younger age had mothers who earned more and were less dependant upon income from fathers or other sources.

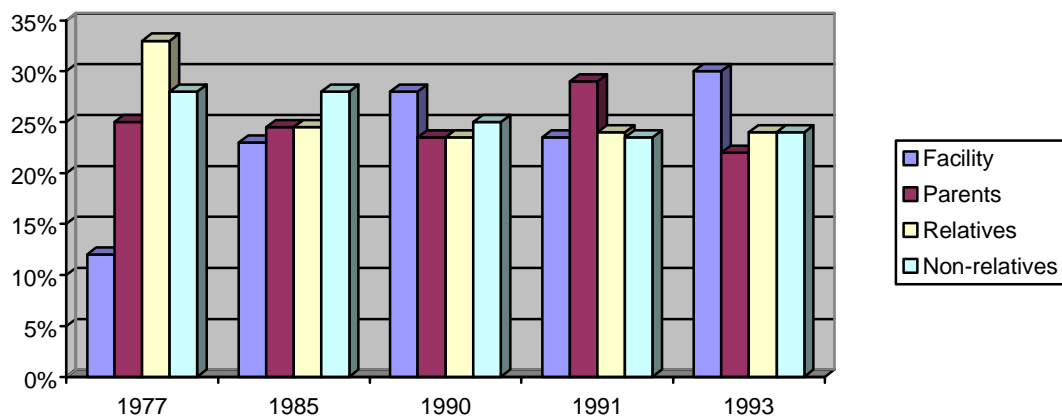
In a 1977 survey, adults were asked if they agreed or disagreed with the statement, "A working mother can establish just as secure a relationship with her children as a mother who does not work". In 1977 50% of the adults agreed with the above statement and in 1991 64% agreed. Additionally in 1992 survey of college students, 89% of the women surveyed saw marriage and children as part of their lives before the age of 35. Of the 89%, 97% planned to continue their careers after giving birth and 88% of the men surveyed assumed the women would continue to work after the birth of a child.

Likelihood that parents will select a childcare center over other childcare arrangements.

The trend for utilizing childcare centers has been increasing steadily since 1965. In 1992, the number of preschool children of working mothers enrolled in childcare centers exceeded the number of children cared for by parents, relatives, nannies, or family daycare providers. The primary choice of working mothers was relatives to care for their children prior to 1990.

Today, nearly 1 in 3 children of working mothers attends a childcare center. A major shift has occurred over the last ten years from parents preferring relatives or family daycare to utilizing childcare centers.

The following chart illustrates the trend for increasing use of daycare centers/nursery



schools since 1977:

The increase in use of daycare centers between married couples (30.0%) and single mothers (29.5%) is very consistent. The drop in 1991 for both married couples and single mothers is attributed to the recession and the lay-offs associated with that recession. Another important factor is the drop in care by the fathers. The number of families, using the father to provide care for the children is again decreasing after an increase in 1991.

The primary target market for most daycare franchises is working women between the ages of 25 to 39 with household incomes of \$25,000 to \$75,000 and higher than average education levels. According to the US Department of Education, 28% of women who work full-time use organized childcare as opposed to 15% by women employed part-time. The same study also determined that families earning over \$54,000 per year were 34% more likely to use organized childcare facilities than families having lower monthly incomes.

Financial ability to pay for childcare centers. The financial affordability of daycare centers is an issue that many recognize as a problem. The high cost of delivering quality childcare services prices the formal childcare center out of an affordable range for many families. Almost 40% of respondents surveyed felt that they could not afford their current childcare arrangements, or the arrangements they would prefer (American Federation, 1987). Families earning over \$45,000 are twice as likely to enroll their children in centers than families with income below \$20,000. Household incomes, public subsidies, and employer support are all factors that influence the choice of childcare options.

As stated earlier, the higher the household income, the more likely the mother is to continue working after the birth of her child and the more disposable income they have to spend on childcare services. The Government has developed grants to assist low-income families and has also discussed increasing childcare subsidies for low to moderate-income families. Additionally, approximately 2% of American companies with 10 or more employees provide on-site childcare and another 3% provide other childcare subsidiaries. In the business

areas, the large corporations (sales over \$500 million) are the most likely to support employee childcare.

According to *American Demographics* the US Department of Agriculture estimates that the average cost of raising a child through age 18 is \$145,000 in 1995 dollars. 9% (\$13,050) goes toward childcare and educational expenses.

The information for the chart below is completed for a report titled "What Does It Cost to Mind Our Preschoolers?" by Lynne M. Casper and published by the US Department of Census.

Category	Weekly childcare expenses (In \$)	Monthly income (in \$)		Monthly income spent on childcare (in %)
		Family Only	Mother-	
Married with husband	77.88	4482	1951	6.97
Widowed/Separated/Divorced	61.09	2157	1610	12.27
Never married	60.07	2086	1213	12.48
1 child	66.48	4229	1835	6.81
2 or more	109.63	4371	1853	10.87
Less than high school education	59.70	2592	987	9.98
High school education	65.07	3389	1420	8.32
1-3 years college	69.51	3833	1618	7.86
4+ years college	92.67	6079	2751	6.61
Daytime worker	76.58	4358	1940	7.61
Non-daytime worker	68.32	4006	1594	7.39
Monthly income under \$1200	47.29	815	748	25.14
Monthly income \$1200-\$2999	60.16	2177	1202	11.98

Monthly income \$3000-\$4499	73.10	3746	1647	8.45
Monthly income \$4500 and over	91.93	7029	2723	5.67

The table illustrates results consistent with the definition of the target market. The individuals that are married, college educated and have incomes over \$3,000 per month spend more on childcare per month than other groups, but also pay a smaller percentage of their monthly salaries.

This chart also illustrates the difficulty for low-income families. A much higher percentage of their income is required to pay for childcare. This financial burden for lower income parents often places them in a dilemma of deciding between childcare and essentials for their family. The owner of Bouncy Kids recognizes and understands this problem and is trying to provide affordable care for their children's families. This is challenging due to the nature of the industry and the high costs of operating a child development center.

Organization

Bouncy Kids Child Development Center will be located in the current location for Bouncy Kids Child Care, 1234 Main St SE, Grand Rapids. The center provides childcare services from 6 AM to 6 PM Monday through Friday. During that time children are provided with nutritious meals, snacks, and opportunities to learn through age appropriate activities. During the summers and school breaks, additional services are provided for school age children. This allows parents to have their children at one location with consistent supervision and constructive activities.

Accounting firm is XXXX and the software used for the company is XXX. In addition, the company is receiving ongoing assistance in the business development through Grand Valley State University, Michigan Regional Small Business Development Center (SBDC) and Michigan State University, Center for Urban Affairs.

Bouncy Kids Child Development Center will be licensed through the State of Michigan, Department of Consumer & Industry Services, Bureau of Regulatory Services for sixty children aged six weeks to six years. The Kent County Health Department has also approved the kitchen and water for providing food service to the children enrolled at the center.

Management/Human Resources

The operations will be handled in the following way:

XXXXX will be handling the day-to-day operations of the center. Her responsibilities will include hiring and supervising employees, communicating with parents, handling all issues that arise, taking payments from parents, handling late payments, and overseeing overall operations.

XXXXXXX will be responsible for working with the accountant to insure accurate financials. She will also handle accounts payables and running all the monthly financial statements. All financial records will be kept at Bouncy Kids so all owners will have access to the financial operations. We are planning to use ProCare Management Software as the technological support for our daily and financial operations.

(CDC Owner) will provide advisory assistance in overseeing the overall operations for the center. She will monitor all financial and operations reports to monitor the progress and areas of concern for Bouncy Kids.

The hours of the center will be from 6:00 A.M. to 6:00 P.M. XXXXX, as the director of the center, will supervise three other full-time employees. These employees will earn \$7.00 per hour for up to 40 hours per week. In addition, it will be necessary to have at least 4 part-time employees at \$6.00 per hour. Each part-time employee will work 20-25 hours per week. For safety and quality of care, the center will be staffed with two employees at all times. During peak hours it may be necessary to have as many as six employees on site. Employee benefits such as health insurance and retirement are not offered at this time.

All employees are required to receive training in child development. The training will be provided by 4 C's (Community Coordinate Child Care) and employees will be sent to specific training for their areas of need. In addition, XXXX must attend training programs that assists managers in understanding the operational policies and how these policies impact the profitability of the center, the wages for staff and overall quality of childcare services.

When a new employee needs to be hired, XXXX will be responsible for the hiring process. Initially a review of the budget with (CDC Owner) will occur to determine the available funds for the position. She will post the job, gather applications and resumes, and interview the applicants. Before a new employee is hired, XXXX will notify both (CDC Owner) of the intent to hire and the wage for the new employee. The employment status of the new hire will also be contingent on a completed background check by the Family Independence Agency. The owner's approval for the filling of the position will be required for employment.

Primary Caregivers

The Primary Caregivers plan and implement the curriculum and assess the needs of children in his/her care throughout the day. He/she will show competence in caring for and educating young children and will have the ability to communicate effectively with parents. In addition to an associate's degree in early childhood development, Primary Caregivers will have at least two-years experience working in a childcare setting.

- o For children ages 6 weeks to 2 years, there will be 1 primary caregiver for every 4 children.
- o For children ages 2 years to 3 years, there will be 1 primary caregiver for every 8 children.
- o For children ages 3 to 4 years, there will be 1 primary caregiver for every 10 children.
- o For children ages 4 to 6 years, there will be 1 primary caregiver for every 12 children.

Responsibilities

Primary Caregivers are responsible for:

- o Reading and reviewing the Curriculum Guide and the Staff handbook.
- o Establishing learning objectives that are consistent with the Center's philosophy.
- o Planning and executing a program that reflects the center's philosophy and program
- o Including play, learning, the arts and nurturing as primary components in a curriculum.
- o Arranging an attractive bulletin board.
- o Preparing a written unit plan or project plan for review by the director.
- o Preparing projects and activities that reinforce themes and extended learning.
- o Taking daily attendance.
- o Working cooperatively with an assistant in developing and implementing a program.
- o Attending all staff meetings and in-service workshops.
- o Meeting on occasion with the director to review objectives, plans and evaluations.
- o Planning an annual conference with a parent and filing a developmental checklist on children's progress.
- o Planning at least one classroom event per semester for parents to share with their children.
- o Reviewing children's records periodically; update as needed.
- o Being attentive to health, sanitation, nutrition and safety at all times.
- o Having materials in on time.
- o Dressing and conducting one's self in a professional manner.
- o Recording information pertinent to a child's development.
- o Recording accidents in an accident log.
- o Planning at least two field-trip events per semester.

- o Taking children to the library and the park as often as possible.
- o Maintaining a neat, orderly and attractive classroom.
- o Requiring parents to sign children in and out of the center.
- o Reporting any unusual occurrences or behavioral changes in children.
- o Providing substitute teachers with activity plans and instructions.
- o Obtaining approval from the director for extended personal leave days.
- o Obtaining a physical examination, a TB test and completing first aid course within a designated period of time.

Maintaining the confidentiality of student records, conferences, and family matters at all times
 Valuing and supporting each child and staff member without regard to race, religion or national origin

Demonstrating leadership in training children to be respectful, responsible, kind, and well-Mannered

Part-time Caregivers will assist and relieve the Primary Caregivers during the hours of 6:00 to 9:00 a.m., 11 a.m. to 2 p.m., and 3:00 to 6:00 p.m. This will allow the Primary Caregivers an opportunity to break for lunch, attend meetings or prepare for daily activities. These positions will average 15-20 hours per week. Part-time Caregivers will also be trained as substitutes to fill in as needed.

Assistants are not responsible for a group of children but are responsible for maintaining harmony in a classroom; providing support for the teacher in charge; and for sharing in the care, safety, and healthy development of children in the group. Assistants will be given the opportunity to interact with children of all ages.

Responsibilities Include:

Assistants are responsible for:

- o Reading and reviewing the Staff Handbook
- o Reading and reviewing the Curriculum Guide
- o Maintaining clean and orderly rooms
- o Setting up activities for table and art activities
- o Cleaning up after activities have been completed
- o Preparing children for snack, lunch and other transitions
- o Assisting the Primary Caregiver as needed; replacing name tags; discarding, sorting, and replacing equipment; making special notations on children" progress reports; phoning parents with routine messages; making suggestions that are helpful and supportive to the Primary Caregiver; decorating bulletin boards, returning files, going to the library;
- o Interacting and communicating with children in a positive and reinforcing way
- o Being role models for children
- o Contributing to a program by telling or reading stories, planning group experiences, projects or field trips.
- o Participating in parent conferences on request
- o Participating in planning units and special events
- o Attending general staff meetings and workshops
- o Maintaining positive relationships with parents and with staff
- o Demonstrating leadership in training children in areas of health, nutrition, and safety
- o Being attentive to and reporting to the Primary Caregiver or the Director unusual changes in children's appearance or behavior.

- o Being on time
- o Getting a physical examination, a TB test, and in some cases, completing a first-aid course within a designated period of time.
- o Maintaining confidentiality in areas that pertain to children's records, conferences, staff related matters and center-related matters
- o Valuing and supporting each child and staff member without regard to race, religion or national origin

Volunteers

Volunteers will be welcome if they are parents of currently enrolled children. Community members will also be welcome after they have been thoroughly interviewed and a background check has been completed by the Executive Director. All volunteers must comply with the Center's health requirements.

Center Aide

The Center Aide will prepare and serve all meals for the Center. When not involved with preparing or serving meals, the Center Aide will assist in the large motor room, outside activities, and laundering. This will be a 30-hour/week position.

Responsibilities

- o Reading and reviewing the Staff Handbook
- o Reading and reviewing the Curriculum Guide
- o Supervising kitchen and food preparation
- o Maintaining a safe and sanitary environment
- o Ensuring that nutritional needs are met
- o Maintaining a comprehensive record keeping and filing system for USDA
- o Maintaining clean and orderly rooms
- o Setting up activities for table and art activities
- o Cleaning up after activities have been completed
- o Preparing children for snack, lunch and other transitions
- o Assisting the Primary Caregiver as needed; replacing name tags; discarding, sorting, and replacing equipment; making special notations on children's progress reports; phoning parents with routine messages; making suggestions that are helpful and supportive to the Primary Caregiver; decorating bulletin boards, returning files, going to the library; Interacting and communicating with children in a positive and reinforcing way.
- o Being role models for children
- o Contributing to a program by telling or reading stories, planning group experiences, projects or field trips
- o Attending general staff meetings and workshops
- o Maintaining positive relationships with parents and with staff
- o Demonstrating leadership in training children in areas of health, nutrition, and safety
- o Getting a physical examination, a TB test, and in some cases, completing a first-aid course within a designated period of time
- o Maintaining confidentiality in areas that pertain to children's records, conferences, staff related matters and center -related matters
- o Valuing and supporting each child and staff member without regard to race, religion or national origin

Health of Personnel

All employees must have a current physical on file, signed by a physician. All physicals must be updated every two years.

All employees must have on file a current TB test stating that the employee is free of tuberculosis. The TB test must be updated every two years.

Sick employees will be encouraged to stay at home and will be replaced with a qualified substitute.

Staff Screening

All staff shall be of responsible character and suitable to meet the needs of children. The Center

will ask employees if they have ever been convicted of a felony, a misdemeanor or if they have ever been involved in a substantiated child protective services case. They will also be required to

sign documentation that they have not been placed on the central registry for substantiated abuse

or neglect. Staff or volunteers will not be permitted in the Center if they have been convicted of

child abuse or neglect or convicted of a felony involving the harm of threatening of children.

Employees will also be asked to sign an authorization allowing the Center to investigate past employment and request information from previous employers regarding work experience and qualifications.

Staff Qualifications

Primary Caregivers must have an associate's degree in the field of early childhood education from an accredited college or university. If a degree is in a related field, an employee must have earned, or be in the process of earning, at least 12 credit hours in early childhood coursework that includes a course in curriculum and a course in the foundations of education. Primary Caregivers are required to show evidence of continued training in the field by attending at least one workshop per year. The workshop is to be approved by the Director. Primary Caregivers are required to attend all staff meetings. Primary Caregivers are required to take a first-aid course every three years.

Assistants must be eighteen years of age or older and must have at least one year's experience working with children under supervised conditions, i.e., volunteering in a camp, coaching, interning in a child care center, participating in a child development class, life guarding, or babysitting on a regular basis. An assistant must demonstrate skills and talents in the areas that interest young children or be willing to develop appropriate skills and talents. Examples of areas that can enhance a program are sports, the arts, storytelling, music, dance, photography, embroidery, tutoring, cooking, sculpturing. Assistants are required to attend all staff meetings.

Salary, Wages and Benefits

Center employees will be paid according to the following schedule.

- ~ Lead Teachers -\$8.00- \$8.50
- ~ Primary Caregivers -\$7.00- \$7.50
- ~ Part-time Caregivers -\$6.50

- ~ Administrative Assistant -\$8.25
- ~ Center Aide -\$6.00
- ~ Volunteers -\$0.00

Verification

Before presenting an applicant with a contract, the Executive Director will carefully check references. The reference check will include:

- 1) A verification of employment
- 2) Specific information regarding competency, attitude, reliability, organizational skills, responsibility, and relationships with colleagues and parents
- 3) General health and physical stamina
- 4) Areas that may need improvement
- 5) Suitability for child care
- 6) Other information that might influence decision making

A Pre-hire Visit

Before hiring, the Program Director will arrange for an applicant to spend a morning in a classroom. He/she may be asked to share an activity with children such as a flannel board story, a group project, or a handmade game. The Program Director or Primary Caregiver will observe the applicant in group experiences and during free-activity time when children are playing in groups. At the end of the session, the Director records his/her observations, noting reasons to hire or not to hire a candidate.

Hiring Staff

At the time an applicant is accepted for a position, he/she will be given a job description, a formal contract, and an employee handbook. The job description describes in detail the responsibilities of the employee, the expectations of the Center and the policies of the organization. The employee contract is a binding agreement between the Center and the employee that states the terms of employment, areas of responsibility and policies and procedures regarding employment and dismissal. The employee handbook is a guide that clarifies policies, procedures and teaching responsibilities; it also contains health, safety and nutritional information.

Staff Training

Orientation Training

Before working with children, all new employees will be thoroughly oriented to the program and briefed on their responsibilities. The orientation session will provide an overview of the Center's policies and procedures and acclimates a new employee to his/her surroundings. The employee will be carefully briefed about personnel requirements; routines; record keeping; training requirements; staff meetings; attendance procedures, methods and procedures for handling food, for administering medicine, for handling a sick child, for hand washing, for reporting accidents, for indoor and outdoor supervision, for ensuring a safe environment, for discipline, for emergencies, for reporting child abuse; program requirements; and specific job

responsibilities (e.g., preparing calendars and lesson plans, holding conferences, working with parents). In addition to the employee contract and job description, a new employee will receive written materials that clarify general policies and staff requirements, a curriculum guide and samples of units, lesson plans, calendars, conference report, etc.

Ongoing Training

General Staff Meetings

General staff meetings will be scheduled once a month at a time convenient to employees possibly around 6:00 p.m. or directly after closing.

Recruiting and Hiring Staff

Prescreening

The Executive Director will screen an applicant before scheduling an office interview. After a brief, initial screening, a candidate for employment will be scheduled for an interview and mailed an application form.

Recruiting Staff

The purpose of the interview will be to determine an applicant's eligibility for employment and to assess individual strengths, talents and limitation. During this process, the Executive Director and Program Director will make observations about an applicant's training, experience, suitability for the child care profession, knowledge of the field, unique features, and personnel attributes.

Director will prepare an agenda and will preside over staff meetings. Items for discussion will include:

- o General progress reports
- o Center business
- o General topics of interest or concern
- o Health care services
- o Staff members will be asked to give reports on workshops or on a subject of interest

In-House Workshops

Workshops will be planned by the Executive Director or the Program Director. The topics and presenters will be scheduled well in advance so that staff can become knowledgeable and enthusiastic participants. The Directors may select topics based on classroom evaluations, new trends, or ideas from the staff. Two to three in-center workshops will be planned per year.

Videotapes, handouts and hands-on activities will be used to add fun to the workshops. Some of the topics may be as follows:

- o How to conduct a parent/child conference
- o Integrating the arts in the classroom
- o What to do about nap-time
- o Professional conduct in the workplace
- o New books for a media center
- o Storytelling and other creative experiences

- o Making puppets the easy way
- o Games and activities for mixed-age groups
- o Rainy-day activities
- o Ideas for nurturing children
- o Physical fitness for children and staff
- o Community outreach projects

Staff Evaluations

Evaluations will be performed for all new staff members after a 90-day trial period. All staff members will be formally evaluated annually to measure progress, clarify objectives, and improve

overall performance. Informal evaluations will be done frequently by the Program Director to clarify situations, emphasize the good things that are happening in the classroom, make suggestions for improvements, etc. The Center will also use a self-evaluation process where each staff members will be asked to assess their own performance.

Operations

It will be necessary for XXXX to have the ability to make purchases for Bouncy Kids on a daily basis. (CDC Owner) will provide advisory status for those purchases, but XXXX will not need approval to make the above purchases. They will not make purchases that are not included in the approved budget.

The (CDC) director will also have the responsibility of meeting with the management team on a monthly basis to discuss the operational and financial

Bouncy Kids Child Development Center will be using ProCare, a specialized child development center computerized system, to track attendance, payment and food expenditures. This system is exportable to QuickBooks for the accountant to use. This will assist the operations of the center to track accurately the number of full time equivalents, expenditures, and staff to child ratios.

The current facility is licensed to serve sixty children ages two weeks to thirteen years. The facility consists of two rooms and each is licensed for thirty children. The restrictions must meet the child to staff ratio and square footage required for each age group.

Review use of square footage and determine capacity for each age group.

Marketing

Within the 49503, 49506, and 49507 zip codes there are a number of childcare facilities. The Standard Industrial Classification (SIC Code) for childcare is 8351. Unfortunately, that SIC code does not differentiate between home-based care, group homes or child development centers. It also quite often will include preschool and nursery school programs. In reviewing the business names for childcare in those zip codes the following information is available:

ZIP CODE	CHILD DEVELOPMENT CENTERS	OTHER CHILD CARE FACILITIES	TOTAL
49503	9	29	38
49506	6	35	41
49507	6	47	53

As stated earlier in the industry analysis, the primary target market for most daycare franchises is working women between the ages of 25 to 39 with household incomes of \$25,000 to \$75,000 and higher than average education levels. According to the US Department of Education, 28% of women who work full-time use organized childcare as opposed to 15% by women employed part-time. The same study also determined that families earning over \$54,000 per year were 34% more likely to use organized childcare facilities than families having lower monthly incomes.

According to CACI Marketing Systems 1999, within three miles of Bouncy Kids Child Development Center they projected 12,148 children between the ages of 0 to 4. The median household income is \$35,300 and the average household size is 2.62. The national median household income is \$39,831 and the average national household size is 2.60. The household income is over \$4,500 a year less than the national average while the household size is almost the same. This would indicate that there is a high need for affordable childcare. The site-ring

maps on the next page illustrate the population less than five in the area. You can see that it has one of the highest densities for children less than five in the entire Kent County.

Bouncy Kids Child Development Center operates under a Christian philosophy that children need to be treated with warmth and respect. The children served by Bouncy Kids especially need experiences that will foster physical, social, emotional, and cognitive growth. The atmosphere at Bouncy Kids will be a caring environment to encourage independence, constructive problem solving, positive self-esteem, and improved self-worth.

These objectives will be accomplished through the use of age appropriate activities such as the following: sand, water, clay, blocks, manipulative toys, games, puzzles, dramatic play, science equipment, books, records, tapes, art materials, large motor skill development, field trips, room routines, room responsibilities, interaction with adults and other children.

The following outlines the fees that will be charged for attending Bouncy Kids Child Development Center:

Full Time Weekly Rates – 30 Hours or more	
Infants (6 weeks to 18 months)	\$140
Toddlers (18+ months to 2 ½ years)	\$130
Preschool (2 ½ to 4 years)	\$115
Before & After School (5-6 years)	\$105
Part Time Weekly Rates – Up to 30 hours	
Infants (6 weeks to 18 months)	\$75
Toddlers (18+ months to 2 ½ years)	\$70
Preschool (2 ½ years to 4 years)	\$65
½ time Before & After School	\$55

An hourly rate of \$4.50/child will be available on a pre-scheduled basis. The parents must schedule their children 48 hours before the requested time slot. Any child requiring hourly childcare must also complete all necessary health, immunization, and enrollment forms.

Full time enrollees will receive \$10 off the full-time enrollment for each child after the first child. The \$10 will be subtracted from the oldest children, rather than the youngest.

To assist in alleviating the part-time problem of scheduling staff to children ratio, the implementation of the ProCare software and a part-time policy will help increase the full-time

equivalents. All children attending less than thirty hours per week must attend either 6 AM to Noon, Noon to 6 PM or 5 PM to 11 PM. The six-hour blocks will allow the staff to sell "blocks" of part-time hours rather than having all part-timers attend 10 AM to 2 PM and not being able to fill the other slots. This will allow the scheduling of staff to better care for the children, allow for scheduling of meals, and decrease the hourly staffing costs while providing a more consistent schedule.

Marketing efforts will remain primarily grassroots using local resources, current families, and churches to promote Bouncy Kids Child Development Center. Letterhead and business cards will be developed with a new logo, an open house will be held to introduce the new management, and children will screen print the new logo on their own t-shirts. This will provide visible name recognition for the center.

In addition, articles will be written for the newspaper and local papers will have advertising for the new center. This will promote the open house and openings for September. In addition, local churches will be contacted to have posters in their lobbies and also notices in their Sunday bulletins. These will have little cost since the fliers will be run directly from the computer.

In addition, throughout the year Bouncy Kids will have special events to involve families and their children. For example: Halloween Party, Holiday/Hanukah/ Kwanzaa Pageant, Chinese New Year, Martin Luther King Day, Valentine's Day, Cinco de Mayo Day, etc. These days will be to celebrate multi-cultural events and provide opportunities for families to interact. It will also provide opportunities for further media coverage from the newspaper and television. Local newspapers and human-interest television reporters will be contacted to provide coverage of the events.

Next, seminars will be conducted in association with the local churches about topics essential to the local families. These seminars could include but are not limited to the following types of topics: Handling a preschooler, effective discipline for a toddler, handling busy schedules & children, preparing your child for Kindergarten, etc.

Lastly, a thank-you dinner will be held in May before many families leave for the summer. This appreciation dinner will be a chance to provide goodwill to the parents, provide social opportunity, and be a fun evening for everyone involved. Inexpensive games such as three-legged races, water balloon toss, & wheel-barrel racing will be used for entertainment with everyone winning in the end!

MARKETING TOOLS AND COSTS

Advertising	Date	Cost
Letterhead/business cards	August	\$ 500
Newspaper	August	\$1000
Brochures/newsletters	August	\$ 50
Logo clothing	September	\$ 50
Telephone Book-yellow pages (No charge-just listing)		
Churches (No charge-posters & notices in church bulletins)		
Sales Promotion		
Special events/sales		
Seminars		
Public Relations		
Family & employee appreciation picnics	May	\$ 300
School/church events (volunteers-no charge)		
Total		\$1,900

FINANCIAL ANALYSIS