



Early Care &
Learning Council

United to Promote Quality

Creating an Annual One-Page Business Plan

A simple business plan can help keep your business on track and able to adapt throughout the year. Take the time now with this resource to set up a one-page business plan so you can plan ahead for changes you know about and be prepared for unforeseen adjustments along the way.

Business plans — or plans of any kind — can be invaluable in keeping your business on track throughout the year. These plans should be living documents that you refer to often. They should also be adaptable and flexible to fit the ever-changing needs of your business and the market it's within (just think of the many changes that you've had to make over the past couple of years — that was you adapting your business plan!). There's no one set formula for business plans, either. Business plans can take several different forms and have different purposes — everything from helping to plan your year, to charting a course for the next five years, or even helping you plan to expand your business. In this guide, we're going to focus on a simple approach to a one-page, one-year business plan to help keep you on track in a way that is easy to follow and maintain throughout the year.

The business plan here is a slimmed-down version that will be easy to update and use each year. It's designed to concisely communicate your goals, driven by your current realities — similar to a roadmap. It is best suited for family child care providers or smaller centers. Larger child care businesses or those that are opening a new location or business will likely find that a strategic plan or a more extensive business plan will be more valuable.

Building Your Plan

The plan can be developed in four steps listed below.

Step 1: State Your Value Proposition

Your value proposition is simply answering the question, “Why you?”

You can think about your past year(s) and the feedback you've received that demonstrates why families and children love your program. If you have employees of any kind, think about what you do to ensure that they remain happy and stay with your

business, and how you attract new people as needed.

Your value proposition can be important because it reminds you of why children and families love your service. This is important for you to keep in mind as the business owner, and to use as you talk to other families. It provides a concise reminder of what you do in your business. Value propositions help frame some of the important business decisions that you will make such as how you set your rates, attract top talent, and promote your services to enroll more families. You could write pages and pages about these ideas, but in this case, we recommend you use a very simple format to create your value proposition. Specifically, we'd like you to answer three questions:

1. Where do you serve families and children? This could be in your neighborhood or in your city. Perhaps your reach is wider — across a county or region.
2. What are the age groups that you serve? Do you serve infants and older? Or maybe only preschoolers? What about school-age children?
3. What is it that parents, children, staff, or volunteers love most about your business? What is it that makes them come back? This might be you personally. A lot of times people will say that it is the family care provider or the director of a small center that they come back for. It could be your location, proximity to transportation, or other reasons. There's no good or bad answer to this; if you feel like you're not sure, don't hesitate to ask some parents. It never hurts to say that you are planning to further improve the services they're receiving and would like their feedback. Very simply, this could be a conversation at pick-up where you say, "Hey, I'm working on how we can improve our services this year. I'm just curious, what do you like most about having your child here? What does [child's name] like most? Is there anything you wish we did better? If you've had your child at other centers or family child care programs, what do we, or don't we, do better?"

To gather feedback from staff from a group center, you may wish to issue an anonymous short survey or have a comment box available. For family child care providers, consider a short interview.

These questions, though very simple, can be incredibly helpful in your planning. By starting with your customers, volunteers, and staff, you are building your plan on the most important foundation — the people who are paying for and using your services, and those that help you deliver those services. They are not only your families and perhaps staff members if you have them, but typically they're your best salespeople. Many child care providers rely primarily on referrals from other families and those they trust.

Step 2: Assess Your Current Situation

The next step is taking a comprehensive look at your business performance and feedback and writing a basic list of what is working well versus what you may need to improve. Again, this doesn't have to be pages and pages. To perform this basic assessment, you will need some data to rely on:

1. Feedback from families, volunteers, staff, and
2. Business financials, including a monthly budget and a 12-month cash flow.
These tools will allow you to know what financial demands there are. Remember to be realistic on both for better planning.

We recommend that you first look at the feedback you got from your families, volunteers, and staff; then review your financials and answer some simple questions:

1. What do families like most? What do they like least?
2. What do staff like most? What do they like least?
3. If you use volunteers, what do they like most? What do they like least?
4. When you look at your financials, are you going to be profitable? Are you going to make money by the end of the year?
5. When looking at your enrollment forecast, are there any months where you are worried because student enrollment will be down? Are you going to have several children aging out of care?

By answering these questions, you are not only helping to create your plan for the year, but you are also creating talking points to use as you run your business throughout the year. When you assess the information, some questions you may want to ask are:

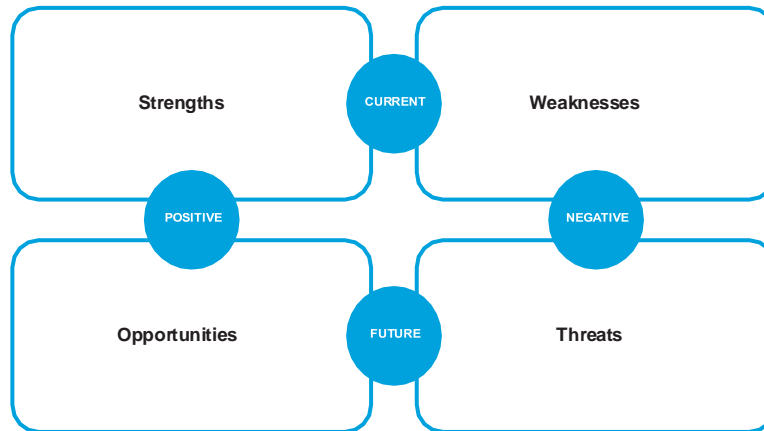
- What is going to keep you profitable throughout the year — do you need more children enrolled mid-year?
- Will some children exit for kindergarten? How many slots will you need to fill? Do you have a growing waitlist? If you're anticipating growth or are at capacity, do you want to consider expanding?
- What do parents want and need, and how will you adjust your program services to meet those needs? Are there ways that you can easily meet those needs? Perhaps families want hours that run a little bit later, and you can shift your hours accordingly; maybe they want a certain service or opportunity.
- What about your staff? Do they report wanting additional pay or benefits? Are you having any trouble finding staff?

Step 3: Conduct a SWOT Analysis

Once you have assessed your current situation, you will want to perform an analysis of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) of your business. This is a simple yet very effective way to categorize ideas. Through the SWOT analysis, you will divide your data into four quadrants: whether a factor is positive or negative, and whether it is about the present or the future. The Strengths and Weaknesses are the company's current positive and negative characteristics. The Opportunities and Threats are potential future factors that can either positively affect or negatively hinder impact and growth.

If you have employees, performing a SWOT analysis as a team will be most effective. If you are a family child care provider without employees, consider a conversation with a friend or colleague you trust who knows your business well. Using a whiteboard or large

sheet of paper will allow your team to collect and visualize your ideas. Take your whiteboard or paper and divide it into four boxes labeled Strengths, Weaknesses, Opportunities, and Threats. The goal of this activity is to have a clear vision in each of the areas and to use this insight as you build your business plan.



Each member of the team should contribute several statements that correspond to each area. These statements can be written on sticky notes that you attach to the corresponding area on your board. A strength could be, “Our business is open for more hours than our competition,” and a weakness could be, “We have issues with staff turnover.” An opportunity could be, “We have room for increased enrollment” and a threat could be, “There is a new business opening nearby.” Once your statements for each area are posted, you should discuss together which statements are the most relevant. Those relevant statements will provide you with a clear perspective on your organization and allow you to focus as you move to the next step of building your business plan.

Step 4: Use Your Information to Build Your Plan

The last step is building out your plan. We’re going to take you step-by-step through the process, starting with reviewing the past year and then examining how this year may go. From this, you will find goals to undertake to maintain or strengthen your business.

Outside of stating your value proposition, here are the suggested components of your business plan:

1. Your customers (families): Understanding what you want to do to support them for the year
2. Your team (staff or volunteers): Understanding how you can attract and retain staff/volunteers to keep your program running
3. Your market (competitors, other external factors impacting your goals)
4. Your finances (a financial forecast helps you know where you’re headed financially during the year and what it will take to get there, such as level of enrollment)
5. Your SMART goals (holds you accountable): You will create some goals related to what you plan to undertake for the year. Make sure they are SMART (Specific,

Measurable, Achievable, Relevant, and Time-Bound). You want your goals to be reasonable and pared down as tightly as possible. (You can use a SMART Goals Worksheet independently or with a business consultant.)

Business Plan Template

Introduction & Value Proposition

You are now ready to use the plan template to build your plan. First, you developed your value proposition, the “Why you?” You’ve gathered valuable feedback from your families and staff and can insert it in a very simple sentence such as:

“I/We serve children and families in [neighborhood/ region], [neighborhood/region], and neighborhood/ region] between the ages of [starting age] and [age limit]. What our families and children love most is [value/characteristic 1], [value/characteristic 2], [value/characteristic 3].”

This sentence is very simple, but it’s not simplistic; this will give you the ability to remember throughout the year why children and families chose you and love staying with you. This will not only help you to remember your program’s value, but again, it will help you reinforce why your program is special as you talk to potential customers — and even as you talk to your staff to remind them of what you do.

Our Families

A successful child care business will have to be committed and have a plan in place to attract and retain its customer base. Here is where you state what you plan to do to support families in the year ahead that will allow you to sustain, or even grow, your business. This should be informed by the feedback you collected about what families like and what you can improve on.

Based on feedback we’ve collected, families are looking for [feature 1], [feature 2], and [feature 3]. We are able to meet family needs because we [have the list of features, are located in an in-demand area, have built a client base, etc.]. To further meet the needs of our families and [maintain or increase] program enrollment, our plan is to [added/enhanced feature 1], [added/enhanced feature 2], and [added/ enhanced feature 3].

Our Staff

A successful child care business will be committed and have a plan in place to attract and retain staff members, and volunteers if applicable. Here is where you state what you plan to do to support your staff for the year in a way that allows you to sustain, or even grow, your business. This should be informed by the feedback that you’ve collected about what staff like and what you can improve upon.

If you don’t have staff, you should think about how you support yourself and what commitments you make to yourself every day that will help you sustain your business in the long run.

Our Market

Here is where you will enter your SWOT analysis that was explained above.

Our Financial Plan

You want to include your financial forecast. This includes your annual budget and 12-month cash flow analysis.

Keep an eye on this throughout the year and make sure that your predictions are staying on target. If they are not, ensure you understand why and adjust accordingly. Your financial forecast should include any anticipated increases in enrollment and revenue. It should also reflect the staffing levels, compensation (for yourself and others, if applicable), and benefits that you anticipate.

Our Goals

This is the final section of the business plan. This section states what exactly you intend to do to improve or expand your business, based on the information that you gathered and assessed, and by what date. This gives life to your plan, makes it real, and lets you know specifically what you'll need to do. You can choose to follow the SMART goal format or another simple tool, the three-element format: 1) the what, 2) the how, and 3) how you're going to know that it worked. Both are simple formats that will keep you on track and accountable to get things done.

Example SMART Goal

If you know that you have to build your number of children mid-year because some will be going to elementary school, you may want to say:

“I will work with our currently enrolled families and ask them to make referrals so we can get five new families enrolled by August 1st.”

This sentence talks about how you're going to enroll new families — work with currently enrolled families — and what you're going to do — ask enrolled families to make referrals. Your goal is to increase enrollment by five children, and you will know your strategy worked if you have five new children enrolled by August 1st.

Your goals can be very clear-cut and straightforward, such as:

“We will buy new toys for the playground this year,” or “We will buy new toys for the playground by the end of July.”

Other times, there may be goals that you may benefit from working with a business coach to realize. For example:

“We will work with X person to create a marketing plan to attract new families so that we can replace the five children who will be going to kindergarten this year.”

In the second case, you're committing to doing something, though you don't necessarily

have all the answers yet because it's going to take some time to figure out how you should market: you might need to create a website, talk to families, or maybe provide some incentives to your existing families for referrals. In this case, you're making the commitment and will keep yourself accountable to your goal by having it written down.

Example Stretch Goal

We recommend that you also take some time to think about one stretch goal, which is a goal that will push you a little bit further to help build your business over time. The stretch goal can be something very complex, such as entering the QRIS system or increasing your quality rating. It could also be something very simple, such as setting aside X% for retirement or creating a new playground.

“We are going to create a new playground so that our children have brand new outdoor equipment to use, and we're going to do it within two years.”

As you can see, this example stretch goal goes beyond the annual plan. Stretch goals can help you stay on track and keep you thinking about what you need to do now and the next steps. The stretch goal is an outlier because it may not be done within a year; however, it's good to remind yourself what you're going to do through that stretch goal, why you're doing it, and when.

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