

Starting a New Service/ Purchasing an Existing Service

Are you looking into building a brand new Child Care Centre or perhaps you are looking at purchasing an existing child care centre. Well keep on reading as there are many aspects that required to be looked at to begin your new and very exciting journey into the Child Care Industry and for you to commence the wonderful satisfaction of owning your own childcare business, and Succeed Consultancy can help you in everyway right from the very beginning.



Firstly ask yourself the following question:

Is there a need, an actual factual need in the area you wish to start a new centre in? Or is it an emotional response to what sounds like a good idea?

Things you need to know before starting or purchasing a Child Care Centre.

1. Research

It is advisable that you conduct some research in the area and community of where you would like to build your centre.

For a brand new centre -

- Make a phone call to the local council and research their requirements
- The characteristics of the site.
- The nature of the area and vicinity.
- Access for public transport
- Are there any other Child Care Centres within the area and if there is how many, what do they offer, are they full, fees etc
- Read and become familiar with the Act and Children's Services Regulations
- Financial- cost of building, fit out and running costs to commence the centre
- Succeed Consultancy does feasibility studies; covering all aspects for your new site. Does it stack it up or not!

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For an existing centre –

- How many other Child Care Centres within the area of the centre
- What are the occupancy levels of the other Child Care Centres within the area, what do they provide, what ages do they care for etc
- Centre reputation within the community
- Centre presentation
- Centre financials- look into previous profit and loss and financial statements.
 - Centre staff- wage and on site costs
 - Fee generation that the centre is currently making
 - Is this a freehold or a leasehold and if this is a leasehold what rent will you be paying? Is it viable for you?
 - Ask Succeed Consultancy for a due diligence on your impending purchase, we'll tell you how it really stacks up!

Once you have completed your research it is time to commence your license application to allow for your service to be approved.

2. Licensing

Before you commence your Licensing application you should understand the matters covered by the Act and Regulation, the roles of different levels of Government, the role of licensees for the type of Child Care service you wish to establish or take over and the specific information that is needed by you to provide with your application and forms. Licensing forms can be downloaded from your state licensing body.

These forms need to be completed correctly and completely in order for your application to be processed. It is a very good idea to become familiar with what is required in order for you to lodge your application.

The first thing to do is talk to your accountant about your legal entity and which is the best way for you to set up the ownership of your new business. Remember every ones situation is unique and you want the most tax effective set up for now and in the future when and if you sell.

Depending how to what stage you are, it can take up to four weeks to co-ordinate and organise all the relevant paper work for you to submit a full license application.

Succeed Consultancy completes up to 20 license applications nationally per annum, so another effective solution is to appoint Succeed Consultancy to do this for you. Succeed Consultancy coordinates all tasks to get your new licensed and operational from individual polices, staffing to licensing. Ring today for a free obligation quote.



3. Financial Aspect

As a purchaser to commence a brand new centre or to take over an existing centre you will need to look at your finances and how much your bank will lend you. Source the best finance deals which will cater towards your specific needs and requirements for your Child Care Centre. Your bank will usually require you to develop a business plan to know the future directions and financials for your centre. Succeed Consultancy can assist you develop this.

Child Care Centres need to have budgets in place and require maintenance and supplies each week on top of the everyday costs and wages. Setting yourself an operational budget is recommended for you to have a clear overview and outline of the costing involved for the centre but most importantly the profit margin that you will make in return from the business.

It is important to look at your financial position to see if it is viable for you to start your journey. As well as demonstrate you are and the Centre are financially sound to borrow money!

4. Management

Succeed Consultancy offers detailed analysis and forecasting with experience that ascertains if there is a true demand for a new centre. Succeed Consultancy is not afraid to tell it like it is and are honest in their findings, reports and most definitely will lead you in the right direction.

Having set up so many centres from scratch Succeed Consultancy has the true benchmarking experience to give you realistic and factual knowledge before you venture into the childcare industry. Many times before we have told clients not to go ahead as the demand is not warranted but then found them a centre that has assisted them in not only enjoying the great rewards of running their own childcare centre but provided them with a return in profit.

If you are looking to invest in the childcare industry then Succeed Consultancy can assist you from the word “go” to see you through the very first initial stages right to end of seeing those doors open to provide a great service to families in your community, but then further more to see your centre full, making money, being a high quality centre with a great staffing team.



Tips

What do I look for when buying a centre or looking to purchase an existing centre?

There are many factors to consider when buying a new centre. The first and foremost is profit. You need to be buying a profitable asset - not hard work. The childcare industry at the moment has an unrealistic hype regarding the profit that can be made. This has caused people to eagerly jump in before proper research was conducted on the business, only to see them jump out just as fast but with a lot less money than they started.

Succeed Consultancy offers a due diligence analysis service that can assist you in obtaining this information. With the experience of working with over 200 Centres, to managing over eighty centres Succeed Consultancy has extremely detailed benchmarking programs that can accurately place your new centre with industry standards.

“The biggest thing I find when looking at a centre is the loss of potential profit through expenses and wages. These usually occur because there isn’t constant review, knowledge or understanding of industry benchmarks”. Erin Allen Managing Director, Succeed Consultancy.

You will need to know the elements, regulations, legislations and systems that are involved in being able to run a successful centre. Childcare is a heavily regulated industry but this does not mean that it can no be done because it can. The key is doing it the right way, knowing what is involved and most importantly knowing the fundamentals of running a child care business.

We wish you luck in the journey to the start of a very rewarding and worthwhile investment.

Kelly Hayes
Children’s Services Co-ordinator
Succeed Consultancy.

If you are interested in one of the following:

- **Feasibility Study- 2500 + GST**
- **Due Diligence- 2500 + GST**
- **Business Plan- 2500 + GST**
- **Start Up Packages for a new build or existing centre contact us on...**

P: 1300 077 248

W: www.succeedconsultancy.com.au

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Proudly brought to you by Kelly Hayes; Children's Services Co-ordinator from
Succeed Consultancy.

