

# Small business development reflective report



**ASSIGN  
BUSTER**

Kid's Club Day Care Centre is a partnership venture consisting of four partners who are also responsible in the running of the centre. Alongside the partners; the outlet managers, matron, chefs and child care specialists help in the centre's day to day operations.

The centre's main objective is to cater to the need for professional child care facility among the upper middle and upper class income earners. Since families in this particular income bracket depend on two incomes, that is, both parents working, child care is a major concern among them. The venture also targets housewives who although do not work, still want to send their children to such a center for their child's betterment. The centre rose due to the partner's passion alongside each partner's qualifications and expertise.

The aim was to target a niche market with a high potential for growth and profits together with a high return on investment. By targeting the niche, we limited the number of children we could accommodate at the centre thus delivering quality service to each and every child present at the centre.

Looking at the market trend in this particular industry, we established problems facing both working parents and non-working parents and hence, filled the gap in the marketplace.

## **TEAMWORK**

The partners carry vast experience and expertise in their respected fields of nursing, accountancy, social welfare and administration.

Other staffs at the centre include, outlet managers who manage the day to day running of the centre. Child care specialists take care of the children's needs at the centre. The chef will be in charge of the food cooked at the centre for the children.

Our main objective is to capture the needs of such parents who are worried about their children while they are at work and also those who opt for a brighter foundation for their children before they start going to schools.

All the members at the centre play different roles in the running of the centre. Each and every staff has different knowledge and skills hence, delivering specialized services.

As a qualified nurse, the role I play in the organization is taking precautions for the safety and health of the children who come to the centre and to make sure that the centre's environment is safe for children especially those who have allergies. The major part I played in the business plan was the critical analysis of the industry and competitors together with a simple yet resourceful marketing plan. I also contributed to the financials.

Ivana Mboya brings with her a vast experience in the field of administration and therefore she is responsible with the administrative operations in the business. The part played by her in the making of the business plan was the management team and the description of the business as a whole and also contributed in the financials.

Bariki Joseph, who is an accountant by profession, brings with him a vast experience in the related field and he dealt mainly with the financial plan and the operations plan.

Lutengamaso Ngaponda, a social welfare officer by profession, he contributed to the financial analysis as well.

The four partners together identified the critical risk factors facing kid's club day care centre. Although each one of us dealt mainly with a particular part, at the end we all worked together in all the aspects of the business plan.

The Advisory board consists of ; the Head of Legal Services at the Ministry of Justice and Constitutional Affairs, an external Auditor and the Chief Pediatrician from the Muhimbili National Hospital. The board utilizes the services of Ringo & Co. Associates for all its legal consultations. The advisory board assists the board of directors in crucial decision making and contributes to the goodwill of the business by the means of signaling, that is, their presence in the centre's advisory board helps to build confidence and a sense of loyalty towards the centre amongst the people and society.

The centre has outsourced its cleaning services to professional cleaners. Since cleanliness is a major concern, leaving it on the professionals to do what they are best in, helps to get a desired result.

The partnership was formed as a result of similar interests and expertise possessed by each and every partner in various fields. The team work has gained goodwill for the centre in the market as a result of efficient services offered.

Our team is well qualified and knowledgeable on various issues therefore, contributing to the growth of the centre. Working together in a team has taught us how important communication is and that multicultural teams prove to be more beneficial since the ideas aired come from a diversified cultural background of each and every member of the team.

## **PROCESS OF IDEA INITIATION**

The ideas were proposed by the partners followed by a session of brainstorming the pros and cons of each. Moreover a thorough feasibility analysis for the proposed ideas was conducted which identified the target market, capital investment and rate of return, growth potential and competition, thus the best viable idea was selected. The ideas proposed were that of a waste recycling company, laundry service for University students living in hostels and a day care centre.

After the feasibility analysis, the idea of opening a day care centre proved to be the most viable. Together with that, the partners had the passion to work on such a project because of its newness in the market. There existed a gap in the marketplace where such a centre could prosper. The opportunity existed for a full fledged day care centre which would not be anything like the pre-schools. Competition was spotted to be low, because there did not exist any direct competitors; however, there is a high risk that in the near future the indirect competitors can turn to become direct competition to the centre. If such circumstance arises, there would be stiff competition.

Although, I believe a competition should exist in order to motivate the organization to work even harder towards its growth.

According to my view, the rate of return would be high because of the existence of such a novel centre in the market. Kid's club had the first mover advantage, hence creating customer loyalty and brand recognition.

After having identified the most viable idea out of the ideas proposed, the resources needed to open a day care centre were recognized and this made us comprehend that each one of us had the expertise to open such a centre.

## **INDUSTRY AND COMPETITIVE ANALYSIS**

Firstly, by studying the market while we were looking for ideas, it came to our knowledge that there are a number of working mothers who unwillingly leave their kids with maids and relatives so that they could earn money and support the family, that is because families are becoming more dependant on two incomes. This was our best idea, since together with gaining financial rewards; we also wanted to open such a business that would have a realistic market and opportunity. Hence, the day care centre was the opportunity that we had to embark upon so as to fill the market gap.

Thus, the solution to this opportunity recognition was to provide a service that is most wanted in the market to serve the society. Hence, it was the right time to realistically enter the market because the window of opportunity was open.

I believe we have identified the right industry to be in. We tried to fill the gap after noticing that the demand of working mothers who are the important niche within our target market of upper middle and upper class income earners, were not being fully satisfied. This together with being the first mover created a competitive advantage for us and proved to give greater

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rewards. Although the magnitude of our centre is small, it has a vast growth potential. The services that we provide are of much importance to our customers, as it is directly connected to the future and safety of their young children.

The identification of the industry was correct because it is not overcrowded with competition, has greater financial rewards and a high growth rate.

The gaps identified in the marketing plan may be because of lack of vigorous marketing analysis. We might have failed to reach to our target market, who works far from the industrial and central business district.

Currently, we don't face any direct competition, although, there exists a powerful competition from indirect competitors who are the existing pre-schools in town. This could be very risky because it would be convenient for parents to send their toddlers to the same pre-schools their slightly older kids go to.

Competitive intelligence which was collected in an ethical way was of great help to the establishment of our centre. This was done by surveying, asking employees of pre-schools and friends whose children attend the pre-schools.

We may have overlooked the possibility of individuals giving out day care facilities from their homes at a very small scale. They can be direct competitors to our centre and failing to identify them might have an adverse effect on our financial projections.

## **PRESENTATION EXPERIENCE**

The importance of presenting the business plan rather than just submitting paper documents is that it encourages the potential investor to invest in the project. It is more appealing to the investor when the entrepreneur presents the plan rather than the investor just reading the documents. This is because, the investor can ask questions and get answers right away. Also, by presenting the business plan, the entrepreneur can show his/her passion and abilities together with the knowledge he/she has and thus gaining a sense of trust from the potential investor. This is because when the business plan is presented to potential investors, suppliers and business partners; they get a good picture of how the plan will be realistic, and how it will grow and achieve its objectives. Also, it shows how passionate one is about his/her project.

By presenting the business plan to the panel, I have learnt how to make a presentation which is informative yet short, that will attract the potential investors to invest in the project.

Presenting the plan has given me a deeper insight about the plan and improved my communication skills. It has given me a valuable experience and enhanced my public speaking skills especially while answering questions that were asked by the panel, which in future could be asked by potential investors.



## **ALTERNATIVE SCENARIO**

We have projected the growth of the business plan with the availability of knowledge, skills and experience that the partners possess and the attractiveness of the industry we are intending to enter.

Talking about the present scenario, the projections are quite optimistic and this could be a risk to the plan since the optimistic projections show only the high pace of growth of the business and its high return on investment. This is because we have neglected the future market conditions and future and present direct competitors.

We haven't considered alternative growth trajectories in our plan because we believe to continue growing in this very pace in order to accomplish our goals. This is mainly possible because of the first mover advantage that we acquired.

## **USEFULNESS OF THE BUSINESS PLAN**

The environment and the industry trends together with the market conditions tend to change because of a number of reasons. Therefore, the original plan would be used as a reference showing what the initial business proposal was, and to provide guidance to the business towards its growth as it will ascertain both the internal and external business environment.

Internally, the plan will help to identify approaches that should be taken into consideration in order to implement the firm's strategies for future growth prospects and externally it will help to attract both, potential investors to invest in our business and suppliers who are willing to work with us.

Furthermore, the original plan will help us to determine how future competition should be faced using the resources available and the services offered. The plan will also be used to ensure that the objectives outlined initially are still being trailed.

Also, the plan will help the business to grow in terms of size and quality by offering more services and improving the quality of services offered.

The part of reality that has out-grown the plan is the incoming of new government rules and regulations such as policy change and format of running the centre will result in higher cost of operating the firm. The centre will face other problems like increased insurance to ensure the safety of the children. The bombarded recession in our day to day lives can also stray the parents from sending their children to day care centers while they could do it themselves.

The change in the time value of money and spending power can be one of the important realities that has out-grown the plan because, if the prices of basic commodities increase, parents who have more than one child between our target age, will be discouraged to send their children to the centre since a large portion of their income would be spent in purchasing the essential commodities.

Currency fluctuations can hinder growth, since our target market of upper middle class and upper class income earners, mostly get paid in foreign currency and if there is a fluctuation in the price of the currency it will directly affect the buying power, if the exchange rate is high than more money will be exchanged and less will be accrued in return.

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Our business plan limits the growth of the business in the following facets:

There is a high threat that the existing pre-schools introduce the same day care services.

Rise in the price of children's milk and utilities.

Governments may introduce regulations for day care centre's in the future in terms of children's health and safety and the environment as a whole.

The optimistic projections of the sales show the good financial position, a slight change in the market condition in terms of price and demand will have a greater effect in the financial position of the business, this is a situation that is very crucial and plays an important role in limiting the business growth.

The following are the facets in which the business plan contributes towards the growth of the business:

We are catering for the demand that is being faced by most of the families. Hence, rapid growth of the business.

The experience and expertise that the management teams possesses and the goodwill created by the advisory board.

To sum it up, the management team together with the advisory board creates goodwill for the business thus, attracting more customers and creating brand recognition.

## **OTHER AREAS**

Elements of the plan can be improved in order to get a more realistic picture of the business. Objectives and goals should be emphasized for a rapid growth of the business in the future against its competitors.

Since the plan only identifies the risk faced by the business, it should also include ways in which risks will be assessed and relevant measures taken to eliminate them. Risks which will be encountered by the centre are the financial risks, operational risks, management risks and also marketing risks. Hence the plan itself should include barriers that would prevent the risks from encumbering the growth of the business, regardless of the competition that would become more intense with time and the inadequacy of cash flows to meet financial debts.

The exit strategy should be clearly mentioned in the plan, because it is very crucial to outline the strategy that would be taken in case the business fails or the partners are unable to run it.

## **CONCLUSION**

The competence of the team work was commendable, each one of us put in an effort towards writing the plan. This created goodwill for the business in the market. The expertise that each of the partners have, plays an important role in delivering the services in a healthy and safety environment together with running the organization ethically without committing any fraud.

We have identified the right gap in the marketplace and taken the opportunity and turned it into a realistic business, this was mostly possible because the window of opportunity for such a centre was open. The industry

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that we have indentified is attractive with a strong demand and low supply, showing high growth prospects despite of the existing and future potential competitors.

Lastly, our business plan will be updated on regular basis for it to be up to date according to the changing time and market. Financial projections will be made in order to keep the staffs and management team motivated to work even harder to achieve the objectives set.