

How To Start Your Own Day Care Center

There's a definite need for day care centers as more and more mothers of pre-school age children are forced to find jobs outside the home. This is due in part to the current economy, and unfortunately, to the high divorce rate, which means mothers who might ordinarily stay at home and care for their own children must seek income to help make ends meet.

Many experts expect the demand to increase through the turn of the century, and the popularity of this type of business to continue growing from there. They base their forecasts on the fact that more and more young parents have happy memories of the time they spent in day care centers, and the learning experiences they enjoyed. And again, there is the continuing need or desire of young mothers to work outside the home.

Profitable day care centers are much more glorified baby-sitting services. Social researchers have found that the most important years in a child's development are those from one to six. Thus, the exposure to the world in which he lives, the instruction he receives, and the habits he forms during those years, definitely affect his ability to learn and properly adjust as he progresses on through his years of formal education.

For mothers of today--usually better educated than their mothers---are more aware of these factors and wanting the best for their children, are demanding the structured pre-school education and learning stimulation offered by modern day care centers. This is an honest desire of the mothers of pre-school age children--even those who aren't forced to work outside the home.

Another thing in your favor: Even though there seems to be trend for many companies to finance and operate day care centers for their employees in or close by their factories or office buildings, studies show that most working parents prefer to leave their children closer to home than where they work. Thus, privately operated day care centers in residential neighborhood areas should not be worried too much about competition from the few company operated day care centers.

The first step toward start-up of a profitable day care center is to understand what makes them profitable.

There are a lot of day care centers operating with full enrollments of 35 to 65 children, but just barely breaking even. This is generally the result of regulations imposed by the state government, causing exorbitant overhead costs of operation. Basically, you'll need facilities to handle 150 to 200 children in order to realize annual profits in the "before taxes" bracket of \$100,000.

Check with your state and local government regulatory agencies. Many states require day care centers to provide a minimum area per child, both inside and outside the building, plus at least one hot meal per day. A licensed teacher for every 15 to 20 children, and even a licensed nurse on the premises may be required. Be sure to know the regulations in your area, and then design your business plan to meet these regulations.

Actually, you can begin by operating a baby-sitting service, by learning and expanding from your profits, and of course, through the long term benefits of establishing a quality image. In fact, we recommend that you start small---with a baby sitting service---and build upon your progressive successes. Unless, of course, you have half a million dollars to invest.

Once you're beyond the baby-sitting stage, out of your home and backyard, beginning to build a real day care facility, you might try locating in your church or one of your area's civic club facilities. Also, you should check out the possibilities of renting or buying a vacant house. A large ranch-style home with a large backyard would probably suit your need at this stage. But be sure you have zoning approval from your city council before signing a rent lease and finalizing your plans.

You might find, if you have your business plan in order, that a church or labor union will sponsor your business, or even offer financial backing. Arranging some sort of partnership or sponsorship agreement with an established local organization will solve a lot of problems for you, not only in the area of space but in assistance with start-up costs and city-father approval.

Incidentally, a day care center is perhaps the ideal business for absentee ownership or a group of professional investors. Keep this fact in mind as you organize your plan and seek financing. See our business report, HOW TO RAISE MONEY FOR STARTING YOUR OWN BUSINESS.

Generally, a "shoestring entrepreneur" in this business will do very well to locate in a vacant convenience store, or even a vacant grocery store in a larger shopping center. The zoning will be in your favor, plus you'll have adequate parking space, and less expense in partitioning or remodeling the building to suit your needs.

Ideally, your day care center should be located on a main thoroughfare, with the building set back from the street. You should be on the right hand side of the street as the traffic heads towards the major business or industrial areas of your community. In larger metropolitan areas, this would be on the city-side of the "bedroom" communities. In smaller communities, you can locate just about anywhere except in the downtown area.

If at all possible, you should plan your facility similar to a hospital or motel entrance. This would be a driveway from the

street to your door, usually under a covered drive-thru, with the driveway continuing back out to the street. Your long-term parking space would be located in the center of the "U" or between the driveway and the street. You want to strive for the convenience for the parent in being able to drive right up to your door. She can drop off the child with only a few steps into your facility and easy access back onto the main thoroughfare.

Depending on your city sign ordinances and your finances, go all out with your sign. Advertise the name of your name care center, the hours you're open, whether you accept drop-ins, overnights, or weekenders, and of course, your phone number.

The sign makers and advertising people may strongly advise you against so much wording on your sign, but in this instance, don't listen to them. Your sign should state all essential information, and serve to convince passers-by that you can handle their child-care problems whenever the need arises.

If you initially locate in, or through the sponsorship of a church or labor union, these people can assist you tremendously by including a mention of your services in their membership bulletins, and by passing circulars or flyers.

You'll need to decide on your regular day care hours. Generally, these are from 6 a.m. through 6 p.m. You'll also need to decide whether you want to offer breakfast for the children. If so, you'll have to plan for a cook and food supplies for morning meals. We'll discuss kitchen facilities and kitchen help later, but first decision must be if you will include breakfast. You'll already be set up with kitchen facilities and a cook because for those parents wanting to feed their children at your home, you'll be able to add \$8 to \$12 per week to their billing. By buying your food supplies in bulk, you'll probably be able to realize some savings in overall food costs.

Mid-morning and mid-afternoon snacks are required in some states, but even where they're not required, they are pretty much standard fare in most day care centers. Fresh fruit, cookies, and juice are the usual snack foods served in most day care centers.

As mentioned earlier, you'll definitely be providing a hot meal for the children at noon. This entails a cook, dishes, planned menus, food supplies in bulk, and perhaps even small size tables and chairs. You'll also have to have kitchen help and facilities for washing the dishes.

These are just some of the important overhead costs you must plan for, and of course you will work to keep them as low as possible. As you should know by now, the greater the overhead, the more children you're going to have to take in, and the more children you take in, the greater your space requirements.

All profitable day care centers operate according to planned routines. The day is broken down into one-hour segments, with pre planned curricula, much the same as classes at a public school.

A typical day begins with a play period from whenever the children arrive until about 9 o'clock. For this, you'll need indoor sand boxes, toys, and perhaps a family sized television set. From 9 to 10 the children are separated into groups---generally by ages--and you hold a reading or story telling session. The mid-morning snack time is scheduled sometime between 10 to 11. For the younger children, this might include a mid-morning nap, after snack time, a learning session is usually held. Typically, this is the time when guests are invited in to speak or entertain the children.

Work with your Chamber of Commerce, civic clubs, and city administration for guests. Children will especially enjoy visits by policemen, firemen, and others who talk to them about citizenship, show films, and teach them about things they can do in the community.

You can also get upperclassmen at your local colleges to visit and demonstrate such things as drawing, working with clay, building with wood, making things out of paper, and hundreds of other talents or skills they might be learning. The important thing is to bring "outsiders" in to talk to the kids about goes on in the world.

Noon to 1 o'clock is generally lunch time, and 1 to 2 is another learning session. During this afternoon learning session, you might offer the rudiments of reading writing and arithmetic. These teachings chores can be handled by college students studying to be teachers, retired teachers, or unemployed persons with teaching certificates. It's not so much a session to teach proficiency as a time to stimulate a interest in formal education. The basic goal of most day care centers is to instill within each child a desire to learn more about the world in which he lives. Thus, each child should be full of plans for "when I get to be six years old and start school, I'm going to..."

About once a week, your afternoon learning session should be a tour or a trip to someplace that might be interesting as well as educational for the children. Again, you're making the idea of learning not only interesting, but an exciting adventure as well.

These trips can be anything from a walk in your immediate neighborhood to loading all the kids into cars or onto buses and taking them to the zoo. Check it out first, but on th whole, you'll find most businesses in your area will welcome opportunities to show the children around their offices or factories. The same thing quite naturally applies to your city offices, fire department, police department, and radio or television stations.

On days when you don't have a trip scheduled, your "learning session" might be a film or program related to nature, particularly animals. The advent of the Video Cassette Recorder has opened endless possibilities in this area. Nap time and snack time will fill a period for younger ones, and books and quiet games will occupy older children who do not take a nap. When the nap period is over, they're allowed to play until their parents come to pick them up.

Whenever possible, you should encourage the children to be outside during play periods. If you have lots of playground equipment, you won't necessarily always have to have organized games, but you will have to have a playground supervisor---someone to watch the children and see they don't get hurt as they play. You can hire part-time help for this chore, perhaps from the local colleges, for minimum wage. If your city ordinances do not cover the specific age requirements of a playground supervisor, you might be able to hire students from your neighborhood high school. Select all the people you can hire relative to their affinity with children and their dependability. Be aware of today's climate of extreme concern in protecting children in day care situations.

Your playground will require a fenced-in area. Drive around and look at the playground equipment in play yards of your public schools and day centers in your area. You should have the basic sandboxes, swings, slides and jungle gyms but in this area you can be creative and original, provided your equipment meets safety standards.

Some states require that you have a registered nurse on the premises, but generally, the main things needed are medical information from the parents and a written procedure to follow in case of accident or illness. Basically, when a child is injured or becomes ill, you should take them to the nearest medical center, while another staff person gets in touch with the parents, and explains what happened. If the parent cannot be present at the medical center, all information should be passed on to them immediately it is available.

It's a good idea to have all helpers indoctrinated with basic Red Cross first aid knowledge, and have a well equipped first aid kit on the premises. As for any requirements to a fulltime nurse, you should be able to hire registered nurses who are either not working or looking for extra income. You might be able to "hire the license" of a registered nurse. You should pay a small fee to hang her license in your office, and she agrees to be available to serve your needs when you call.

Most day care centers are currently charging from \$35 to \$65 per child for a five day week, plus \$5 to \$10 more for the inclusion of breakfast, with another \$1 per meal when they serve an evening meal to the child. If you do receive pay in advance, you can very quickly get "in the red." We strongly suggest setting up your financial structure and clients payment schedules with this in

mind.

By having your customers pay in advance, you'll eliminate a lot of bookkeeping chores and time, the problems of collections, and you'll have operating funds with which to run the business. A point to stress when asking for payment by the month, in advance, is that because monthly payments are based on only four weeks of day care, they'll be getting a week free service every three months.

Every profitable day care center requires a sharp manager or director. This person might be yourself, or someone you hire for the job. Regardless, this person will be the key to your success. The director should have empathy with people, be an excellent judge of people, be sales orientated, and have an outgoing personality. As much as anything else, this person must have the ability to listen to, and really hear what other people are saying without the influence of preconceived opinions, or making snap decisions. This person has to have the success of your business in mind at all times, which means building and maintaining an impeccable reputation.

Your director will be responsible for the hiring and supervision of your other help and the budgeting, scheduling and overall day-to-day operation of the business. It is imperative to the success of your business that you have the very best person you can get in this position, regardless of the cost. A good director for a day care center will command salary equal to teachers in your public schools, plus fringe benefits allowances such as free enrollment for their children and perhaps medical and dental insurance if you choose to provide group coverage.

When a prospective client calls to ask about your services, you should explain how you operate, and emphasize your invitation for them to bring their child in so the two of them can be taken for a tour of your facilities.

Once in the center, your manager or director takes the parent and child on a tour, all the while explaining to parent the advantages of the center's structured learning and play program compared with everyday run-of-the-mill baby-sitting services. It's important to have the child along, because he sees the other children at play, he will be drawn to them, and this will greatly influence the parent in deciding that your center is the right place for his child.

After the tour, steer the parent back into your administrative offices and propose enrollment of the child. Begin by asking where the parent works, what hours and if he or she ever has to work overtime. You then ascertain the hours they'll want to drop off and pick up their child.

Strict procedures are absolutely essential regarding the pick-up of any child. Frightening as it may be to contemplate, we have all read accounts of strangers (or non-custodial parent) kidnapping a child. Printed forms must be provided and authorization signatures must be compared when anyone other than the legal guardian takes a child from your care. You will learn these requirements from your licensing office. Our advise to you is to follow them meticulously.

You should have a slickly printed, quality brochure showing your rates, your services, an outline of the curriculum, and a

statement of your benefits goals for the children.

Check with a legally qualified person about the need for a contract. The parent will probably simply fill out a questionnaire-file card giving address, place employment, medical information about the child, and place he or she may be reached in case of emergency.

Most day care centers accept all children between two and six years of age. An there are many nowadays who take infants from six weeks.

Of course, your personnel in this situation will be thoroughly oriented in infant care, an you must ascertain if these babies are well brought in to you. Otherwise, you put yourself in the position of "hospital" care instead of day care.

Generally, children aren't allowed to bring toys from home. You may want to allow the children to bring their own blanket from home for nap time, but if you allowed toys from home you would be opening "Pandora's box" of possible problems relating to sharing and ownership. In light of this, you will want a full complement of appropriate toys and play items in your center.

If your decide to include short-term baby-sitting services, a good idea would be include within the layout of your facilities a small one bedroom apartment for a live-in person or couple. An older retired couple would be ideal, with the husband also as maintenance and handyman.

Around-the-clock baby-sitting services, in addition to your regular day care center, can add tremendous and immediate cash-flow profits to your business, but correspondingly increase your payroll for qualified personnel. Such services would enable the parents to drop their children off in the evening, and leave them around the clock or over the weekend. There will generally be no need for any planned program because these children will be sleeping during most of the time they're in your care.

As you establish the image and reputation of your day care center, the parents in your area will be much more inclined to leave their children with you for baby-sitting duties. And because you are considered tops in the area of responsibility, you'll be able to charge the very top rate of the baby-sitting fee structure. Keep current with fees charged by other quality businesses similar to yours.

The demand for unplanned or emergency baby-sitting services is very large. Not too many day care centers are aware of this potential for extra profits yet, but the ones that do find that their incomes can increase by 30 percent or more ! We certainly recommend consideration of this idea for anyone involved in a day care service.

Another area that could mean enhanced profits for you is bus or van pick-up service for the children. Of course, this would increase your operating costs (and consequently your fees) but the convenience of pick-up is gaining in popularity. You'll need a custodian for indoor and outdoor cleanup, and if you have access to a bus or van, he could be assigned additional duties as the driver. Some day care centers offering pick-up service for their children contrast with local transportation services for their children contract transportation services to provide this service. Be certain of the driving experience of your driver if you contract for this transportation service.

Most day care centers open with very little fanfare or advertising. Generally, even without advertising most are reporting 90 percent capacity enrollment within six months.

With grand opening fanfare, and a strong advertising campaign, you should be able at 90 percent capacity within your first six weeks. In an area where a severe shortage of day care facilities exists, and with the right advertising and promotion, even sooner.

Your first step should be the door-to-door, hand-out distribution of a quality informative brochure. To save on costs, you can hire students attending advertising classes in your area colleges or even a free lance advertising copywriter to help you with the design and writing of this brochure. However, the bottom line should be that you have a good commercial printer do the printing on the best paper you can afford. All of this has to do with the image you're wanting to create, and the quality of the service the "buyers" feel they're getting for the prices you are charging. Don't skimp on your brochure--you're aiming at people looking for the best place for their children.

You should place at least a two-column by four-inch grand opening display ad in your local newspapers. At the same time, you should place similar ads in the local magazines and other publications catering to the working mother. Send along a group picture of

your staff, and a story about your services with your advertising order. Phone the editors at your local newspapers, radio and TV stations and invite them out to your grand opening.

Be sure to place a "service information" ad in yellow pages of your telephone directory. This should be the largest size you can afford. And remember that you need to make contract for a yellow page ad well in advance of the release date of the directory.

After your grand opening, and until you attain full capacity, continue to hand out your brochures at the entrances to the office buildings which house companies employing working mothers. Continue to run ads in your local newspaper, although these ads needn't be quite as large or run as regularly as the grand openings ads. Run an ad in the classified section describing your baby-sitting services.

At your grand opening, offer free refreshments for everyone. Coffee and punch for the adults, with juice for the children, and cookies for everyone. You should have members of your staff circulating among the parents to answer any questions and hand out brochures about the center.

You can begin small, and expand in stages with your profit. However, you must draw up a long-range plan detailing exactly what you intend to do, and each milestone you'll have to pass before proceeding to next your goal. In this way, you can succeed and attain not only the ultimate business, but also the kind of profits planned at the start.

The basic, and bottom line secret to success with your own day care center will be your ability to hold your costs in line while achieving maximum capacity enrollment. You've got the plan, and my best wishes for success!