

Strategic management for SME

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Strategic management for SME

Wendy House Day Care

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1. Executive Summary.

Wendy house day care is a childcare setting with a difference, not only is it a nursery but also a before and after school club and a holiday club. Families with children of all ages can make use of the facilities rather than having to take each of their children to different childcare settings. This report will show how the setting will be a viable business. From the vision and mission of Wendy house through to an environmental scan including pestle and swot analysis. The report also offers a stake holder analysis and a balance score card. With all of the research completed this report will show that the Wendy house childcare setting is not only a viable business but one that will thrive for years to come.

2. Wendy House Introduction.

2.1. Business.

Wendy house is a childcare setting, fully registered with Ofsted catering for various children's needs. Wendy house will operate with fully qualified staff but also offer placements for staff in training.

2.2. Business model.

Early childhood education can have a lasting impact particularly on children with a low-income family (Waldfogel & Washbrook, 2010). Wendy house will become a childcare setting. Wendy house will; cater for all family's childcare needs. For working families and single parents, and for carers of children. To make a difference in the finances of those on low incomes Wendy house will offer reduced rates if two or more children from the families are with the setting. Wendy house will also look after government funded children. Wendy house will pride itself on keeping a clear open and honest relationship with the parents and carers of our children.

2.3. Unique features.

Wendy house will become a childcare setting with a difference. The setting will ²¹open seven days of the week from 7 am until 7 pm. For full day nursery, before and after school club, and holiday and weekend club. The setting will take children from birth to twelve years old, also older children with special needs as and when required. The setting employs S.E.N (special educational needs) workers to ensure all needs of the child are met. There are no other childcare settings like this, nurseries do not care for children of school age, before and after school clubs do not care for babies, and there is no childcare setting in the area that open seven days of the week. Wendy house is a totally new concept in childcare and with more families working weekends the need is greater than ever for weekend childcare. The setting

will be a welcoming place with a lounge for parents to come in and help themselves to tea or coffee. The parent will feel comfortable with the setting so they will not be concerned about their child's welfare. The lounge will of course be separate from the children and only be accessible through a member of staff.

Wendy house will hopefully become not just a setting where people drop their children off at, but a name in the family's household that becomes a comfortable friend.

3. Strategic direction and goals.

3.1. Vision.

Our vision is clear, we want to achieve a happy, caring, secure and stimulating environment, where each child can develop at their own pace, whilst feeling secure and respected. Finally, to become the best childcare service provider.

3.2. Mission.

For the child.

Creating a brighter future. We want to create a safe environment for children to learn through play, giving every individual child the possibility to succeed in what ever comes next for them. Every child is unique and shall be listened to and respected in their own right.

For the parents/carers.

To provide support for working parents/carers so they are confident their children are safe and secure whilst with us. To work with families to help their child to exceed expectations.

For our staff.

We think a nursery is only as good as the people who manage it and the staff who work in it. We will invest in both training and equipment to ensure all needs are met.

3.3. Objective.

Our objective is to create a childcare setting for all children's needs be it nursery age or holiday clubs. Our staff are fully trained in not only early years but also play working for older children. We want everyone to feel safe in the knowledge that whilst in our childcare setting everyone is allowed to develop and meet their own potential. We support each child, parent and staff member in all their needs whilst with us. We aim to develop our childcare setting to become the best and largest setting in the local area and eventually open more setting of the same standard in other areas.

1, To integrate parent/carers into the childcare setting with parent friendly rooms and a welcoming atmosphere.

2, To introduce a value added 7-day childcare service for children from birth to 12 years in 2024.

3, To become the largest reputable childcare setting in the area by 2025.

4. Environmental scan

An environmental scan looks at all the things that can affect the viability of opening and maintaining a business in a particular area. This report will be using four models. A pestle analysis and porters five forces, for the external scan and a swot analysis, a value chain analysis for the internal scan (Morris, 2021).

External.

An external environmental scan helps to establish how the competitive environment is likely to affect this company. It is important to study the outside environment to see if there is competition in the area, also treats such as government decisions, changes in technology and social developments (Lynch, 2018).

4.1. Porters five forces.

Intensity of the competitive landscape

Treat of new entrant's, new entrants can bring innovation with then, a new way to do things. In childcare this will be a treat through lower pricing strategies, better value for money and the geographical position of the setting. By innovating our own new strategies and procedures we aim to stay ahead of any new entrants. Building a secure financial position, we can reinvest to insure we stay heads above the rest. (Department S.M, no date).

Threat of substitute products.

Wendy house can keep threat of substitutes low due to the unique services, maintaining the open hours and the child age group the treat of substitute can be avoided. Wendy house family orientation will also make substituting Wendy house extremely difficult.

Buyers bargaining power.

Buyer/customers can demand a lot, sometimes the demands can be unrealistic, but by constantly innovating our services we can reduce buyer power. By evolving as a childcare setting, we can build a larger base of customers. Adding more activities and more services.

Level of supplier power.

Wendy house will use local suppliers wherever possible, using local farms for fresh produce for lunches and local craft centres for arts and craft. By using local suppliers that benefit from the sales to Wendy house ensures the supplier power is kept at low. Larger companies will be used, when necessary, overall supplier power will be medium.

Overall, the porters five forces analysis gives a complete picture of how competitive advantage can be not only gained but maintained (Department, S.M, no date).

4.2. Pestle Analysis

There are many factors that can affect a business from inside and outside of the organisation. By completing a pestle analysis an organisation can see what threats there are from outside of the company (pestle, 2023).

Threat		Cost
Political	Political: government policies and guidance, many parts of a childcare setting can be affected by government policies such as curriculum changes, health and safety, training needs and local authority cuts.	Training needs
Economical	Interest rate can affect the building the day-care setting uses, also general taxation. Government funding and cost of resources. Ability for parent/carer to raise funds above funded options.	Staff Basic equipment
Social	Decline/incline birth rates. Staff ability to attract and staff leaving. Parent/carer freedom of choice. Local population changes,	
Technological	Broadband access, childcare management tools. Online training. Social networking and advertising.	Cost of installing and maintaining.
Legal	Ofsted regulations. Curriculum changes. Government funding, safeguarding.	Staffing hours.
Environmental	Carbon footprint. Planning laws. Transport, parking, bus routes. Recycling.	Staffing hours.

Internal.

An organisations long-term survival depends on choices made in the early stages of strategic planning. The internal environmental scan helps with those choices looking at strengths and weaknesses and the value the company holds. (Mintzberg, 2009)

4.3. Swot analysis

The swot analysis is straight forward showing the organisations strengths, weaknesses, opportunities and threats (swot, 2023).

Strengths	Weakness
Single parents that are working need childcare, also families where both parents work in the area. Start-up strengths would be the opportunity for government funding and other agencies that help improve quality childcare. Low cost set up due to a setting closing during covid. Holiday club, before and after school club and nursery so all children can attend the same place. Long opening hours than other settings in the area. Working together with the local community to unsure an open and friendly relationship with the community. Demand in area.	Start up costs could be high due to training needs. Costs for building insurance, licensing, accident insurance. Maintenance of the building. Cost of utilities. Replacing equipment, toys craft, foods. Hygiene (depending on staff) Lack of awareness
Opportunities	Threats
Potential for growth. Potential to utilise government schemes. Time differing for children. Large age group. Needs in the area. Advertising on social media.	Possibility of new providers opening. New legislations. Possibility of lawsuits due to accidents. Risk of staff leaving finding replacement staff. Health problems may arise. Operating cost.

(Mooney, 2016)

4.4. Value chain analysis.

Inbound logistics, it is important to work towards a good relationship with the organisation's suppliers. From arts and craft though to the food for lunches and snacks. The importance of these impact daily on the setting, as without such items the company would not be able to offer the excellent care that is promised.

Operations, the Wendy house day-care setting offers a safe secure environment for children aged from birth and upwards. To ensure this care is provided the setting employs, trains and monitors the staff constantly. The company follows Ofsted's ratios and never reduces the quality of care. The setting also supplies the children with meals and snacks throughout the day. Every child in the organisations care will be monitored on the educational progress and records will be kept accordingly. These child records will be available to parent/carer on request.

Outbound logistics, by ensuring the best quality of childcare, and our competitive charges the company can stay heads above the rest. Wendy house offers reduced rates for family's that bring two or more children to the setting.as a company we offer the best services in the area along with the competitive rates increases the settings opportunities for future growth.

Marketing and sales, by offering the best quality of childcare at an affordable price, Wendy house can advertise to its advantage. Using various online social media platforms, a customer website and word of mouth the company can advertise the setting with the upmost confidence. In time the Wendy house name will be held in esteem by those who use our services, leading to great word of mouth advertising.

Services, Wendy house holds great importance on customer loyalty from when the parent/carer first views the company. From advertising online or via word of mouth, the customer must come first. By constantly evolving the setting using extensive research and putting the child at the forefront Wendy house can ensure that the company builds and maintains an excellent reputation as the best childcare setting in the area.

4.5. Customer journey map

	Awareness	Research	Sign up	Retention
Touchpoints	Advertising via poster, leaflet drop, social media and website.	Websites, local community and social media.	Introduction visit, website and email.	Ensure quality care. Community engagement.
Customer process	Sees advertisement, word of mouth, brand recognition	Compare and visit alternatives	Joins setting, evaluates for themselves.	Continues placement and brings other family members and recommends to others.
Motivations	Needs due to work. offers government funding.	Finds online or via website. Word of mouth	Needs so they can work. Needs for mental health	Being able to continue with lifestyle.
Emotions	Curious	Intrigued	excited	Eager
Barriers	Competition. Lack of funding.	Lack of information.	Price. Funding.	None.

(Guthrie, 2022)

5, Stakeholder analysis.

Priority	stakeholders	Stakeholders' perspective	Action
High	Owner/manager	Provide quality childcare in a safe learning environment. Ensure all staff have relevant qualifications.	Work with parent/carers in the needs of the individual child. Assess their needs and aim to for fill them. Ensure all staff have relevant qualifications,
Low	Customers	Trust the setting with the care and educational needs of their children.	Inform staff of any issues they should be aware off, being illness, or other factors. Take part in parent/child events when applicable.
Medium	Care givers (staff)	Ensure all qualifications are up to date. Provide children with a sense of security whilst providing education, monitoring and evaluating. Keeping up to date records on each individual child.	Complete needed training and development. Adhere to appropriate practices and working environment. Help maintain smooth running and monitoring in the setting. Keep parents updated on child development.
Low	Residents	Noise, increased traffic	Do not cause upset to the residents. ensure children do not cause upset, via noise. Ensure parking is restricted to settings car park.
Medium	Curriculum providers	Providing the nursery with up-to-date curriculum.	More business for them.
Medium	Social and child welfare workers	Care for children is paramount to these they will monitor the business to ensure the best care is given	Monitor the setting to ensure good practices. Confer with if concerns for individual child.
High	Ofsted	Nothing can be done without Ofsted they work with Strick rules and guidance to ensure the childcare setting is safe and up to standard	Visit annually to inspect, make sure the children are well cared for and the learning is up to standard, and records are kept up to date. Inspect health and safety at setting.

6. Strategic growth.

Cost leadership.

Wendy house childcare will offer affordable and easily accessed childcare for children aged from birth onwards. Not only will childcare be offered to any social standing but also any child that needs care, not matter what ability or culture. Wendy house offers discounts on two or more children. The company will also take children on government funded schemes. This will allow us to keep our prices below the average childcare setting whilst offering the best care for children in the area. (Butler, 2018)

Focus strategy.

Wendy house focus strategy focuses on the growth of thew company due to the low cost and best value and the large age range of children, the 7 days a week and 7am until 7pm offers a range of care that no other facility in the area offers. Wendy house will also offer holiday care so will open for service 52 weeks of the year. Only closing for two days at easter and 3 days over the Christmas period.

Differentiation.

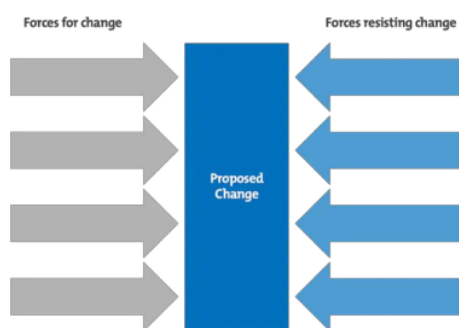
Wendy house wants to make parents and carers welcome in our setting. A comfortable family room is available where parents can chat with the staff sharing needs and concerns. Not only is this innovated in itself, but by talking to parents Wendy house can constantly evolve by knowing what the parents and children's needs are. Parents can feel free and comfortable discussing issues and concerns about their children whilst the staff gain motivational ideas on how Wendy house can evolve to meet customer needs.

Differentiation focus.

By continuing to offer best value childcare with best care for the individual child. By constantly evolving the childcare to suit the needs of the child and to continue to offer childcare hours that no other company offer. Wendy house will not only continue but will thrive and expand during the coming years.

7, Best fit Strategy.

Using Kurt Lewin's force field analysis, the organisation looked at the forces that helped towards opening the childcare setting, and those that are a form of resistance. It is decided that the company should first focus on the focus strategy as the best fit strategy as differentiation, differentiation focus and cost leadership would be better maintained once the childcare setting was more established.



(MindTools, no date).

The overall desired goal is the three objectives started in the Strategic direction and goals.

These being 1, To integrate parent/carers into the childcare setting with parent friendly rooms and a welcoming atmosphere.

2, To introduce a value added 7-day childcare service for children from birth to 12 years in 2024.

3, To become the largest reputable childcare setting in the area by 2025.

Forces pushing forward.		Objectives/goals.	Forces that hold back.	
Need for setting in the area, after many childcare settings closed during covid 19.	5	1, To integrate parent/carers into the childcare setting with parent friendly rooms and a welcoming atmosphere.	Need to advertise as a new venture we are yet to have any customers	1
Unique opening hours. These helps push the company forward as there are no other settings that open this number of hours.	1	2, To introduce a value added 7-day childcare service for children from birth to 12 years in 2024.	Possibility of chances in Ofsted rules on staff ratios.	3
Parent room, the parent room is a unique factor that although other childcare settings welcome parents Wendy house want to not just welcome but involve them.	3	3, To become the largest reputable childcare setting in the area by 2025. The forces pushing Wendy house towards these objectives or goal.	Ofsted inspections.	5

			Possibility of government funding changes.	4

Each of the forces for and against are marked from highest to lowest, so the strongest driving force will be five and so on.

8, Balance score card.

This balance score card, breaks the business initiative down to four sections, used for strategic planning, this scorecard describes and measures the company strategy. The score card looks ahead to the goals that are hoped to achieve with a measure of how they will be achieved and a clear target for the goal (Somers, 2005).

	22 Objective	Measure	Target	Initiative
Financial	Increase revenue/new clients	Current budget	Increase by 10% in 6 months	Be more proactive in advertising for new clients
	Offer more services, meals, snacks	Sales records	Increase by 20% in 1 year	Ensure staff hold hygiene certificates
	Lower cost on perishables and utilities	Inventory, turnover and bills.	Lower by 40% in 1 year	Ensure all staff are aware of the company's carbon footprint policy
Customer	Offer more services	Services offered	Increase by 5%	Review staff skills to offer new services
	Customer retention and growth	Customer referral cards	Increase by 10% per 6 months	Offer customer referral scheme
	Parent/carer lounge scheme	Number of parent/carers signed in	5 extra sign ins per month	Prepare and keep lounge ready, tidy and comfortable
Internal	Increase grant applications	Number of grants applied for	20 per year.	Develop new proposals for grant applications

	Reduce carbon footprint	Waste sheets Utility charges	40% in 12 months	Ensure all staff are aware of the company's carbon footprint policy
	Minimise waste on arts and craft	Craft record sheets	Lower by 20% in 12 months	Staff should be fully versed in how to keep crafts tidy causing less waste i.e. lids on paint and glue

Learning and growth	Research for new grants	Web searches	10 per week	Encourage junior staff to perform web searches. Monitor on resource sheet.
	Ensure all staff have full and enhanced training	Staff training records	Ongoing	Research all training companies. Keep up with Ofsted regulations.
	Introduce mentoring and coaching available to all junior staff	Staff training records	Ongoing	Ensure senior staff have training for coaching and mentoring

9. conclusion

This report has covered the Strategic management for SME (small/medium enterprise). From Wendy house clear vision, mission, and objectives through to environmental scan, and on to strategic growth. The report has looked at the threats the inside and outside environment bring and the opportunities. It discovered Wendy houses strengths and weaknesses. Using models such as porters five forces and porters value chain, the report looks at how to avoid threats and benefit from opportunities. With the models used and the research made it becomes clear to see that Wendy house is certainly unique in the way the setting will operate. The 7 days a week and 7am until 7pm opening hours, the age group of children and the variety of services Wendy house is on track to becoming the best and most unique childcare setting in its area. With the possibility of not only thriving as a stand alone setting but in time become a group of several.

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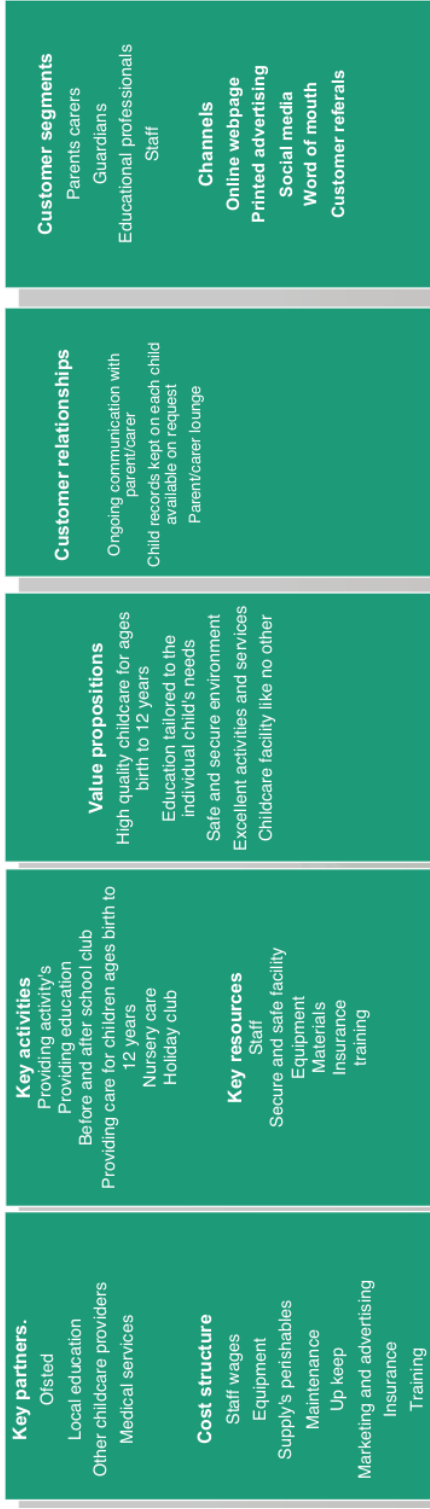
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Wendy house childcare.

Creating a brighter future. We want to create a safe environment for children to learn through play, giving every individual child the possibility to succeed in what ever comes next for them. Every child is unique and shall be listened to and respected in their own right.

Revenue streams
 Childcare fees
 Donations
 Grants
 Special services
 Trips
 Lunches

Our vision is clear, we want to achieve a happy, caring, secure and stimulating environment, where each child can develop at their own pace, whilst feeling secure and respected.

Strategic management for SME

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