

AI Statement

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Business Plan – Part A



(Canva,2026)

Business summary

Sips and giggles would be based in the town of Aberdare and combine a cake and coffee shop with an indoor play area for children age 0-6. Sips and giggles would also provide a sensory area for children with additional needs. Sips and giggles are a business that provides children with a safe space to have endless fun and hands on learning opportunities in a Montessori style. The business gives parents the opportunity to relax and socialise with other parents and carers. The Montessori style setting allows children to be more independent, supports children's cognitive development and problem-solving skills (Lillard,2017). Sips and giggles aim to be unique and different to most play areas as we will provide a calm, hygienic space that's supports children's education and development whilst focusing on supporting the wellbeing of both children and parents. Staff working for the company will hold a relevant childcare qualification, DBS check and food hygiene certificate.

The owner

The owner of the business is 25-year-old Lauren Beynon. Lauren has worked with children for 6 years and through this became passionate about the early years and childhood development. The owner wanted to create Sips and giggles as she is also passionate about creating a community where parents can support one another, share advice and build relationships. Research shows parenting can improve and develop through strong social relationships (Centre on the developing child,2016). The owner also has previous work experience in a cafe environment and is familiar with all equipment, training and hygiene. Along with Lauren's experience working with children, Lauren also holds a level 3 in children's care, play, learning and development and is working towards a degree in children's care and education. The owner believes that her experience and qualifications will support her to make Sips and giggles a success.

Products, services and revenue

Sips and giggles will offer both a service and products. One of the main services that Sips and giggles provide will be an indoor play area. The indoor play area will consist of combination of soft play, slides and climbing structures in the Montessori style. The play area will also offer role play stations and a quiet sensory area that will include lights, calming music, blankets and cushions, books and fidget toys. There will also be a seating area for parents and carers with a clear view of the play area and easy access.

Revenue will come from sessions that will be available to pre-book online. For a 90-minute session there will be an admission fee of £3 per child to the play area and parents and carers will have free admission. This will rise to £4 in peak times such as school holidays. Discounts will be available through sibling admissions and a loyalty card where your 10th visit is free. There will also be a monthly membership subscription which gives children unlimited access to the play area for £27 a month.

Sips and giggles will also create revenue from parties and private events through our party packages. Parents and carers will have exclusive, private access to the venue, the ability to have decor and themes provided and access to characters such as Disney princesses and superheroes.

Revenue for Sips and giggles will also come from the sale of soft drinks, hot drinks such as tea and coffee, and sweet treats such as cakes and brownies. Healthy snacks will also be available to purchase. Sips and giggles also aim to provide the community with services such as baby groups, art classes, parenting workshops, music and Storytime sessions. This will create revenue for the business as there will be a charge of £5 for each workshop.

Finance and Cashflow

The company would require large expenditure at first until the company starts to make a profit. The finances to set up and fund the business will come from personal investment from family members, crowd funding and Welsh government grants such as high street regeneration.

The business will be registered with Companies house, and the setting will be large to ensure enough space for seating and the play area. It will also need to be safe, well

maintained and meet building regulations. Sips and giggles will register as a food business and obtain a food hygiene certificate.

Sips and giggles are estimating our annual revenue to be around £150,000 a year. This will assume that at least 10 children access the play area each day for 300 days and that 20 families will spend around £20 for 300 days. Our annual revenue also includes parties and classes.

Sips and giggles estimates outgoings including staff salaries, rent, insurance, general maintenance and food and drink to be around £95,000. Leaving the business with a profit of around £60,000.

The market and customers

Our primary market and the customers of Sips and giggles are local individuals aged mainly 20-45 who are parents or carers of children from 0-6. Customers may also include grandparents, families, local groups and people looking for a place to hold an event. The customers will place great value and importance on children's care and development, wanting a safe space for their children to learn and explore whilst being able to socialise and build relationships with other parents and carers within the community. Customers will be looking for a clean, calming environment with quality service and facilities. Positive and frequent engagement with the community and customers will support the business to be trusted and respected and creates strong, healthy relationships with customers which will be beneficial as it will encourage loyalty and allow the business to thrive (US Chamber of Commerce, 2024).

Customers within the community will support Sips and giggles as it will be a local business with transport links such as trains and buses within walking distance.

Customers can also visit sips and giggles for convenience as the business is not weather dependent.

Market research

After completing market research, Lauren decided to set up Sips and giggles in the town of Aberdare. The research demonstrated Aberdare as a family orientated town including many young families with a growing need for a business' such as Sips and giggles. This also demonstrates there is a wide market for the services that Sips and Giggles offer. In the surrounding areas there are many cafes and one play centre. However, these businesses do not combine professional, high-quality barista service along with an educational, interactive play area. There are also many parks in the Aberdare area however parks are dependent on the weather and are often hard to access without reliable transport. However, Sips and giggles can be accessed by families all year round with convenient transport links. Sips and giggles are unique to the market offering many features such as a sensory area for children with additional learning needs.

Contacting customers and marketing

Sips and giggles will use social media such as an Instagram, Facebook and TikTok page. Research shows that the use of social media for marketing is more affordable and allows businesses to target and tailor their advertising (Tuten and Solomon, 2017). I feel that a strong social media presence will support communication with customers. Research also shows that a strong social media presence supports relationships between the business and customers and increases sales and profits (Trainor *et al.*, 2014). Social media will be used to post pictures, videos, share reviews and to advertise classes and groups. The business will also advertise through their website, emails, leaflets, schools, other businesses and word of mouth from previous customers.

Competitors

A challenge to my idea is competitors. The main competitor of sips and giggles would be Dragons Den in Aberdare who offer soft play, slides, birthday parties and a food service. Research demonstrates that despite competitors, businesses can create a strong market through creativity and ensuring differentiation (Kim and Mauborgne, 2005). However, Sips and Giggles aim to provide a more premium feeling service which supports relaxation and communication between parents and carers. Sips and giggles are unique to Dragons Den as they offer a more accessible play area in a Montessori style which supports children with additional learning needs, classes and groups for the community and a loyalty and membership scheme.

Part 2 – Research

The owner decided to create the Sips and giggles play area in a Montessori style as the Montessori style of play benefits children in the early years by supporting children's cognitive development through higher levels of concentration, decision making, problem solving and memory (Harvard University, 2025). In addition to this, another benefit to children's early years development of a Montessori style play area like Sips and giggles is the support of emotional and social development. Sips and giggles have an age range from 0-6, an important aspect of Montessori style play areas as children can learn and develop holistically by socialising and observing the children around them, this supports children's social and language development and collaboration skills (Montessori Scientific Research, 2026). The University of Cambridge (2023) also supports this as they state interacting with a variety of children can help to develop children's communication and improves wellbeing. However, not all peer interactions may be positive as Ridgway, Quinones and Li (2020) state that children may unknowingly exclude children with additional needs or children they may think are different to them which may have a negative effect on wellbeing. This is supported by Scott and Cogburn (2023) that suggest that children learn through observing other children can have a negative impact on development as they may copy negative behaviours from other children.

Our high-quality barista service and tranquil seating area is beneficial for children's development as it allows parents and carers to relax knowing their child is in a safe, educational environment with trained staff whilst socialising and building relationships with others.

The benefits of parents being able to interact socially in a business like Sips and giggles include increased knowledge and skills as parents and carers can support one another, give advice and share parenting strategies. This has a positive impact on parenting and wellbeing (Bronfenbrenner, 1979, p. 52). In addition to this, social interaction between caregivers can significantly reduce anxiety and stress which plays an important role in

supporting parents' emotional wellbeing and reducing the feeling of being alone (Belsky, 1984). Parent and carer wellbeing is crucial as it links directly to children's development. Bowlby's attachment theory (1969) emphasises this as it suggests that children learn how to build positive, healthy relationships through their interactions with their parents or carers in the early years. Bandura's social learning theory (1977) supports this as children learn how to regulate their emotions and develop through observing parents and carers and copying their behaviours. However, challenges such as parents' mental health can play a significant role in attachment and wellbeing. Research suggests that poor mental health is linked to emotional and behavioural difficulties in children which impacts parents' wellbeing and their ability to socialise (Goodman *et al.*, 2011). Research suggests that the overall wellbeing of parents can have lifelong effects on children's development such as children's social and emotional development, academic success, their ability to form relationships and mental health. (Stein *et al.*, 2014).

The challenges that a new, small business such as Sips and giggles may face include an increase in costs such as staff wages and utility bills. This may be a risk to the business's profitability (The Guardian, 2024). In addition to this, fixed costs such as rent and utilities can have an effect on profit as these bills will need to be paid despite the season or number of customers the business has (Financial Models Lab, 2023). However, the owner of Sips and giggles can reduce these challenges and risk through careful, strategic business planning, discounts and memberships. In addition to this, to minimise risk of losing money through utility bills, the business may also use ecofriendly strategies such as smart metres and more efficient lighting. This will keep running costs low and improve the reputation of the brand (International Energy Agency, 2020).

Another challenge that the business may face is staff recruitment. It is crucial that the staff of Sips and giggles hold relevant qualifications, a DBS check and feel confident to work with children. This is important as it is the staff's duty to safeguard the children, ensuring the environment is safe and that they can correctly follow safeguarding procedures (Department for Education, 2021). In addition to this, it is important that staff have sufficient knowledge about children and their development to ensure

children's wellbeing and that their needs are being met. To further support this, studies show that competent, knowledgeable and qualified staff can support children's cognitive and social development (OECD, 2019). Trained and qualified staff also reflect the professionalism of Sips and giggles, which is important for brand identity and ensuring high standards (Frost *et al.*, 2015). However, the limitations of recruiting staff are that it can be difficult to find and recruit staff with the qualifications the business requires and training costs can be high (Dessler, 2020). In addition to this, staff wages rising due to the increase in minimum wage may also have a negative impact on the business (Armstrong, 2020). However, Sips and giggles could overcome this barrier by providing staff with flexible working hours which may benefit students or staff with children and offer other benefits such as free access for the children of staff.

Many policies and legislation are in support of the businesses aims of Sips and giggles and support children's right to play. For example, the Children and Families (Wales) Measure 2010 brought in play sufficiency duty. This means local Welsh councils will need to ensure there are adequate opportunities for play and that play is accessible for all children (Welsh Government, 2010). Statutory guidance such as Wales – A play friendly country also supports the play sufficiency duty. The guidance states that play is crucial to support children's wellbeing and overall holistic development. It also states that local councils should work to remove obstacles to children's play (Welsh Government, 2025). The United Nations Convention on the rights of the child (1989) also links to the priorities of Sips and giggles as it states that children have the right to access play, rest and leisure. With this in mind, the Welsh government created the Rights of Children and young persons (Wales) Measure 2011, which highlights children's rights and the importance of play (Welsh Government, 2011).

The strengths of these policies and legislation are that they follow an approach that is child centred and protects children's rights, something that the company Sips and giggles feel strongly about. A child centred approach is important in the early years as children are listened to and involved in decisions that affect them. Research shows that policies and legislation where children's opinions are considered and children are directly involved in decision making are more successful (McCafferty, 2023). In addition to this, child centred and rights-based approaches ensure inclusion and equality. This

is crucial as it reduces discrimination against children with additional learning needs, disabilities or children in poverty (Ainscow, 2020). The Early Childhood Education Journal (2025) supports this as it suggests that a child centred approach ensures fairness and inclusivity. However, there are challenges and limitations when implementing these policies. Limitations include financial strain as studies suggest that local councils are struggling with financial pressures which hinders their ability to improve children's access to play in Wales (Play Wales, 2022).

To conclude, if the business is a success, further opportunity for the business may include expansion. Sips and giggles may have the opportunity to open in more locations in Rhondda Cynon Taff. This will be possible as Burns (2020) states that companies that create a strong customer base, effective branding and marketing are in a good position to grow their company. Other opportunities for Sips and giggles may include the ability to offer a wider range of services as the company begins to make a profit. These services may include evening events, community events, catering services and selling branded merchandise. Research shows that expanding a company's services limits risk as the company will have multiple sources of income (Johnson, Scholes and Whittington, 2020). Sips and giggles may also have the opportunity to build positive relationships within the community by collaborating other settings, nurseries, healthcare professionals and other agencies such as speech and language therapists and family services. This is important for the business as partnership working improves the credibility and trust of the company and also promotes children's wellbeing (Melhuish et al., 2015).

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