**Business Planning Tool**

What is a business plan? A business plan is a written description of your business’ future. Business plans describe what the business is, how it operates, how it is managed, how it fits in the marketplace, and how it functions financially. A business plan is a roadmap for building, growing, and sustaining a successful business. There are many different ways to create a business plan and you can find many templates online to help get you started.

Why write a business plan? Every business should have a business plan of some sort. Without a plan, a business may lose focus of its goals. If you don’t know where you want your business to go, how will you know if your business is moving in the right direction? Writing a business plan is a helpful exercise that forces you to plan ahead and anticipate many of the challenges that can often lead to failure when they are overlooked It can also serves to communicate the business’s value to potential funding sources or loan officers.

To complete your business plan consider the following questions:

* What does your salary need to look like?
* What age group(s) do you want to serve?
* What is the greatest unmet need in the community?
* What is the maximum capacity of your space?
* What is your desired capacity?
* Do you need staff?
* What is the current market rate for your community?
* Do you want a particular curriculum or to present a specific educational philosophy?
* What hours will the program be open?
* Will breakfast, lunch and/or snacks be provided, or will children bring bag lunches?
* Who is your target audience and how will you reach or market to them.
* What level of parent involvement do you want in the program?
* Is there enough demand for a daycare in your area (e.g. are there more families with young children in your area than existing daycares can accommodate)?
* How much will it cost to operate your business?
* How much will you need to charge per child, and do you have enough space?
* How will you promote your business to get children enrolled?

The Montana Women’s Business Center provides training and excellent resources for new businesses.

*The Montana WBC Business Plan Guide* details the key elements that lenders and investors expect in a business plan. It is organized by five key business plan sections as follows:

1. Executive Summary
2. Organization/Operation Plan
3. Marketing Plan
4. Financial Plan
5. Supporting Documents/Attachments

Your business plan is yours and can be as detailed, or not, as you need it to be. In general, the more thorough your business plan is, the better prepared you’ll be to open your program. Things will naturally change as you go, and you can update your plan, but this initial business plan will give you a solid foundation to build from.

At minimum your business plan should;

* Describe your business, ages served, capacity, what separates your business from other child care businesses
* Describe yourself and any staff. Include experience, education and training.
* Include your geographic location and market. Who will you provide care to? Infants? Toddlers-PreK? Non-standard hours?
* What are the unmet needs and demand for child care in your community. Why do you believe this business will be successful. Describe other child care in your community.
* How will you reach your customers? What is your marketing plan?
* Describe your record-keeping system and business policies that align with legal requirements and best practices.
* Include an operating budget and projected cash flow. What will be you income over the next 12 months? What are your funding sources (tuition, scholarship, food program) Will you have enough cash flow to cover all expenses?