

Setting up a childminder agency; business modelling



Key questions

- Why set up an agency?
- Who are your customers?
- What do you know about them?
- What services are you going to provide?
- How can you start to plan your business model?
- What next?



Why agencies?

- Making childminding a more attractive profession for new childminders
- Improving access to training, advice and support services for childminders
- Improving quality in childminding
- Supporting childminder sustainability through signposting to new clients
- Improving parental choice
- Providing parents with additional help and advice when looking for childcare



Your market

- Who are your customers and what do you know about them?
 - Existing childminders
 - New childminders
 - Parents & children
- What gap in the market have you seen?
- How do you envisage your agency?
- What additional benefits will you bring to the sector?



Table discussion

- What do you know about your potential market?
- What **don't** you know about your potential market?!
- Spend a few minutes on your tables sharing;
 - your research, ideas and information so far
 - why CMs / parents will use your agency (USP's)
 - what you still need to find out



FOUNDATION YEARS

Great early years & childcare

HOW

ACTION FOR CHILDREN

WORKS

Feedback from groups

- What do you know?
- What don't you know?



Getting the balance right

- Two key customers
 - Childminders
 - Families
- Need to get services right for both in order to be successful
- Careful assessment of needs and wants
- Affordability...for both CMs and families



Offer to childminders

	Employed childminder	Subscribing childminder	Independent childminder
CM status	Employed by agency	Self-employed	Self employed
Registration	With agency	With agency	Ofsted
Inspection	By agency	By agency	Ofsted
Agency services	<ul style="list-style-type: none"> • Recruitment • Registration • Inspection • Training & CPD • Full support role 	<ul style="list-style-type: none"> • Registration • Inspection • Training & CPD* • Support menu* 	<ul style="list-style-type: none"> • Training & CPD • Support menu*
Payment options	<ul style="list-style-type: none"> • Employed by agency 	<ul style="list-style-type: none"> • Monthly subscription fee • % earnings • Individual service prices 	<ul style="list-style-type: none"> • Individual service prices



Offer to parents

	Subscribing family	One off
Agency relationship	Agency as de facto childcare provider	“Headhunter” model – key relationship between parents and childminder
Agency services	<ul style="list-style-type: none">• Source childminder options• Placement• Quality guarantee• Illness cover etc	<ul style="list-style-type: none">• Source childminder options• Placement• Quality assessment
Payment options	<ul style="list-style-type: none">• Monthly / annual fee• % of fees• All fees paid to agency if CM employed	<ul style="list-style-type: none">• One off fee payable by either CM / parent / both



Agree your services

- DfE / OfSTED requirements
 - Registration
 - Quality assurance
 - CPD
 - Linking between parents & CMs
 - Information / marketing etc to parents
- Agree your fixed and additional services
- Calculate the costs of providing services...



A word about costing...

- Staff to deliver...
 - Recruitment
 - Registration
 - Quality assurance
 - Training
 - Meetings
 - CPD
 - Telephone support
 - Administration
- Premises
 - Office
 - Meeting / training rooms
 - Overheads
 - IT
 - Insurance
- Marketing
 - Recruiting CMs
 - Parents



Your staff's activities

- DBS checks
- OfSTED checks
- References
- Visits
- Checks on training & qualifications
- Issuing certificate
- 20 hrs individual contact time (inc. visits & assessments)
- 16 hrs CPD per CM
- OfSTED liaison
- Administration
- Record keeping
- Links with HMRC / DWP etc
- Marketing
- 'Customer' liaison
- Arranging placements
- Dealing with complaints



Quick question

- Assuming you're a "one person band" doing all of the activities on the previous slide (and probably many more) - how many childminders do you think you could manage...?!



For example...

- You think you could manage 50 CMs
- You would like a take home salary of £1,800 per month (£21,600 p/a)
- Plus 35% = £29,160 (tax, insurance, NI)
- Plus 5k 'cover'
- $£34,160 / 50 = £683.20$ per CM PA < £60 pcm



Get the model right for parents

- It's difficult for parents to find out about great childminders in their area, so market!
- Parents want and need more information about childminders to be able to make informed choices
- As the economy grows, parents need more childcare options
- You need to meet parents needs not what you want to provide
- Your parents will want a quality 'Guarantee' - evidence of structured ongoing CPD, training and assessment is good!



And for childminders!

- Better marketing
- More customers
- Mix & match childcare opportunities
- Better training and CPD opportunities
- Take away administrative burdens
- No more OfSTED...?!
- More regular income guarantees
- Holiday cover
- Colleagues!



Things to think about

- Does **your** plan fit **your** market?
- What different models could you offer to both CM's and parents – costs, practicalities etc?
- Would your business plan get passed a Bank Manager with no interest in Childcare?
- Is there a shortage of childcare in your area / a need for new CMs – could you create supply from scratch?
- How will you ensure both high quality childcare and service at a reasonable cost?
- What are your short, medium and long term plans?