

Wraparound care...

a great business opportunity for you



Kirsty Jackson from Kids Collective, providers of award-winning out-of-school care, explains why a rise in demand for wraparound care could be a great opportunity for expansion for nurseries

I'm sure you'll agree, running a nursery is fun and rewarding if at times challenging. In business terms, nurseries have quite a unique set-up. Staff develop a special relationship with the children in their care; they help educate and nurture them and then send them on their way to 'big school'. Parents get used to staff and develop a relationship with them, while the children love the toys, the routine, and their key-workers. But all this comes to an end when the children move on to reception.

As it stands, when the children leave for primary school, they simply fall out of your business plan and off your target market radar, leaving you every year waving goodbye to happy clients, and having to accept that this is one of the perils of the nursery sector.

But, what if there was a way you could retain these contented children and happy parents that allowed the children to go off to 'big school', yet continue to benefit from the services

that your business provides?

A move into offering a wraparound service could be a golden opportunity for expansion. It is a natural progression from being an early years provider to offering breakfast, after-school and holiday clubs for school-aged children. Working with a feeder school to your nursery could provide you with the premises that you require and the parents the service they are crying out for.

Big news, big business

Recent figures (*Families and the Labour Market, England 2017*, Office for National Statistics, Sept 2017) show that 1.8 million families split employment in order to juggle family commitments. So, it's no surprise that there is an increase in demand for out-of-school clubs. As it is, the government's extended schools agenda states that primary schools are expected to provide access to wraparound childcare or signpost to other local provisions in order to help

parents balance their work and family commitments. The issue that many primary schools face is that they may not have the space or the staff to provide a suitable service.

So, as a business opportunity, it's perfect. The demand for the service is there, which many primary schools are unable to meet. Step forward, nurseries.

As an early years provider, you will find that stepping into the world of wraparound care draws on your existing market-relevant expertise. Running a nursery means you already have a strong working knowledge of the EYFS statutory framework and other relevant legislation. You are well versed in devising policies and procedures, the childcare recruitment process, managing teams of practitioners and dealing with parents. You understand how to adhere to budgets and have the administrative know-how required for registrations, booking patterns, invoices, parent emails, newsletters and more.

How it works

At The Elmstot Group, we launched our wraparound care service, Kids

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'...2018 is all about us watching our out-of-school service grow across the UK and working closely with our franchisees to develop a dedicated team; whether that's individual franchisees or a nursery group'

LEFT: Making chocolates requires total concentration

Collective, way back in 2003. Offering breakfast, after-school and holiday clubs came as a very natural expansion when the founders of The Elmscot Group, Steph Molnar and Dee McKenzie, found themselves in the same position as most other parents - needing additional care for their primary-school-aged children.

As working mums, Dee and Steph, had started The Elmscot Group in 2001, after being unable to find suitable nursery provision (familiar story!). So, they understand as parents the need and desire of many parents to find suitable care provision for their children. As entrepreneurs, they are also well aware of the need for nurseries to have a strong business plan - and they actively look for unique ways to expand and grow.

Kids Collective now runs breakfast and after-school clubs from eight primary and preparatory schools, with three running additional holiday clubs, across South Manchester and Cheshire. Ofsted considers five of our current clubs as 'outstanding and exemplary' in recent inspections.

All of our existing clubs became

profitable within 12 months. This is because the upfront investment is modest and the operational costs such as staffing, rent, and consumables, are scalable according to the number of children registered.

On this basis, we decided to franchise Kids Collective rather than our nurseries, and, as a result, we've found fewer obstacles to expanding and diversifying the brand, since the financial barriers to growth with Kids Collective are comparatively minimal. We're proud of the work that we've achieved and are now in a position to franchise our out-of-school clubs nationwide.

So, if you're planning on growing your nursery and considering offering a wraparound care service, why stop there? Once the service is up and running and proving a success, then you could consider franchising the service.

Dream big

As you're well aware, running a childcare facility is governed by legislation and monitored by Ofsted and, as a result, the administrative burden is particularly heavy and expensive. However, launching a

wraparound service with a view to franchising doesn't need to be as costly. What's more, our experience of running Kids Collective places us in a very strong position to be able to offer other nurseries the insight into what is needed to run a successful and enjoyable out-of-school service and explore the possibility of franchising that service when the time is right.

Our top 10 franchising guide

1. Devise a separate business plan and include a SWOT analysis (strengths, weaknesses, opportunities, and threats.) to help you cover all eventualities
2. Build your brand and protect it by seeking legal advice on whether to apply for a registered trademark
3. Test the franchise - a pilot operation will allow you to test the business model and ensure it is fine-tuned before fully committing to developing a network
4. The franchise system is the bible of the business. Working with a franchise expert, develop a comprehensive operations ►

- manual that details what the franchise does; what the franchisee needs to do; how they need to do it and to what quality and standard. This also includes developing a comprehensive training program in line with your operations manual. Kids Collective worked with The Franchise Company, a BFA-affiliated franchise consultant
- 5. Ensure that the necessary support systems are in place to back franchisees from the initial stages of enquiries, through signing the franchise agreement right up to launching the business and continued support thereafter
- 6. The franchise agreement ensures that you as franchisor have the appropriate rights to do your job within a framework of fair and reasonable treatment for franchisees. You must get fully experienced professional advice at this stage. Kids Collective worked with Hamilton Pratt, a BFA-affiliate solicitor
- 7. Devise a viable financial plan which takes into consideration how much it's going to cost you and, therefore, how much you need to charge to get a sensible return. Don't underestimate your initial costs or overestimate early growth
- 8. Create a franchise brochure which will act as a prospectus for the business. This brochure should have the background information on the company, what services you offer and the income and earnings potential of the business. As this is



ABOVE: Having fun in the adventure playground



LEFT: Making giant bubbles together

- something that will be sent out to prospective franchisees, it is a good idea to work with a designer for a professional finish
- 9. Recruit franchisees –probably the hardest and most expensive process for franchisors. There are a number of ways to do this including franchise exhibitions, newspaper advertising, trade magazines, franchise websites, and referrals
 - 10. Demonstrate your ethical approach to franchising by becoming a member of the BFA. This again is an investment that exudes benefits: not only does it show that you have satisfied the accreditation criteria, but it also helps in recruiting franchisees through their online listings, while providing access to exclusive training programmes and seminar.

franchisees or a nursery group. We're excited about playing a crucial part in helping to develop the next generation of school children and supporting hard working parents.

What's your focus for this year? Will you be embracing the great business opportunity that is offering wraparound care? ■

● *Families and the Labour Market, England 2017* (Office for National Statistics, Sept 2017). To download this article, go to www.nmt-magazine.co.uk and click on the Links page.

The evidence

A report by the Child Poverty Action Group (CPAG) states that extended school services are popular with schools and families and 'can improve children's outcomes' but that current provision is failing to meet parents' demands. These clubs are an 'easy vehicle' for enrichment according to the Nuffield Foundation (National Centre for Social Research, July 2016) and can boost academic performance and social skills, says the Department of Education (*Wraparound and holiday care*, May 2016).

For Kids Collective, 2018 is all about us watching our out-of-school service grow across the UK and working closely with our franchisees to develop a dedicated team; whether that's individual

Breakfast clubs

According to the *The Parent's Lifeline: the role breakfast clubs play in the lives of working families* (Kellogg's, Jan 2017), 95 per cent of parents who send their children to breakfast clubs say they are important to their daily life. Over a quarter (27 per cent) of parents felt that without a breakfast club at least one parent would be forced out of work.

- Kirsty Jackson is the group development manager at Kids Collective, which offers breakfast and after-school clubs at eight local primary and preparatory schools during term-time as well as holiday clubs for children aged 3-11 years located at three schools. Building on this success, Kirsty is developing the out-of-school franchise initiative and is now focusing on attracting franchisees.

For information on Kids Collective franchises visit www.kids-collective.co.uk/franchise