

Title: Ways of maintaining a successful Family Day Care Business

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The business world acknowledges the importance of Small and Medium Enterprises (SMEs) serving as the engine for industrial change, innovation, employment creation and economic growth. In Australia, 99.7 per cent of SMEs are independently owned and operated, and are thus a vital contributor to the economy.

The importance of the services sector such as the childcare industry has changed substantially over the past two decades. The number of children in formal day care has increased by 103 per cent from March 1996 to June 2005 (Australian Government, 2007). This growth has emerged as essential, as economic development ensures that women are increasingly emancipated into the workforce as compared to being traditional home makers. It is not surprising that women comprised 45.1 per cent of the total labour force in Australia in 2006 (Australian Government, 2007).

Consequently, modern economic changes have fuelled the growth of the childcare industry, which has been enhanced by 30 per cent government childcare rebates and substantial childcare subsidies. The 2006 Australian childcare census revealed that 57,816 paid employees worked in long day care centres, with 75 per cent employed on a permanent basis to provide care to 420,110 children. Childcare centres including family day care providers occupy a key role in the Australian economy, including the direct provision of employment, and thus it is critical that the organisational management and performance of child care providers be optimised. The industry has also had to respond to increases in accreditation requirements, state regulations and professional shortages (Barett et al., 2005).

Like any industry, family day care providers have a number of key factors to successful performance. It is critical to identify the key success factors to ensure that the childcare organisations are doing the best job possible and that they can operate on these factors as well as awareness of new trends and changes in the external environment for future developments.

There is currently no widely accepted definition for SMEs across countries with variation to the criteria used and the standards set (APEC, 2002; Carson, 1993). Employment size or annual rate of turnover are commonly used (OECD, 2008). For example, in the United Kingdom (UK), a small business employs not more than 50 employees and a medium sized business has less than 250 employees, while in the United States (US), it is defined as employing less than 500 employees (OECD, 2008).

In Australia, the business type of SMEs (micro, small and medium) is defined by the size of employees in an organisation in the non-agricultural sector by the Australian Bureau of Statistics. An employee is considered to be working full-time if she or he is employed for 35 hours or more per week regularly (ABS, 2006).

Family Day Care micro business

Table 1: Definition of SME Family Day Care business

| Business type | Number of employees |
|----------------------|---------------------------------------|
| Micro size | Less than 5 full-time employees (FTE) |
| Small enterprise | Less than 20 FTE |
| Medium enterprise | Less than 200 FTE |

Family Day Care providers are considered mostly as self-employed and therefore are considered as a micro sized business.

The benefits and pitfalls of running Family Day Care business

Family Day Care Providers made the decision to set up their business in their home to care for children from 0 to 12 years old for a few reasons. They are as follows:

1. To earn money
2. Passionate about children
3. Would prefer to be with their young children or grand children
4. Enjoy the flexible hours.

The benefits of working as a Family Day Care provider may be as follows:

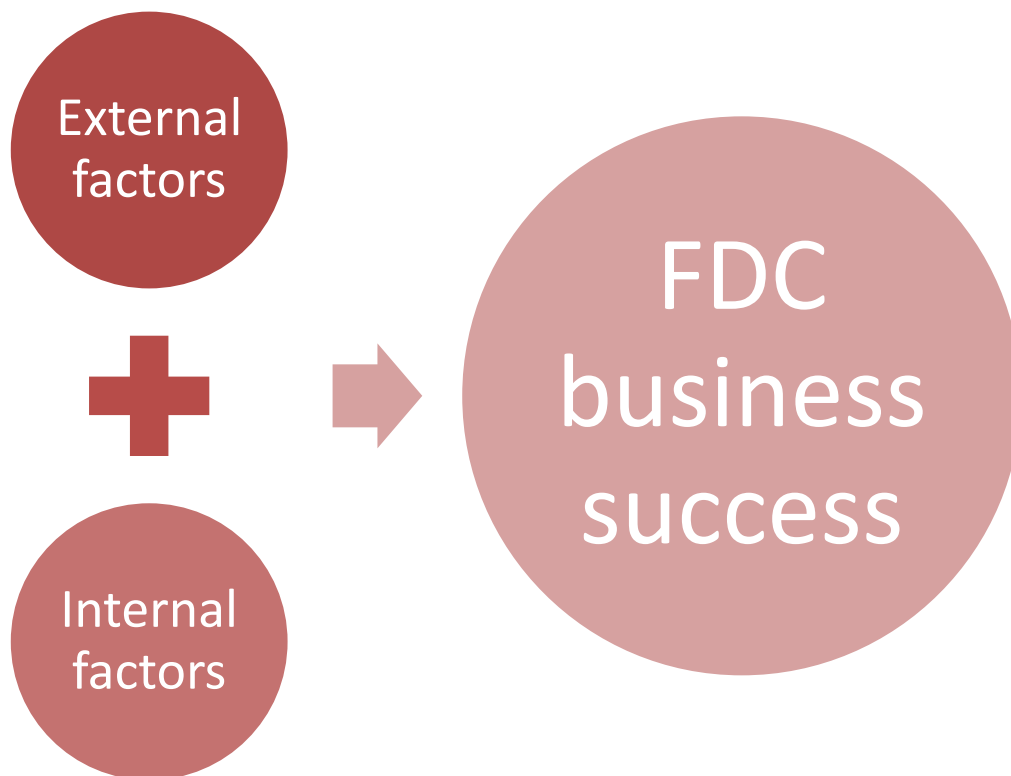
1. Sense of satisfaction
2. Be their own boss
3. Excess income

When there are benefits, there are pitfalls:

1. Long hours
2. Isolation, loneliness
3. Total responsibility
4. Possible interruption to carer
5. Pressure on self

The MOST important ingredient for success is the *day to day running* of the business.

There are two factors which will lead to the success of FDC business.



External factors are affected by the following:

1. Your scheme vision, mission and goals.
2. NCAC and licensing regulations and requirements.
3. Current Australian economy and the government assistance for child care.

Internal factors are affected by YOUR:

- a. Character
- b. Skills
- c. Knowledge

Character

- Open communication between parents, scheme staff and others- open = trust /honesty/respect
- Leadership skills – lead and build children in your FDC
- Decision making – decision on what you want out of your business

Skills and knowledge

- Technical – ability to undertake your given task such as providing quality care for the children.
- Managerial – planning, administration, marketing, finance and operating the business.

How your FDC business different from others:

Value – you are valued as a FDC from your children, parents, scheme and community members.

Rare and no substitute – No one can replace you eg set up your home differently

Conclusion

Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful. Herman Cain