**Executive Summary**

CreatiOn Child Care Center

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**1. Problem**

According to the data by Wenzhou Bureau of Statistics, the number of working people in Ouhai District increased rapidly by 45% from 2016 to 2017, which is the second highest among Wenzhou city. Nonetheless, with the increasing number of dual-career families, the issue regarding proper care for children has become a source of anxiety in modern life because children might not be well cared by busy working parents. As a vivid example, a survey shows 93% of Wenzhou-Kean University employees had a conflict between working and taking care of the children. As a consequence, there is a keen need to build a better infrastructure to relieve working parents’ work-family pressure and provide children with a safe and comfortable growing environment.

**2. Solution**

In order to solve this problem, the team plans to establish a child-care center named *CreatiOn*. “CreatiOn” is the combination of “Creativity” and “On”, so the business is committed to providing innovative child caring and cultivating children’s creativity, and the company slogan is “let creativity go on and on”. In terms of product, we provide four programs for our customers. The first three are aimed to strengthen children’s physical capability, intellectual ability and multicultural perspective. Each of these three includes several basic courses (physical training, music, etc.) to make different combinations. Differently, Day-Care Program provides an entertaining place for children to stay without parents worrying about their safety. The details are shown in the table below:



With regard to the excellent promotion strategy, the business considers social media to be the main advertising platform, including *Weibo* and *WeChat*, as well as some of traditional ads, such as brochure, sales letter, and website. *CreatiOn* will regularly hold big events to improve customer engagement. As for place, *CreatiOn* plans to locate the business near WKU, and the specific location will be at Room 3101-3102, Building No.1, Li’ou Splendid Apartment to ensure the safety of children. In order to offer a superior service in Day-Care Program, the business plans to hire senior babysitters and train our own loyal professional babysitter team. In addition, teachers in our center need to have a multicultural background and excellent knowledge on Chinese and foreign culture. We would not only hire teachers from the outside but also students in WKU who are suitable in this position. Regarding physical evidence, to promote the brand, the company decides its feature color, ginger, and most of the physical objects in the center including working uniform will share the same color. With respect to the process, *CreatiOn* will establish online reservation and registration. Alternatively, parents can go to the center and do it in person.

**3. Competition and Competitive Advantage**

Currently, there is no child care center within Li’ao Subdistrict, but *Shichida Education Institute* and *Gymboree Play & Music* are the two existing competitors five kilometers away from *CreatiOn*. In comparison, *CreatiOn* will be able to provide a more favorable service for customers because it has a better location and is multicultural-oriented, which are the two competitive advantages of the business. Firstly, the child care center will be located near WKU as an essential part of Kean Town, which is an urban construction plan that is going to transform the town into an international and metropolitan region. In this way, a growing number of experts and elite around the world are coming there, so the business will be exposed to a better environment with rich resources at an international level. Secondly, Culture & Diversity Program are the exclusive course of *CreatiOn* that any other child care centers do not have. It has a market potential since the business is surrounded by numerous foreign families and others with an international background. The courses will be conducted with an immersive English instruction, so it will create an atmosphere of culture blending for both foreign and local children and helps them to build a diversified perspective at an early age.

**4. Target Market**

The business is targeted at children under 5 years old whose parents are employees in WKU and people who live in Ouhai District. Published by *Wenzhou Bureau of Statistics*, census illustrates 47,400 children under 5 live in Ouhai District, which is the number of the market size. In the future, it is pleased to see that the market will be more attractive with the increasing number of young children. Firstly, Chinese government has transformed to Two-Child Policy from the limit of one where every married couple contemporarily is allowed to give birth to two children, thus more and more families will be ready to give birth to more babies. Secondly, with the expansion of WKU and the development of Kean Town, more expat and elite with an international background will come to this area, bringing in more next generations.

**5. Why Us**

The management team consists of three WKU senior students majoring in Global Business and one advisor. Ailsa Huang, CEO, is a strategic thinker because she is good at developing tactics and was one of the three individual outstanding contestants in Kraft Heinz Business Consulting Project. She also has a strong leadership skill because she used to be Vice-President of Kean-Speakers Club. Nico Zhang, CMO, has both passion and competence to make a preeminent and reasonable marketing plan for our business. During the four-year college life, she achieved A level in all the marketing courses, developing sufficient academic knowledge reserve. Besides, as a leader, she conducted a research about marketing and obtained outstanding paper award in an international conference, IBSS 2018. Elaine Ye, CFO, has gained sufficient knowledge in Accounting and Finance. She has rich experience in analyzing financial situations of companies. On the one hand, she worked as an analyst for Johnson & Johnson (USA) in Global Practicum to solve the sales problem based on the financial report. On the other, she is an expert in using ANOVA in SPSS, and successfully analyzed data in her academic paper. Dr. Somkiat Mansumitrchai, advisor, is an assistant professor in the College of Business and Public Management of WKU, and he has sufficient knowledge on marketing and operation.

**6. Forecast**

Our financial goal is that the business will achieve the break-even point within two years. In the aspect of revenue, the company estimates the financial outcome to be 1,623,270 RMB, 2,481,924 RMB, and 2,790,364 RMB respectively for the first three years, so the growth rate will be 52.9% and 12.4% for the latter two years. The business will start making profit in the fifth month, and the break-even point will occur on the seventeenth month of operation, when the number of service sold reaches 1,217 and the accumulated revenue reaches 2,592,209 RMB. The detailed chart is shown on the bottom.

**7. Financial Needed**

Mr. Chonghua Zhang, the director of Kean Town, is considered as an appropriate investor for the business of *CreatiOn* since the child care center can enhance the infrastructure of Kean Town that can equip people with a better life and helps to build a better region. Additionally, since the Return on Investment (ROI) will be 37.9%, 279.0%, 365.5% for the first three years, respectively, it can also bring the investor a huge benefit. In total, the start-up cost will be about 337,354 RMB. More specifically, as demonstrated on the following chart, the company needs 54.0% of the start-up capital to cover the operation loss for the first four months, 29.6% to use for decoration and fitment, and 15.2% to buy the equipment. Additionally, 0.6% of the capital will be used as cost of inventory, 0.4% as cost of security measures, and 0.1% as cost of register. In summary, the business of *CreatiOn* has a big chance to succeed and it will be a win-win business for both patron and the region.