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# How to BMC

## TOOLBOX

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# Introduction

The **INTERREG 2 Seas project PACE** (Providing Access to Childcare and Employment) ran from 2016 to 2020 in four countries: Belgium, the Netherlands, France and England. The project's aim was to make childcare and employment more accessible for families in vulnerable situations. Thirteen project partners tested new models of childcare and activation, and together developed an integrated approach to childcare and employment. One of the crucial ingredients of this approach is childcare that serves the whole family and responds flexibly to the needs of vulnerable families.

A more flexible form of childcare that serves the whole family sounds great, but how do you make it happen in business terms? How do you ensure that you comply with the regulations and the requirements on occupancy rates? How do you maintain a balance between income and expenditure? Can this only be done with additional funding, or are other revenue models possible? What target group do you direct your services at? And how do you reach that target group? During the PACE project, we investigated how to convert accessible childcare into a business model. To do this, we used the **Business Model Canvas (BMC)**.



**This toolbox** supports nurseries and local authorities in developing a business model for more accessible childcare. The toolbox contains:

- A leaflet explaining the project and the Business Model Canvas (BMC).
- Four examples with detailed BMCs for different childcare prototypes, based on real-life practices from the PACE project.
  1. [Butterfly Nursery in Brighton & Hove \(UK\)](#) is located on the site of a hospital. It provides childcare for children aged 0-5 years, and offers occasional and flexible childcare.
  2. [Elief Nursery in Antwerp \(Belgium\)](#) offers neighbourhood-oriented occasional childcare.
  3. The local authorities in Brighton & Hove run an [at-home childcare service](#) that supports parents who are unable to use regular services because they need urgent care or care at atypical hours.
  4. [The Centre Social in Arques \(France\)](#) offers out-of-school care in a community centre. It operates very flexibly and with emphasis on parental participation.
- [An empty BMC template](#) to complete yourself.

The central question for each example is: how do you make flexible and accessible childcare work on a business level?

For more background information on the PACE project, consult the project website: <https://www.mechelen.be/pace>

# Getting things going!

## Business Model Canvas (BMC)

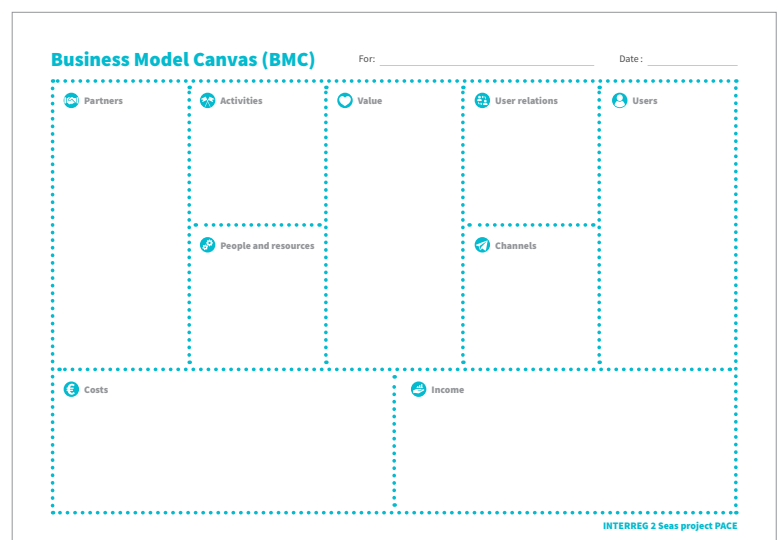
### Translating accessible and flexible childcare into a business model

The **Business Model Canvas (BMC)**<sup>1</sup> is a tool for quickly and easily defining and communicating a business idea or concept. It consists of nine elements that structure the functioning of a service or product. The right side of a BMC shows the external operation for users, and the left side shows the internal operation in the organisation. Together, the nine elements offer an at-a-glance view of an organisation's building blocks. In the middle of the model is the exchange of 'value' between the organisation and the users. The internal and external aspects meet here. This element shows how an organisation responds to the problems or needs that users experience, the 'customer's tasks' as they are called in management models. There are functional needs, for instance when parents need childcare at night because that is when they work, and emotional needs, for instance when parents want their child to be well looked after.

The Business Model Canvas has a number of advantages:

- The responses to users' needs are central;
- The model can be used to describe the entire operation of an organisation;
- The model outlines how you can get from an idea to concrete care provision: for example, from an idea for occasional childcare to organising drop 'n' go sessions.

We take you through the nine building blocks of the Business Model Canvas.



<sup>1</sup> Osterwalder & Peigner, 2010



## Users

who you want to make a difference for

In childcare, children and families are the ‘users’. When you work on a BMC, you need to consider which families you are willing and able to ‘serve’. To do this, you first perform a neighbourhood analysis. You then define user segments, each of which has its own needs. For example, as a nursery you may direct your services towards local parents with regular childcare needs, but you may also create provision for parents who are on a training course at the nearby school and are looking for childcare for several half-days per week for a limited period of ten weeks.



## Partners

who you work with

We now jump across to the other side of the BMC diagram – to the partnerships – because the neighbourhood analysis has also provided an overview of the organisations that work with families: public employment services, training centres, employers, welfare organisations, local authorities. All these organisations are potential partners that can support and reinforce your operation in various ways. However, they may not be enough. There will be other needs for which you will want to form partnerships, for example for the purchase of food and care products, for building maintenance and for software. You cannot build an equally intense collaboration with every partner, nor is it necessary to do so: it is something to look at for each partner.

If you offer occasional and flexible places or target families who are harder to reach, partnerships are crucial to your operation.



## Channels

how users know and reach you

Not all families find their way easily to the available childcare provision, sometimes because they are insufficiently aware of it, sometimes because they are put off, but mostly for a combination of reasons. It is important to choose the right channels to make your childcare provision known and to ensure that families are also aware of the occasional and flexible places on offer. Tried and tested channels are:

- Written communication: flyers, brochures, a website, social media.
- Personal information: home visits, being present at schools, participating in local events.
- Organisations in your area and in your network. These may take a different approach for each user segment.



## User relations

how you interact with users

Particular care is taken to welcome families at every childcare setting. In the case of occasional and flexible childcare, the need to do so is even greater. The families concerned are often unfamiliar with childcare or have had a difficult time looking for it. In some cases there is also little time available, for instance for the settling-in process, because the need for care has arisen suddenly. The nursery therefore needs a team that is ready to welcome families actively and warmly.

It is important for the nursery to pay attention to all user segments. Because occasional and flexible care can require a lot of energy, there is a risk that little attention will be paid to families on a regular care plan. These families may be wondering whether occasional and flexible care could undermine their child’s stability. Childcare facilities can ensure that this does not happen and that these families also benefit from the increased flexibility. They too can enjoy the warm welcome every day. The nursery can let these families know that they can make use of the flexible approach at times when they need it. In this way, they will experience the nursery as available and reliable.



## Activities

what you do

Every childcare setting must offer pedagogical quality, and this is no different for those that operate on an occasional and flexible basis or place extra emphasis on parental involvement. Some childcare organisations that offer occasional and flexible care support this care provision with more parental activities or family support. Others develop a mission and a vision that are closely related to those of many care settings which operate on a completely regular basis.

In addition, nurseries can profile themselves by, for example, emphasising the local community or neighbourhood in their activities, by making social encounters possible, or by focusing on collaboration with other services.



## People and resources

who you are and what you have

People are central to childcare. The staff members are crucial to the provision of proper care. The setting managers and early years practitioners are the people who welcome children and parents on a daily basis. Sound administration also strengthens your care setting in two ways. First, it makes it possible to make places available, and to estimate the number of available places accurately. Second, it makes it easier to avoid breaking the rules, given that nurseries have staff:child ratios and maximum occupancy rates to adhere to.

Clear procedures help staff to organise the work and deal with frequently changing groups and circumstances. Some of the procedures may also help staff to provide clear information to users.

In a childcare setting with occasional places, there will be more conversations with parents than in one that operates on a regular basis, because the group of parents is constantly changing, and early years practitioners like to take time to get to know a family. A nursery should ideally have an area that is separate from the main room to ensure sufficient peace and privacy for conversations of this kind, even when time is limited.



## Income

what you receive

A childcare setting cannot survive without enough stable income. If a setting has to close due to financial problems, families in particular will be affected, which is another reason to ensure that you have enough income. Offering occasional and flexible childcare requires dedication, people and resources, but in principle it can also generate extra income. In some countries there is additional funding available for settings offering occasional and flexible childcare. It is also possible to collaborate with employment services, training institutions and employers; schemes exist in most countries under which they can hire or purchase childcare places.

In the book “Flexibility in childcare” you will find a number of general guidelines on funding, the proportions of regular and occasional or flexible places, affordability and the actual allocation of the available places.<sup>2</sup>



## Costs

what it costs

A clear cost structure is important in any business. If an existing organisation offers occasional and flexible care in combination with regular care, it will therefore be important to know whether this entails additional costs. Do the premises need to expand? Are personnel costs higher? Are the operating costs increasing? Do you risk being unable to cover some of the costs if the places are not occupied?

If the childcare setting offers the occasional places as part of a network, there may be extra costs for an administrative worker, a room and the maintenance costs for the administrative system. Sharing those costs with the other members of the network makes them manageable. You can also check whether the local authority or a group of employers is willing to fund the network’s additional costs.



## Value

how you make a difference

Value is at the heart of every BMC model. It is where the needs of the user segments and the organisation’s activities meet. Ideally, both the user segments and the organisation’s employees will experience added value. In childcare, the user segments’ needs are both practical and emotional. Parents will not entrust their children to a setting if they fear that they will not be happy there. At the same time, parents are looking for solutions to specific childcare needs while they work, go on a training course or have to deal with an unexpected situation. Only when a setting meets these emotional and practical needs value will be created for its users.



<sup>2</sup> <https://www.mechelen.be/flexibility-in-childcare>: p. 167 ff.

## Four concrete examples

**The detailed BMCs are based on existing strategies to make childcare more flexible and accessible for parents.**

Four strategies are presented.

1. Flexibility in planning and use of the setting – [Butterfly Nursery \(UK\)](#)
2. Occasional childcare with the possibility of getting started quickly and for irregular use of care – [Elief Nursery \(Belgium\)](#)
3. Childcare at atypical hours – [at-home childcare service \(UK\)](#)
4. Actively welcoming and involving families in the nursery – [Centre Social Arques \(France\)](#)

Each example contains a brief background sketch of how the strategy works, an overview of actions to make childcare more accessible to families, and the details of the nine components of the BMC.

### • The four examples that follow each contain a concrete example of a detailed BMC.

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• In each one, an organisation or setting makes a difference for families that find it difficult to access regular childcare, because they work irregular hours, because they only need short-term care, because they cannot afford a regular place, because their main need is for opportunities for social contact with other parents, or because they want to start the process of finding work and are looking for occasional childcare for the times when they have appointments and are attending training.

• Some families cannot see past the waiting list, lack security in their work, are suddenly called upon to start a job at short notice, do not have sufficient income, struggle with their physical or mental health or both, live in a small space with no time for themselves, do not speak the language, or are in a life situation that combines all of these factors. In interviews, families living in these difficult situations talk about the reality of their lives and their dreams. They all want a stable life: a decent home, an income, time with the children. Almost all of them want to work, and almost all of them say that childcare ‘would be good for their child’, mentioning its effects on cognitive, emotional and social development. In doing so, they articulate exactly what the European policy texts set out.

• These parents need time for themselves so that they can attend an appointment with the doctor, the Public Welfare Centre, the lawyer or the Public Employment Service without having the children with them; so that they can study and think about the future; so that they can look beyond today or tomorrow. Their children have at least as much right as other children to a stimulating, rich environment and contact with peers and the outside world. Childcare can play a major role in this, but the doors of the settings must be wide open so that these families feel welcome there.

