****

**A Hempsall’s Business Change and COVID-19 Response Tool**

The Business Map sets out the information to consider and collate, ultimately leading to a business action plan. It uses a six-step process:

****

|  |  |
| --- | --- |
| Things to do  | **√** |
| 1.First, complete the ‘what’s changing’ section. |  |
| * Analyse demand and occupancy
 |  |
| * Understand if parental preferences and behaviours are changing
 |  |
| 2. Then use the tools to ‘find out more’ about the business and the environment in which it operates.  |  |
| * Complete a SWOT analysis
 |  |
| * Complete a PEST analysis
 |  |
| * Market analysis
 |  |
| * Complete a breakeven cost analysis
 |  |
| * Calculate the breakeven hourly rate
 |  |
| * Compare to last year
 |  |
| * Review fee structure
 |  |
| * Complete/update the cash flow forecast
 |  |
| * Develop a cash flow forecast for 2021 – 2022
 |  |
| * Review reserves and contingency plans
 |  |
| * Review COVID 19 Government funding opportunities
 |  |
| 3. After that, identify the risks. |  |
| * Complete the ‘risk register’
 |  |
| 4. Then it is time to consider the possible ideas and options.  |  |
| * Establish if demand has changed
 |  |
| * Review model of delivery to ensure it works for the setting and families
 |  |
| * Review finances
 |  |
| * Consider if cost savings are needed or possible
 |  |
| * Develop contingency plans
 |  |
| * Review reserves and be clear how long the business can continue without extra financial support.
 |  |
| * Find financial support for the business.
 |  |
| * Help parents to help themselves – what can help to reduce the cost of paying for childcare?
 |  |
| * Communicate
 |  |
| 5. Next, return to the risks and think about the actions to reduce or remove them. |  |
| * Return to the risks and think about the actions to take to reduce or remove them
 |  |
| * Complete the risk register and develop an action plan
 |  |
| 6 Measure progress and review regularly  |  |
| * Keep updating the cash flow, it will show how new arrangements are affecting the business.
 |  |
| * Monitoring a range of measurements will help to understand if things are working. Set the targets and build them into monthly monitoring discussions
 |  |