

Risk Analysis

A. Risks We May Face

There are a number of challenges we will have to face, if we are to have a successful childcare program. These most important include:

- *Finding a new facility, close to the community we serve*
- *Licensing the facility for childcare*
- *Finding and maintaining sufficient funds to run an effective program*
- *Building up and keeping clientele*
- *Finding and keeping quality staff*
- *Managing a quality program*
- *Managing competition*

Despite the risks, we believe that through our motivation and committed effort, we will overcome the obstacles they present.

The following Risk Evaluation Worksheet presents these various risks, discusses the issues involved in each, and presents contingency plans for overcoming or mitigating the risks.

B. Risk Evaluation Worksheet

Type of Risk	Issues at Risk	Contingency Plan
<p>Facility & Location</p>	<p>We are currently in an unlicensable building. Finding a licensable building, close to the community, presents challenges. Once a building is located, we have to work with the City of Santa Ana to secure a conditional use permit and certificate of occupancy. Working through the required steps will take time, effort, and funds. There may be hurdles to overcome, including delays in processing and higher fees than expected.</p> <p>The greatest costs will be for an architect and for construction to modify and renovate the existing building to meet required occupancy codes.</p> <p>The greatest challenge may be finding a facility close to the Minnie Street neighborhood, where the majority of our clients reside.</p>	<p>We will continue to work with our real estate agency, the United Way LINCC program, colleagues and “Friends,” to access opportunities for a new facility, close to the neighborhood.</p> <p>We will familiarize ourselves with the processes for attaining City permits and follow-up on our initial contacts with the City Planning Department, to ensure smooth working relationships next time an appropriate building surfaces.</p>
Type of Risk	Issues at Risk	Contingency Plan <i>cont.</i>

<p>Licensing</p>	<p>Licensing requirements may be more strict than the City’s occupancy requirements. Both efforts must be coordinated with oversight and patience. We have to be aware of potential pitfalls to avoid or mitigate, when working with our architect and when proceeding with construction. Mistakes will be costly and time-consuming.</p> <p>We have to be prepared for a time- and effort-consuming process, with unexpected delays, hurdles to jump, and cost overruns.</p>	<p>We will work with United Way’s LINCC program and their contacts who have knowledge of licensing requirements. We will research State requirements and hire knowledgeable consultants to help us move through the licensing process.</p> <p>We will work with an architect who’s had previous experience renovating buildings for licensed childcare and seek his advice on construction contractors.</p>
<p>Funds</p>	<p>We have to raise two kinds of funds: (1) funds for renovating and moving into a new facility, and (2) funds for implementing a current program and sustaining our services in the future.</p> <p>Sliding scale fees will pay about 1/3 of our operating costs. We will face an ongoing challenge to raise sufficient funds to meet our costs.</p> <p>We may run into ‘cash flow’ issues, if we depend upon program grants that pay in arrears.</p>	<p>We will build up a donor base for individual and corporate donations. We will develop “Friends of The Cambodian Family” to increase our contacts and help us raise additional funds. We will broaden our base of grant support to include private foundations, as well as government support.</p> <p>We have a line of credit with our bank, which will allow us to borrow on a short-time basis, in case of ‘cash flow’ problems. We have a contingency/emergency fund in our general funds account, which can be used if necessary.</p>
<p>Type of Risk</p>	<p>Issues at Risk</p>	<p>Contingency Plan <i>cont.</i></p>

<p>Clientele</p>	<p>Many local families are in need of licensed quality childcare and parenting education, to ensure their children develop in healthy ways, and are ready for school. Quality childcare is often too costly, too far away, or not culturally-appropriate.</p>	<p>In order to reach potential clients, we will advertise our new center to our current and former clients. We will pass out flyers in the community and place them at local agencies, centers, schools, and health facilities.</p> <p>We will help low income families by providing sliding scale fees and subsidizing their costs with donations and grants.</p> <p>We will ensure access, by finding a facility close to the neighborhood, and by hiring staff who speak Spanish or Cambodian.</p> <p>In case we have a waiting list, we will develop a list of referral centers, or family childcare homes, to share with families on our waiting list.</p>
<p>Staffing</p>	<p>The successful outcomes of our childcare and early education program, as well as our parenting education, depends largely on the quality of our staff. Due to limited funding, we have sometimes had to freeze staff salaries or cut staff hours. When recruiting new staff, we've sometimes lost good candidates to better-paying companies.</p>	<p>We are changing our paradigm about staff salaries – so that we can remain competitive in the childcare market, and recruit high quality staff. We will make it a priority to raise sufficient funds to pay quality staff the salaries they deserve.</p> <p>In order to retain the staff, we will give periodic raises and put funds into our budget for staff training and life-enhancing activities.</p> <p>In busy times, other program staff will provide support to our childcare staff, to help them manage their overload.</p>
<p>Type of Risk</p>	<p>Issues at Risk</p>	<p>Contingency Plan <i>cont.</i></p>

<p>Management</p>	<p>Besides childcare and parenting education, our agency provides our refugee and immigrant families several other wrap-around services. These include an after school program for school-aged youths, an extensive employment services program for youths and adults, and a community health promotion program for refugee families.</p> <p>We consider all activities essential for the social health of the community. Yet the extensive scope of our services can be challenging to management, who have to take care for their own programs, and at the same time, contribute time and effort to maintaining the agency as a whole. Managers must often be marketing people, fundraisers, and grantwriters, in order to support their own and others' programs.</p> <p>They often wear too many hats and thus risk 'burn out.'</p>	<p>We will make efforts to hire additional management staff, particularly in the areas of marketing and fundraising, so that program managers are freer to focus upon program services and outcomes.</p> <p>Our program managers and administrative staff are skilled in collaboration and effective teamwork. We're informed about each other's work, challenges and accomplishments, and make positive efforts to help each other when necessary. Though we will continue with our policy of in-house collaboration, we will also make efforts to respect each others time and individual program efforts.</p> <p>In our current strategic planning process, we are considering new and enhanced ways of intra-agency collaboration. Hopefully, these strategies, along with hiring marketing and fundraising staff, will help managers perform well with less stress.</p>
<p>Type of Risk</p>	<p>Issues at Risk</p>	<p>Contingency Plan <i>cont.</i></p>
<p>Competition</p>	<p>According to our Market Analysis (see Section 3 of this Business Plan),</p>	<p>To compete with other worthy childcare facilities in raising funds, we'll keep our Business Plan updated to</p>

	<p>we do not have significant competition for clients. In our service area, few children have opportunities to attend licensed childcare.</p> <p>We are more concerned about competition for limited program funds.</p>	<p>accurately reflect our current needs, develop effective marketing materials, ask our contacts and “Friends” to advertise us, and broaden our base of funding from both public and private sources. Building a donor base of individuals and corporations is a high priority.</p>
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