

## **POTENTIALS AND CHALLENGES ON AL-QUDSI DAYCARE**

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**Abstract** - *Daycare is a child social service that provides services to children aged 6 months to 5 years old before the form, treatment, care, nutrition, social guidance, counseling mental, spiritual, educational stimulation, and games. Currently Daycare is one alternative to parents who have busy outside the home in actualizing science and its role in the community. Therefore the aim of this paper the author makes is what potential and challenges in doing business Daycare. The method used by the authors in this study is the use literature and case study of Al-Qudsi Daycare is located at Jl. Saturnus Utara No. 55, Bandung, 40295. Al-Qudsi Daycare is a start-up business that is made by the author as student of entrepreneur tracks program at School of Business and Management ITB. From the results of this paper the authors find that the potential of Al-Qudsi Daycare is about effort of marketing with big respond and financial condition that prospective. The challenges of Al-Qudsi Daycare are so many competitors and claim of desire from consumers increase. Recommendation from author is Al-Qudsi Daycare must develop of strategy marketing and financial marketing and provide the technology for facilities so that secure and pleasant.*

*Keywords: Daycare, net present value, rate of return, payback period, plans and marketing strategies, opportunities, and challenges.*

### **Introduction**

#### *1.1 Background*

Al-Qudsi Day Care is a *Taman Penitipan Anak* . One of the types kindergarten non formal in Indonesian. Al-Qudsi Daycare has been designed by the authors as a student when taking Entrepreneur Track program. The author has a background in choosing this business is labor participation rate of women in the city of Bandung increased to 6% in 2012 (Statistics Bandung, 2013). They need help to care for their children. There are several alternatives that can be done. Children can be cared for by nurses, relatives or next of kin, or Daycare.

*"Children at the age of 1 and 1.5 years who daily at Daycare generally can receive intensive language stimulation of children his age than those who only stay at home. This will further assist their ability to speak,"* said Ratib Lekhal, doctoral candidate at the Norwegian Institute of Public Health, Department of Children and Adolescent Mental Health. Studies have been conducted by the University of Miami. They found that children, who are entrusted in Daycare quality, not only have good social skills, but also has a strong self-confidence. The results of the study from the University of North Carolina showed that the children are entrusted to qualified Daycare have cognitive and language abilities are better than kids who do not get the kind of education provided by the Daycare. Children also have the ability to lead (leadership). (Saraswati, 2014)

It was a daycare benefits according to experts. Base on that benefit, Dacare becoming one of the alternative choices of parents in their children leave.

#### *1.2 Research Question and Research objective*

*Research Question*

1. What Potential of Al-Qudsi Daycare?
2. What Challenges of Al-Qudsi Daycare?

*Research Objective*

1. To obtain a description of potential for Al-Qudsi Daycare
2. To obtain a description of challenges for Al-Qudsi Daycare

**Literature Review**

*1.1 SWOT Analysis*

SWOT analysis was created in the 1960s by business gurus Edmund P. Learned, C. Roland Christensen, Kenneth Andrews and William D. Book in their book "Business Policy, Text and Cases" (R.D. Irwin, 1969). Here is a SWOT Analysis template filled in:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Political support</li> <li>• Funding available</li> <li>• Market experience</li> <li>• Strong leadership</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Project is very complex</li> <li>• Likely to be costly</li> <li>• May have environmental impact</li> <li>• Staff resources are already stretched</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Project may improve local economy</li> <li>• Will improve safety</li> <li>• Project will boost company's public image</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Environmental constraints</li> <li>• Time delays</li> <li>• Opposition to change</li> </ul>

TOWS Analysis is a variant of the classic business tool, SWOT Analysis. TOWS and SWOT are acronyms for different arrangements of the words Strengths, Weaknesses, Opportunities and Threats. (Mind Tools)

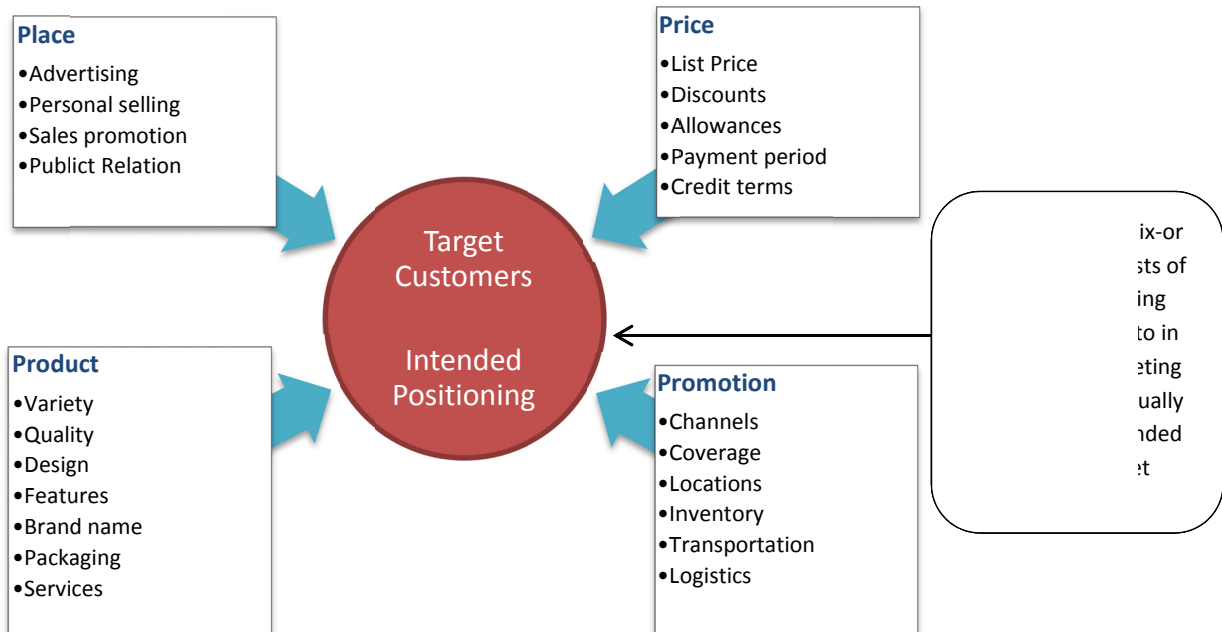
- Strengths and Opportunities (SO) – How can you use your strengths to take advantage of the opportunities?
- Strengths and Threats (ST) – How can you take advantage of your strengths to avoid real and potential threats?
- Weaknesses and Opportunities (WO) – How can you use your opportunities to overcome the weaknesses you are experiencing?

Weaknesses and Threats (WT) – How can you minimize your weaknesses and avoid threats?

*1.2 Marketing Strategy*

According to Kotler Amstrong (2013), Marketing strategy is define as the marketing logic by which the company hopes to create consumer value and achieve these profitable relationship. Consumer usually is served by its segmentation and targeting, and differentiation and positioning. Marketing mix made up factors under its control which are product, price, place, and promotion (four 4P's).

- Product Mean the good and service combination the company offers to the target market.
- Price is amount of money consumer must pay to obtain the product or service.
- Place includes company activities that make the product or service available to target market consumer.
- Promotion means activities that communicate the merits of the product or service and persuade target consumer to buy it.



### 1.3 NPV

In finance, the net present value is defined as the sum of the present values (PVs) of incoming and outgoing cash flows over a period of time. Incoming and outgoing cash flows can also be described as benefit and cost cash flows, respectively.

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$C$  = Cash Flow

$r$  = Discount Rate

$T$  = Time

Project with  $NPV > 0$  increase stakeholders return

Project with  $NPV < 0$  decrease stakeholders return

### 1.4 Interest Rate of Return

The internal rate of return (IRR) is a rate of return used in capital budgeting to measure and compare the profitability of investments.

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$i$  = Interest Rate

If  $IRR >$  hurdle rate, accept the project

If  $IRR <$  hurdle rate, reject the project

### 2.5 Payback Period

Payback period in capital budgeting refers to the period of time required to recoup the funds expended in an investment, or to reach the break-even point.

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A is the last period with the negative cumulative cash flow

B is the absolute value of cumulative cash flow at the end of the period A  
 C is the total cash flow during the period after A

**Methodology**

The research method used is the case study at Al-Qudsi Daycare. In this study the authors used two data sources consisting of primary data and secondary data. Primary data were obtained by interview with consumers of Al-Qudsi Daycare, tracing (historical), and observation. Secondary data were obtained by collecting document and literature. The analysis technique used is descriptive analysis of SWOT especially to see potential and challenges on Al-Qudsi Daycare. The author was notices the potential from marketing and financial condition aspect and the challenges from competitors and claim to desire of consumers.

**Result and Discussion**

Base on the interview and observation of the consumer and institute associated as well as the study of literature, it can be analyzed the potentials and challenges of Al-Qudsi Day Care by SWOT Analysis.

<p><b>Strength</b>                  Pricing who used to have a couple of options to adjust the ability of the parents. Profitability of Al-Qudsi Day Care is not only a material but also in the form of intangible benefits gained enough of this business. Al-Qudsi Day Care have due process had been developed in ways that children play and learn with fun.</p>	<p><b>Weakness</b>                  Al-Qudsi start-up Day Care is a business that is still building a brand and a good reputation in the consumer views. Adaptability Day Care should be done with a pretty big effort for the new owners to explore the world of business in the education sector such as day care.</p>
<p><b>Opportunities</b>                  Environmental of resident that selected will continue to result in a large enough market to meet the trend Day care in the days to come.                  The education sector becomes the public sector and government has close attention, visible from population growth and awareness of the importance of early education.</p>	<p><b>Threat</b>                  There are will be great the competition that will be faced by this industry further.</p>

Based on the SWOT analysis, TOWS analysis can help strategies Day Care in resolving problems contained in the SWOT analysts.

<p><b>S-O Strategies</b>                  Maximizing the potential that exists to make a difference and day care as a hallmark of excellence.</p>	<p><b>W-O Strategies</b>                  In building a business brand and reputation by beginners, should maximize the first consumer with good treatment. It may be the effect and influence on the environment and a large sector which makes effort adaptability is growing and developing rapidly.</p>
<p><b>S-T Strategies</b></p>	<p><b>W-T Strategies</b></p>

Keep doing defense and innovations in power that has held can be a valuable asset in the future.	Threats facing not too big and should be avoided and perform strict control on the sustainability of the activities and make improvements to build a reputation in the community as well as consumers.
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### 1.5 Potentials of Al-Qudsi Daycare

Some importance aspect that can be used as potentials in research:

#### a. Marketing Strategy

##### *Product*

Name : Al-Qudsi Day Care

What we do : Social service that provides services to children aged 6 months to 5 years old before the form, treatment, care, nutrition, social guidance, counseling mental, spiritual, educational stimulation, and games.

Specialist : Fostering a love of Qur'an early

##### *Price*

Total monthly tuition on Al-Qudsi Daycare is about IDR 930,000; yearly tuition is IDR 2,000,000, and overtime according costumer late to going home. And the incidental tuition each consumer is different payment according to how long the student come such us monthly, weekly, or daily.

##### *Place*

Resident of Margahayu Raya, North Saturnus Road No. 55 Rt 04 Rw 10 Kelurahan Manjahlega, Kecamatan Rancasari, zip code 40295, Bandung.

##### *Promotion*

The most effective promotion to bring customers in is to use the brochure in the scatterplot almost every week in the area around the resident, banners, and word of mouth for two months. Then it has produced 16 consumers the register.

The following are the results of analysis of the author about what makes consumers Al-Qudsi Day Care as a choice.

1. They have a good reason to choose Al-Qudsi Day Care.
2. Easy to find
3. Effect of friends
4. Al-Qudsi Day Care is safe and comfortable for their children
5. Day Care is always keep clean and have an ideal space to play and learn
6. The cost is quite reasonable
7. The strategic location and close to where they live
8. Have a good activity report

#### b. Financial Condition

The total NPV for 3 years of operation is IDR 116,687,273. This figure is quite large with relatively small capital from those of other business start-ups. This figure can be achieved third year running the company.

Pay Back Period owned by Al-Qudsi Day Care only takes 1.1 years in assuming for 3 years. This shows Al-Qudsi Day Care is a short-term business that requires perseverance and this business achieving the extra.

IIR were obtained by fairly large investors. IIR is 38% higher than the bank interest of 10%. That is, investors are more for far greater than the need to deposit money into the bank.

### 1.6 Challenges of Al-Qudsi Daycare

In additional to the potentials that are open, there are challenges to be faced in the research.

a. Competitors

In fulfilling the needs of the target market, the mother has two other alternatives besides using day care. Namely children cared for by their parents. However, grandmother or grandfather they have limitations due to aging. Except parents are still healthy mother and had no activity. Treat of Substitutes second is a private sitter. For this case, the parents have to spend big and looking for a baby sitter who can be trusted not easy.

Based on interviews and observation through several owners and management of day care in Bandung, the authors divide the competitors into two, namely competitors who are in the region housing of resident and competitors who are outside of residential areas.

Competitors who are in the same housing area are:

9. Qurrata 'ayun Day Care
10. Mata Hati Day Care
11. Visi Hati Day Care
12. Anindya Day Care

Overall, competitors become consideration in reading the market but not a big consideration for the business owner. Because the characteristic each day care different from one another and each day care has a target market that is different. Visible from every daycare that there always have full consumer even tamping power capacity which is full of old people were forced cause daycare away from the site of work or residence.

Obstacles faced in its entry into the industry, early childhood education is quite difficult because of the long legal process before it commenced business. Moreover, in finding the right location is also very rare to find such a large city of Bandung. Except if we have substantial capital and can afford to risk big enough. Usually this industry many entered not by building from scratch but mostly to have its day and partnering with existing Care. Suppose that by purchasing a franchise with large capital and profit sharing are small. Thus, potential entrants considered low enough.

Day Care is an institution of early childhood education, non-formal. Different thing with kindergarten and playgroup are getting enough attention from the government. There is a possibility, the government's attention to early age non-formal education such as Day Care to be larger group. At this time, all day care in the district Rancasari is private day care. No day care made by the district governments.

b. Claim to desire of consumer

It will be offer by the consumer are:

- Yearly tuition who wants to paid in installments
- Trial

The solution offered by the company to consumers who bid as such are:

- Yearly tuition can in installment with a maximum of three times
- Get a free trial for the regular sign.

Support and permission from the neighbors is very important because some of the roads will be use as a parking place for parents who drop off and pick up their children. There was also the need for cooperation with security forces in the area. Because of the security can help immediately in case of a crime or accident in a business risk.

## **Conclusion and Recommendation**

### **1.7 Conclusion**

1. Potential Al-Qudsi Daycare by observing aspects of marketing is quite large due to the use of the promotion through banners, flyers, and word of mouth for two months has resulted in 16 children enrolled. Judging from the financial condition, the potential is great for this growing business. The total NPV for 3 years of operation is £ 116,687,273; Payback Period owned by Al-Qudsi Daycare only takes 1.1 years, and the IIR is 38 % higher than the bank interest of 10 %.

2. The challenge is more consumers coming with various services are available as well as the demands of consumers more professional and facilities that support the safety and comfort of the child.

#### 1.8 Recommendation

1. Need to develop the potential of the AI - Qudsi Daycare because great potential to continue to grow and prospective.
2. With the challenges faced by the AI - Qudsi Daycare need for training employees to be more professional and provide facilities that support the security and comfort of premises consumer install CCTV.

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