

VIII. COST STRUCTURE

JJD's Cost Structure consists of various costs associated with starting and running a business. Included below are a breakdown of JJD's complete cost structure broken down into start-up costs, human resource costs, customer acquisition costs, childcare costs, and insurance costs.

Start-up Costs:

In order to establish children-ready locations at offices, we have startup costs that are one time costs that are needed for every new location. Categories include legal and administrative, remodeling to cater to the children, and safety equipment. Undervalued employees in the childcare industry being overworked and underpaid has led to a largely untapped workforce that JJD will utilize to hire trained professionals.

Startup Costs Per Location	
Category	Costs
Legal and Administrative	
Health and Safety Code Checks	\$235.00
Government Approval	\$39.00
Remodeling	
Furniture Catered to Kids	\$1,300.00
Mini Bed Mats	\$5,200.00
Posters	\$100.00
Indoor Playstructure	\$450.00
Outdoor Playstructure	\$3,200.00
Bathrooms	\$3,250.00
Safety Equipment	
First Aid	\$300.00
Fire Extinguisher	\$250.00
Safety Gates/Child Proofing	\$700.00
Security Cameras	\$750.00
Rent	\$200,000
Total Startup Costs	\$215,774.00

Customer Acquisition Costs:

The Customer Acquisition Cost (CAC) is the cost associated with gaining a new customer given the promotional and marketing resources JJD spends. Promotion is an integral part of a new business like ours, by creating a strong brand image while raising awareness about JJD's benefits we can gather a larger market share. The key idea behind the reason for this outreach is to secure more customers and reduce the problems identified in the market. JJD already has access to a large base of potential customers through the corporate partnership at the firm we choose to open a location. This advantage enables us to cut down on large vital marketing costs and reduce the total CAC.

The JOEY plan's "J" segment covers the marketing and outreach for The Partnership Company, employing both physical and online methods to attain the pre-set customer target. This target aligns with the 74 spots available in the school year term and 30 in the summer, adhering to Australian regulations on child-to-teacher ratios. The Customer Acquisition Cost (CAC) is calculated by dividing the marketing costs by the number of customers gained. Key marketing strategies include fixed costs like a bulletin board and poster, leveraging high foot traffic near our target market's location, along with variable costs such as emails and flyers. Furthermore, merchandising proves highly effective in promoting JJD, fostering a personal connection with customers and enhancing visibility through public use of branded items.

Human Resources:

Our human resources and their salaries are defined in this table. Caretakers and receptionists are paid by the hour as our daycare operates from 9-5. Our IT Specialist also is paid hourly as they only need to take care of our website.

Human Resources						
Sectors	Number of Employees	Hourly Rate Per	Hours Per Month	Monthly Payroll Expense	Bonus Rate	Annual Payroll Expense
Marketing Professionals	2	-	-	\$11,448.16	7.20%	\$147,269.13
Supervisors	2	-	-	\$11,873.72	7.20%	\$152,743.53
Caretakers	14	\$29.85	90.9	\$37,987.11	5.60%	\$481,372.66
IT Management	1	\$39.71	15	\$595.60	7.20%	\$7,661.83
Reception	2	\$18.25	90.9	\$3,317.85	5.60%	\$42,043.80
Total	21			\$65,222.44		\$831,090.95

Human Resources:

Positions	Description
Marketing Professionals	Marketing specialists take care of social media, planning events, merch, and other aspects including the execution of the JOEY plan.
Supervisors	Supervisors manage locations including logistics(startup, operational, etc), employees, and supply.
Caretakers	Caretakers take care and educate the children at JJD and help integrate STEAM into the curriculum.
IT Management	IT managest the technologies associated with the tools used at JJD to teach children as well as handing website/online maintenance.
Receptionist	Receptionists greet and assist visitors with superior customer service, answer phone calls, and handles administrative tasks to ensure smooth operation.

Childcare Costs

As our service provides food and engagement, we have costs that specifically relate to children. These are food costs,engagement costs, and cleaning costs.

Childcare Costs		
Category	Cost Monthly	Cost Yearly
Nutritional Care	\$33,000.00	\$396,000.00
AI Toys and Tools	\$20.00	\$240.00
Cleaning Supplies		
Diapers	\$1,850.00	\$22,200.00
Wipes	\$1,800.00	\$21,600.00
Tissues/Kleenex	\$60.00	\$720.00
Miscellaneous	\$50.00	\$600.00
Total Childcare Costs	\$36,780.00	\$441,360.00

Public Liability - Injury on Childcare Property.

Employer's Liability - Staff injury/illness

Childcare Liability - Risks w/ Childcare Services

Child Protection - Misconduct/Legal Protection

Insurance Costs		
Type	Cost Monthly	Cost Yearly
Public Liability Insurance	\$53.00	\$636.00
Employer's Liability Insurance	\$170.00	\$2,040.00
Childcare Liability Insurance	\$57.00	\$684.00
Child Protection Insurance	\$105.00	\$1,260.00
Total Insurance Costs	\$385.00	\$4,620.00

Customer Acquisition Cost (CAC) Partnership Company JOEY Plan (J)			Monthly Costs	Yearly Cost	3-Year Cost
Fixed Costs	Price per Ad	# of Ads Monthly			
Bulletin Board	\$20.40	0.2	\$4.08	\$48.96	\$146.88
Posters	\$10.20	0.2	\$2.04	\$24.48	\$73.44
Variable Costs					
Emails	\$0.00	450	\$0.00	\$0.00	\$0.00
Flyers	\$0.05	450	\$22.50	\$270.00	\$810.00
Merchandise	\$5	10	\$50.00	\$600.00	\$1,800.00
Total Advertising Cost:			\$78.62	\$943.44	\$2,830.32

Customer Acquisition Cost (CAC) Full Market

The costs associated with our complete target market of 10.8 Million children JJD uses the (O) Online Marketing and (E) Community Engagement part of the JOEY marketing plan. With a limited number of spots 25 during the school year term and 15 during the summer term. Creating a brand image on social media is one of the ways we can establish a strong relationship with potential customers considering enrolling. To provide a more personal experience for a larger turnover, we plan on attending community events and using merchandise, complimentary gifts and flyers to create a database of potential customers. In-person promotions and interpersonal connections increase word-of-mouth advertising, which means that the customers that receive the promotional material are inclined to pass on this information to their friends and family. This channel is one of the most effective in gaining customers because people trust their friend's and family's recommendations more than any other form of promotion can achieve.

Customer Acquisition Cost (CAC) Full Market					
JOEY Plan	Cost per Ad	# of Ads Monthly	Monthly Costs	Yearly Cost	3-Year Cost
(O) Social Media Content					
Facebook Ads	\$0.68	50.4	\$34.27	\$411.26	\$1,233.79
LinkedIn Ads	\$0.80	50.4	\$40.32	\$483.84	\$1,451.52
(O) Website	Cost per Month	-			
Website Hosting	\$4.49		\$4.49	\$53.88	\$161.64
SEO Marketing	\$201.00		\$201.00	\$2,412.00	\$7,236.00
(E) Community Events	Costs per Event	# of Events Monthly	Monthly Costs	Yearly Cost	3-Year Cost
Event Costs	Approx. 300 Attendees	2 per year			
Food and Beverages	\$5,000	0.17	\$850	\$10,200	\$30,600
Venue Rental	\$1,000.00	0.17	\$170.00	\$2,040.00	\$6,120.00
Equipment and Supplies	\$750.00	0.17	\$127.50	\$1,530.00	\$4,590.00
Promotion of Event	\$275.00	0.17	\$46.75	\$561.00	\$1,683.00
Administrative Costs/Miscellaneous	\$175.00	0.17	\$29.75	\$357.00	\$1,071.00
(Y) Brand Positioning	Cost per item	# of items per month	Monthly Costs	Yearly Cost	3-Year Cost
Merch	\$10.00	5	\$50.00	\$600.00	\$1,800.00
Toy Donations	\$15.00	10	\$150.00	\$1,800.00	\$5,400.00
	Cost per Staff Member	# of Staff per month			
Sub-urban/Rural Training	\$240.00	12	\$2,388.00	\$28,656.00	\$85,968.00
Employees	Number of Employees	Monthly Salary/Employee	Total Monthly	Total Yearly	Total 3-Year
Marketing Employees	2	\$5,724.08	\$11,448.16	\$146,994.37	\$446,681.45
Total Advertising Cost:			\$15,540.24	\$196,099.36	\$593,996.40

In brand positioning, we included sub-urban/rural training which is when we send some of our teachers and staff to rural and sub-urban areas to train the childcare centers that exist to provide quality childcare. We also donate educational toys and material.