

VIII. REVENUE STREAMS

All JJD finance forecasts are calculated in USD from AUD to USD currency rate of 0.65 as of December 2023. However, it is important to note that purchasing power varies in different economies, purchasing power is the value of goods that the same amount of money can purchase in a different country. This takes into account several factors such as politics, economics, and geographic situations to determine the true value of goods.

JJD is a **service-based business model** where revenue is generated by the service provided. In our specific model, it is important to note that JJD CoGS (Cost of Goods Sold) is not applicable because the business provides services and not products, instead refer to Cost of Services Sold and Gross Profit in Section X. JJD targets **two specific revenue streams**, the first is ECEC enrollment over the school year and the second is a summer camp that takes place during the break.

Revenue Stream 1 - School Year ECEC Enrollement:

ECEC Enrollment follows the normal Australian School Year, starting in mid-late January through continuing to early December, observing national holidays and various breaks. This school year traverses 200 school days over 46 weeks of the year.

It's important to note that Childcare subsidiaries discussed in Section II do not affect the revenue per customer for JJD, rather the customer notices a fee reduction by the CCS (Child Care Subsidy) which is provided by our qualified location to all customers in the JJD family. There is also an ACCS (Additional CCS) applied to qualifying customers which also influences the fee paid, or is reimbursed as a tax credit.

School-Year	Year 1	Year 2	Year 3
Number of Locations	2	3	5
Days	200	200	200
Total Number of Students Per Location	99	143	165
# of Employees' Children	74	80	92
# of General Public Children	25	63	73
% Price increase(Inflation)		8.00%	8.00%
Price for Employees' Children	\$34.65	\$37.42	\$40.42
Price for General Public Children	\$46.20	\$49.90	\$53.89
Total Employee Children Price	\$512,820.00	\$598,752.00	\$743,649.98
Total General Public Children Price	\$231,000.00	\$628,689.60	\$786,760.13
Number of Months	10	10	10
Monthly Revenue	\$148,764.00	\$368,232.48	\$765,205.06
Yearly Revenue	\$1,487,640.00	\$3,682,324.80	\$7,652,050.56

Revenue Stream 2 - Summer Camp:

With JJD's target market of single parents and dual-income families, it can be difficult to find affordable daycares or caregivers over the summer. The second revenue stream is a camp taking place during a 6-week summer break recognized by the Australian Department of Education (DoE). Here, JJD provides a safe space for parents to ensure that their children are in a fun and safe learning environment while they continue to work.

Summer Camp	Year 1	Year 2	Year 3
Number of Locations	2	3	5
Days	30	30	30
Total Number of Students Per Location	77	88	99
# of Employees' Children	30	35	40
# of General Public Children	47	53	59
% Price increase(Inflation)		8.00%	8.00%
Price for Employees' Children	\$34.65	\$37.42	\$40.42
Price for General Public Children	\$56.20	\$60.70	\$65.55
Total Employee Children Price	\$31,185.00	\$39,293.10	\$48,498.91
Total General Public Children Price	\$79,242.00	\$96,506.64	\$116,026.47
Number of Months	2	2	2
Monthly Revenue	\$110,427.00	\$203,699.61	\$411,313.46
Yearly Revenue	\$220,854.00	\$407,399.22	\$822,626.93

Pricing: All of the finance charts have been computed in USD to create an easy frame of reference because of the familiarity of the USD. Daycares in Australia are priced from **AUD 70 up to AUD 240 per day**, JJD matches the low price of **AUD 70 (USD 46.20) per day** while maintaining a high-quality curriculum, amenities, and experience of expensive daycares. The projected **inflation of 8% given by the consumer price index** is taken into account for our yearly price increase. The price for the children of employees at the location is at a reduced cost of **AUD 52.5 (USD 34.65) per day**. We offer a discounted rate as a part of the contract made with the company to lease the land for the daycare in exchange for providing childcare for employees to benefit from as well as discounted rates for access to the daycare. While this rate remains the same for children of employees for the summer session, the price is increased by AUD 20(13.23) per day due to the seasonal rise in demand and to offset the reduced revenue from decreased staffing. Hiring seasonal staff to increase the capacity of the childcare during summer is not a viable direction for JJD to take because according to Australian regulations, to qualify for the CCS the staff needs to be credentialed and well-trained. This makes it unlikely for JJD to increase staffing over the summer and maintain a lower price in summer for the general public.

We can afford to do this because JJD's partnership-based model aims to reduce our operational costs such that we can provide low prices for affordable childcare. Additionally, other companies are charging much more than they need to charge because of the low supply and high demand of childcare.

Market Size per Company: Through some data, we collected the average total number of employees per company was around 11,400. Since 35% commute to an office, and **22% are hybrid**, there is a **total of 6,498 onsite employees**. As we are looking for parents with younger children we filtered our onsite employees to those within **20-40 years of age**, resulting in 81%. This is about **5,000 employees**. Since the percentage of children ages 1-4 is 8%, we get 400, which is the total **number of children aged 1-4 in a company**. As a start-up business, we decided to open our services to 18.5% of the **total number of employee children in a company: 74**.

Teacher Limit: According to the Australian DoE, an ECEC teacher can be responsible for up to 11 children. Based on the number of teachers, we can decide how many children from the general public we can educate. Through some cost calculations, the number of teachers is 9 per location, maximizing our capacity at 99 children, therefore we can accommodate up to **25 more children outside of the company**.

Customer Lifetime Value CLV

Research shows that most parents in Australia have their children enrolled in a childcare program from when they turn 2 years old up to when they are 8 years old. Joey's Jungle Daycare has support for children ages 1-5, so we expect a customer relationship with one child to last 3 years, from age 2 - 5. Calculating two separate CLVs, one for employees' children and one for the general public. For the employees' children the total revenue for 3 school-year terms and 3 summer terms while taking into account the 8% inflation rate is **\$25,872.18**. The total revenue for 3 school years and 3 summer terms with inflation for the general public is **\$35,470.17**. **This 'worth' of a customer can help determine many economic decisions for a company including marketing budget, resources, profitability and forecasting.**

Customer Lifetime Value	Year 1	Year 2	Year 3	Total
Primary(Employees' Children)	\$8,052.66	\$8,696.87	\$9,392.62	\$26,142.16
Secondary(General Public Children)	\$10,736.88	\$11,595.83	\$12,523.50	\$34,856.21