



# SWOT Analysis for Childcare Providers

## Early Years and Childcare Team

This is to be used as a supporting tool when using the SWOT template. It gives an introduction to SWOT analysis, how to use it and what to consider during the analysis exercise.

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# Why do a SWOT?

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A SWOT analysis is a simple self-assessment planning tool that helps you understand what the Strengths, Weaknesses, Opportunities and Weaknesses are of your childcare business.

It supports you in being able to think 'out of the box' and although further analysis needs to be undertaken once you have completed your SWOT, it can be a helpful starting point for a marketing campaign, can provide aid with management decision making whilst promoting thoughts on what short, medium and long-term priorities are for your business or project.

SWOT analysis advantages:

- Low cost to set up
- Suitable for all businesses, whatever their set up or governance
- Can be used for a variety of business issues
- Encourages strategic thinking
- Easily see the strengths and weaknesses of a business
- Can help anticipate threats to the business and so strategically come up with a plan to reduce or minimise impact to the business
- It is a quick, flexible, self-assessment tool
- No training really needed- anyone who knows your business can help you with it
- Way of noticing business opportunities and capitalising on them

It needs to be noted however, that to be an effective tool, SWOT analysis should be repeated or reviewed regularly.

# What is SWOT?

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**Strength** – Strengths are things that your business does well. What traits and qualities do you have that help make your business a success? What makes you different from your competitors? Strength can be large or small, tangible or intangible.

**Weakness** – Things that hinder your businesses performance and potentially stop it from reaching its full potential are considered a weakness. You are able to control weaknesses and as a result, reduce their impact on your business. It may be something your business lacks, what your competitors do better than you, resource limitations, uncertainty etc.

**Opportunities** – Opportunities tend to be favourable external factors that give your business a competitive advantage on others in your area or sector. These can be tangible or intangible and can be exiting or emerging factors.

**Threats** – sometimes considered out of your control such as new competitors setting up, changes to legislation, attitudes of customers. Just like strengths, threats can be large or small, tangible and intangible.

*It can be possible to have a factor that appears in all 4 areas and often is considered a strength, could also be a weakness or threat.*

# Think about...

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- No. of providers in your area
- Type of providers in your area
- Size of providers in your area
- Age range of children accommodated in your area
- Opening times of competing providers
- New housing developments nearby
- Age demographics of the area
- Price range of yourself and competing providers
- Flexibility of yourself and competing providers
- Premises (availability and location)
- Birth rate trends and predictions nationally and locally
- Legislation (current and proposed)
- SEN skillset or demand in the area
- Adaptability
- Staff (availability and skillset)
- Government projects locally
- Competitor advertisements (location and content)
- Contact with parents (how, where and when)
- Payment methods are they flexible?
- Additional services offered and what do they cost
- Location of premises (bus/train routes, near busy roads or big housing estates etc)
- Training opportunities of staff
- Qualifications of Staff (affects ratios and quality of care)
- Staff turnover rate – what does this mean for your setting?
- Help available with childcare – nearby family and friends
- Cost of Childcare is it prohibitive in your area?
- Your commitments at home
- Parents of your existing and potential children needs
- Ofsted inspection ratings
- Financial position of your business