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## Childcare News - October 2009

### Equity Invests



WTH, which was founded with backing from 3i, has a long history of working with Private Equity, VCs and Banks to source the people needed to make deals work. The consensus from our recent conversations with the investment community is that sentiment is moving back towards investing in Childcare for two key reasons. First, the slide in property values seems to have halted and, secondly, the predicted slump in occupancy levels this year has failed to materialise. All of which suggests there will be some interesting deals done in the sector in the months to come.

That being the case, it will be vital for prospective investees to demonstrate that they have strong management in place. Care businesses are people businesses so no matter how good a business plan might be without the right people, who are committed to the business for the long-term, the options for getting new investment are severely curtailed. For advice and information on Long Term Incentive Plans, Employee Share Options Schemes and other ways of retaining key staff call Sue Turner on 0797 007 8277.

### A Matter of Degree



As the Childcare sector's only dedicated Headhunters, the Consultants at WTH have found a growing dichotomy between employers and employees over the value of Early Years Professional Status for Nursery Managers. Whilst many of our client companies are keen to recruit Nursery Managers who are well on their way to obtaining EYPS, many Nursery Managers tell us that they are still not convinced that it is in their interests to do so.

One high calibre Manager told us recently "With a General Election on the horizon and spending cuts certain no matter who is in Government, I just don't see that extra pay for EYPs is ever going to be there for the long-term. I'd willingly learn new skills to help me look after children better but, with a demanding job and busy home life, it would be a major sacrifice for me to do my Degree. Without a sure-fire financial incentive it's just not going to happen." Which all points to a major shortage of degree qualified Nursery Managers in the run up to 2015.

### Lip Service



We all know there can be tension in Childcare between making the business profitable and spending extra resources to improve quality, education and care. Most leading Childcare organisations think they have got the balance right although their approaches can be very different and perhaps some just pay lip service to the concept.

For us at WTH matching the real values of candidates and clients is the foundation upon which our business is built. We give a 12 month warranty on most of our placements –

from Board Directors to Regional Directors and Nursery Managers – so when we are Headhunting we spend much of the initial phase with clients and candidates getting a full perspective of their beliefs and values.

If a business pays lip service to care and education then we need to know about it. It will still be possible to find them good people to take the business forward but, to make our placements long-term, the candidates will need to be in tune with the business' goals. Initially most people tell you what they think they should, so it requires a great deal of digging to get away from the PR version of the world and get to the truth. All of which makes our jobs challenging and very interesting.

### **Great Time for Entrepreneurs?**



Every cloud has a silver lining and this recession is no exception with would-be entrepreneurs taking the opportunity to start new businesses – including in the Childcare sector. People with no childcare experience are using their redundancy money to follow their dream and open a nursery but do they really have what it takes to be successful? Recent research, commissioned by O2, showed that 80% of the 500 business owners surveyed believed their success could be put down to personal traits.

Some 60% of company founders had launched their first business by the age of 30 and most possessed 'obsessive optimism' and a resilience to failure and setbacks. Let's hope that the new entrants into the Childcare sector have these traits as well as the management and Childcare knowledge to build a successful business. If not then it could be a painful lesson in how to spend their pay-off all too quickly.

### **Recruitment Market News**



Previous recessions saw a massive downturn in recruitment but as we look towards the end of 2009 WTH is finding that recruitment and Headhunting at the middle to upper end where we work is continuing, albeit not at as fast a pace as in 2006-7.

There is mixed news for clients. On the one hand, for non-sector specific roles the huge increase in the supply of quality candidates means that we can move from project brief to shortlist stage very quickly. However, the flip side is that many people are sitting tight until the economy improves so, in Headhunting for more challenging roles, we are spending longer demonstrating to candidates that the prospective employer will offer them stability and good career prospects.

Overall, Care sector Headhunting is buoyant with Private Equity investing in selected parts of the sector and our team sourcing new talent to drive the growth of our clients.

### **Contact Us**

For a discussion about any issues surrounding recruiting and retaining the best people in the Childcare sector, contact our Childcare Consultant Sue Turner on 0797 007 8277 or email [sue@wth.co.uk](mailto:sue@wth.co.uk)

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