

# The Establishment and Challenges in the Business in Early Childhood (Nursery and Kindergarten)

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## **ABSTRACT**

*Industry in Early Childhood Education is one of the key catalysts in improving the economy. In the 2016 budget, allocation and assistance was provided to set up business in the field of Early Childhood Education. There are several factors in the business establishment of Early Childhood Education (nurseries and kindergartens) either to society and economic improvement of the country. Among factors discussed is the establishment of a high gain, broad market trends and changes in demographics and demand. But do not be taken lightly in a business also includes business Early Childhood Education (nurseries and kindergartens) as it is not an easy task but do not run away from problems and challenges. In fact, he does not run away with the problems and challenges that must be faced and overcome. Thus the challenges faced by businesses early childhood (nurseries and kindergartens) discussed the challenges caused by too much competition between operators of kindergartens and nurseries, which are less capital, strategic location, lack of skills and labor are not fixed. Employers nurseries and kindergartens have to be smart to address the challenges in business in the Industry in Early Childhood Education.*

*Keywords: Industry Early Childhood (Nurseries and Kindergartens); establishment factor; the challenge*

## **1. INTRODUCTION**

The business (company, corporation or firm) is a form of legitimate and recognized organization to provide goods or services, or both, to consumers, businesses and government entities. Business is a major capitalist economies. Most businesses are privately owned. A business typically set up to make money that will increase the wealth of its owners and grow your business by themselves. The owners and operators of a business have one of the main objectives the receipt or generation of a financial return in exchange for work and acceptance of risk. Important exceptions include cooperative enterprises and state-owned enterprises.

Business is also a career field that ensures a good return. This field is noble in the sight of Islam if any aspect of the transaction is done in accordance with the law and the statutes that have been set. In addition, the business sector can help improve and increase household income and expand the level of a country's economy. In recent years, businesses in the field of Early

Childhood Education (Nursery and Kindergarten) often received widespread attention from many quarters. The media often report on progress, issues and problems and business challenges of early childhood from time to time. High enough attention is in line with a general awareness of the role and contribution of the industry's early childhood (nurseries and kindergartens) to the development of the national economy as a whole.

Terminology entrepreneur (entrepreneur) was first used by the French economist Schumpeter (1966) that divides economic activity into three main components, namely the landowners, entrepreneurs and service tenants. Entrepreneurs will buy a product at a specified price and then resell it at a price that is uncertain. In other words, they are trying to do his own job at risk in terms of return consistent with the basic characteristics of entrepreneurs take risks, willing to make a profit and took the initiative to produce something new (Drucker, 1985). This idea has been developed by Schumpeter (1966) in a broader context when he said entrepreneurs are innovators. As innovators, entrepreneurs act to change the result of a combination of innovation and invention of a variety of sources to generate new sources of raw materials, the discovery of new manufacturing technologies, creation and introduction of new products on the market and so to promote economic development. Further, no big or small entrepreneurs, but small or large is the size of their business, namely that most of the entrepreneurs involved.

In the 2016 budget the government announced that the budget allocations to anyone who is interested in opening a business of Early Childhood Education ie nurseries and kindergartens. Allocation of RM 41.3 billion allocated under the development plan Education 2013- 2025. This provision is intended to attract and add to the business sector in education for a long time. The new entrepreneur who dabbled in the business can get a chance with the provisions provided by the government than by private capital.

In addition, to set up business in the Industry Early Childhood Education (nurseries and kindergartens), there are many banks in Malaysia which provides loans and want to work with employers to establish nurseries and kindergartens. Among them is the SME Bank. SME Bank has set the terms of borrowing money to open a business. The conditions are set for facilitating lending to entrepreneurs in the process of starting a business in the industry early childhood education.

To start a business in the industry early childhood education (nursery and kindergarten), employers must comply with the conditions that have rules under the Child Care Centre 2008 for business nurseries and kindergartens Social Welfare for business. As such, every entrepreneur who wants to open a business in the industry early childhood education should always be aware of what was intended and determined to avoid any problems that could be faced in the future.

## **2. THE ESTABLISHMENT FACTOR**

### **2.1 HIGH PROFIT**

Business in Industrial Education Early Childhood does not need an entrepreneur or entrepreneurs allocate time is too long then the entrepreneur is able to using surplus seize the time available for other opportunities to generate high profits. In business regardless of the business whatever, not happy to get a very high gain. But businesses in the Industry in Early Childhood Education is able to provide very high returns.

Businesses in the Industry Early Childhood Education is a booming business in the eyes of the world. Various methods and curriculum created aiming to attract as well as providing benefits to the business earned. Every employer has changed their own nurseries established standard. It aims to educate children according to the level they want.

According Salimah Abdul Hamid (2014 ), the Industry's Early Childhood Education not only benefit but also to provide an experience and gives importance to all communities in need . All those who want to get involved in this field should have knowledge about early childhood education and parent need to know all the requirements to provide the best education to their children in line with the times .

Moreover, high profitability is also due to the trust parents to nurseries and kindergartens were carried out by the operators of nurseries and kindergartens. For example Little Caliphs have gained high profits and there are some branches which have been formed by the Little Calips. Clearly, the Industry's Early Childhood Education is capable of delivering high returns and is able to expand and open a branch of the highway from a branch .

### **2.2 EXTENSIVE MARKET TRENDS**

Career opportunities and increasing burden in Malaysia have made the Malaysian parents had to work overtime. Consequently, many businesses in the industry of Early Childhood Education (nursery and kindergartens) that has been established and is intended to facilitate business working parents to take care of their children to send to the premises of kindergartens and nurseries are growing like mushrooms grow. Business nurseries and kindergartens has been providing various services in line with the parent's request. Among the services provided at a premises is consistent with the care and guidance and can give satisfaction to parents who send their children.

Industrial business in Early Childhood Education is also considered by some customers and this is one of the market trend. Based on the observation of the needs of users or customers can create a business idea. Husband and wife working cause they change their behavior and are in

need of child care centers. It is evident when most working parents often take their children through when placed under the custody of the premises of the child care center.

In determining the market trend to market the care and guidance of children, any business premises must ensure that it will focus on areas they target. According Mahani Razali ( 2015), said businesses in the industry Early childhood education is very helpful and is always well received by the community in this era. Thus, individuals who want to start a business in the industry early childhood education should be positive and always willing and eager to develop business Industry Education 's Early Childhood.

Therefore, entrepreneurs are likely to engage in the Industry Early Childhood education can assess whether the service or the premise that they will provide to meet customer needs or is not especially working parents. Even startups tend to get involved in this industry need to know a lot of importance on the world of children and should be involved exactly.

### **2.3 POPULATION AND DEMOGRAPHIC CHANGES IN HIGH DEMAND**

Population is an integral factor in the planning and development of the country. Development and socio-economic changes taking place in Malaysia in recent years has left an impact on the demographic profile of the country's population, particularly in terms of fertility, mortality and migration. Changes in the demographic profile of the country's population is expected to continue as the country continued to strive to achieve developed country status by 2020. An increasing number of the population is affected by two main processes, namely the processes of natural increase and international migration. The increase in population through natural increase is correlated with an increase in the quality of life of the inhabitants.

Due to changes in demographics that are frequently changed, it can provide opportunities for entrepreneurs to open a business in the Industry Early Childhood Education as demand for nurseries and kindergartens has increased because too many parents in today's work. The demand for nurseries and kindergartens have opened the eyes of every individual who is skilled in the field of early childhood education as well as unskilled but have an interest in becoming an entrepreneur.

The economic environment also can make business in the industry rise. The economic environment in relation to macroeconomics. Economic indicators such as output and income are countries such as higher income and the cost of living is higher also often associated with the business. In general, changes in the environment have a positive impact on entrepreneurs in the industry early childhood education because of the many opportunities that will give them an advantage due to high demand.

There is no doubt that businesses in the Industry Early Childhood Education has a very high demand among the public, especially parents who work. As an entrepreneur who wants to start

a business in this area entrepreneurs should always be ready to meet demand from customers to satisfy customers without any problem.

### **3. THE CHALLENGES**

#### **3.1 TOO MUCH COMPETITION BETWEEN PRODUCERS NURSERY AND KINDERGARTEN**

This line of business is never easy and Industry in Early Childhood Education is no exception in the face of many challenges that must be faced to ensure the survival of a business identity. Some of these challenges include too much competition between operators of nurseries and kindergartens.

With the increasing establishment of nurseries and kindergartens cause a premise compete for customers. It is also caused mostly nurseries and kindergartens were opened nearby. Resulting in increased competition when the parents would prefer that their premises like such a low cost but quality nurseries that are less than the fees are expensive but the quality of teaching is very up to the standard set.

Indeed, competition in the same industry will compete with each other. This coupled with the burden of buyer power, supplier power, substitute products and the inclusion of tools in the industry. Business strategies will be carried out by the dealer in order to maintain competitiveness in the market.

In addressing this, every trader or entrepreneur must be wise in handling customers and be smart in doing business by providing the best service and to satisfy customers so that the customer does not choose a cheap and premises that are not registered with the appropriate authorities. Moreover, entrepreneurs or owners of premises should also be wise to provide a business plan. This is because the owners are people who will arrange all travel premises towards the goals set. The information businesses need to be fully realized before forming strategies and management services. Even the owners of nurseries and kindergartens or premises should also describe a business plan to the employees in order to help employees perform their duties properly and to meet the needs of customers and provide satisfaction to every customer or parents who send their children to nursery and kindergarten services selected.

#### **3.2 LESS CAPITAL**

According to Drucker (1985), the capital is one of the concepts that refer to resources that can be used to generate wealth. Drucker stated capital refers to wealth (wealth) which is used to produce more wealth to the business. Traditionally, capital referred to money or assets that generate wealth for the business. The development of modern business led to the concept of capital overrated the importance of business activity in generating wealth. These developments led to a well-developed capital is in the form of money or non-money.

To start a business is a very important capital and capital is one of the challenges that a capital deficiency also affects the interest of an entrepreneur who tend to open business premises. To open a nursery or kindergarten entrepreneur must have capital of at least RM 15,000 in a bank account to get loan approval from the bank. Given that much capital is enough to buy all the necessary equipment in the premises to be opened.

Sources of capital usually refers to a loan from a formal institution have a written agreement that is complete. For example, if an entrepreneur who wants to start a business in the industry early childhood education (nursery and kindergarten) but did not have enough capital. The bankers and manufacturers are offering finance business loans for entrepreneurs to increase their working capital. Loans from bank loans could involve short-term or long-term. Short-term loan financing involves repayment of loans by entrepreneurs under pressure from two years. The loan is for entrepreneurs to buy inventory, sales finance loans to customers and other cash expenses. The loan amount is not large. Meanwhile, long-term loans are as buying buildings, equipment and other assets. These loans involve long periods of time (usually three years). Different types of banks that provide loans such as SME Bank, Malayan Banking, Bank Muamalat, Bank Islam, and others.

Less capital challenges can be overcome if entrepreneurs know what the capital of which may be obtained through loans and understand the right conditions set by the bank. Inadequate capital led to entrepreneurs who want to start a business is unable to continue their intention to pursue a career in business. However, the availability of credit and a little help from the government to help entrepreneurs who want to open businesses in the industry of Early Childhood Education if they fulfill the conditions laid down.

### **3.3 LOCATION NOT STRATEGIC**

Like other businesses, location is one of the key factors that makes a business thrive and grow . If the decision to start a business was not strategic business would not be able to grow with the matter. Businesses in the industry early childhood education (nursery and kindergarten) requires a great location for business expansion. However, if the merchant or businessman nurseries and kindergartens choose strategic location will cause their premises were not doing well and are not able to grow rapidly. There are many nurseries and kindergartens were carried out but had to be closed due to the establishment of strategic and premises are not aware of community nurseries and kindergartens.

According to experts in the field of Early Childhood Education, Mahani Razali (2015) , every businessman or businessmen who want to start a business in Industry Early Childhood Education, the location is very important to attract the target customers. This is due to the location of interest to attract customers. The strategic location is the location that most of society or parents who work. For example, in large cities, or in areas close to home parent to the workplace in order to facilitate the delivery and pick-up their children. Apart from the

location, the building is also very important election. Selection of the best building is the home corner lot. The house has a spacious courtyard that could give comfort to the children to play in developing their physical activity.

Therefore, any business premises open nurseries and kindergartens should be more sensitive to the choice of site selection and building of the comfort of the children, teachers and parents.

### **3.4 LACK OF SKILLS AND EMPLOYEES ARE NOT FIXED**

Employment refers to people who donate energy resources, skills, ideas and knowledge to perform their duties in an organization. In the industry early childhood education workforce is needed to take care of children in nurseries and kindergartens. Among the tasks to be carried out is the task of teaching assistants and cooks. Usually, nurseries and kindergartens of skills shortages and labor are not fixed. This is because some managers nurseries and kindergartens simply want to gain by hiring a little and give a lower salary to serve as teaching assistants. Moreover, labor shortages are also caused by the manager taking too many children and not enough labor cause.

Employees are people who have basic needs. Money is a necessary asset for the basic needs of workers. Each service employee will be paid in the form of value and money. Often, the industry early childhood education is not taking post-graduate teacher of early childhood education and courteous early childhood education because they will only work in a very short period pending a permanent job. But, as a manager of the wise, that a manager needs to figure out a solution to maintain a highly skilled workforce in the field of early childhood education, namely by providing adequate facilities and provide a salary that is commensurate with their graduates. In addition, managers of nurseries and kindergartens also have to be smart in dealing with employees and provide good and positive to enhance employee performance and retaining workers in their premises.

### **4. CONCLUSION**

Every entrepreneur who wants to succeed in something that will earn you shall have a number of features that will help them achieve that dream. Any entrepreneur or business sustained only dream of success while earning of what worked. There are many positive features and characteristics that help entrepreneurs build their careers around them. For individuals who dreams of becoming a successful entrepreneur status but are not yet ready and have yet to equip themselves with the qualities of an entrepreneur would be doomed to failure in the telling of their efforts. To become a successful entrepreneur is not difficult but if they take it easy on their discipline, they will be difficult to achieve success like other entrepreneurs. Similarly, the Industry Early Childhood Education, if someone is interested entrepreneurs in the industry and want to be successful they need to be more positive in dealing with the problems and challenges that lie ahead.

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