

Investment is the key to nursery growth

Family First is aiming to become one of the best quality childcare providers in the UK – and has grown to 17 nurseries from a standing start just two years ago, with many more in the pipeline. But why is it such a success when others have been struggling with the challenges of the pandemic? And why are other small nursery groups queueing up to sell to them? Here we find out...

Family First was established by London-based investors August Equity, who recognised a gap in the marketplace for a mid-sized, high quality childcare provider that could offer something different and rather special.

They started by luring nursery management veteran Andy Morris out of semi-retirement and then lent their professional support and financial clout as he set about growing the business and establishing his senior leadership team.

In less than two years, Family First has acquired 17 nurseries, offering 1,000 childcare places within a 35-mile radius of London, and is expecting to have around 40 nurseries by autumn, half-way to its intended target. There's no stopping the group's march across London and the Home Counties, up into the Midlands and around major transportation hubs, as it buys high quality nurseries that share its ethos and drive.

But don't be fooled into thinking that Family First is trying to emulate the corporates and sell to make a fast

buck. This nursery group is a different proposition entirely, based on re-investing back into the nurseries that it acquires, organically launching new ones and training its employees to deliver outstanding childcare that is the best in the industry.

Private equity backing brings stability

David Lonsdale, James Bakewell and Christian Dubé from August Equity sit on the Family First Board, bringing extensive experience of investing in nurseries, schools and the care sector, all of which helped during the pandemic. They recognise that high quality provision is a key driver of growth and are renowned as impact investors because of the difference they make to a business.

James explains: "A lot of investors out there see the nursery sector as being very fragmented and view it as an opportunity to consolidate the market. Whilst that's true, we're going about this in a different way, combining acquisition-based growth with active investment in the organic growth of nurseries and looking at the opportunity to build on what the previous owners have already built."

"In many cases we, as a Group, use our operational know-how to build each nursery unit and to improve childcare as a starting point, which is really powerful and different."

James, whose own children are four and six, enjoys visiting the nurseries and seeing the staff engaging with and stimulating the minds of young



James Bakewell
of August Equity

children. "It's heart-warming to see lots of happy faces, smiling and waving at us. Knowing that we're doing something that is fundamental to each child's development is really important."

Teamwork matters

Helping to drive change across the nursery group is Dianne Lumsden-Earle, Director of Operations and Quality, who is excited about the investment that is under way and the impact it is having on the nurseries and the children.

"We're rolling out a new training programme to our staff to ensure we give all children the best learning opportunities and experiences in life, while keeping them safe."

"This takes into account the changes that are being introduced to the Early Years Foundation Stage (EYFS) framework in September and we're doing a lot with parents so they understand what the changes are all about."

"Our teams need to know everything they can about the children they're looking after and take into account their individual





needs and their mental wellbeing, in order to give them the best start in life."

Focusing on the people first

Ensuring the team all pull together is the remit of new CEO Ollie Humphries, whose track record in developing people is second to none. Ollie was previously the Managing Director of restaurant chain Frankie and Benny's, and formerly a Divisional Director at William Hill with accountability for the people and P&L of 1250 branches. He has also been a Franchise Operations Leader for over 600 KFC restaurants.

Ollie says: "One of the key differentiators when families are searching for a nursery place is the team. Retaining, recruiting and training our team to be the best in the industry will be a key USP and something we want to be famous for."

"Having managers who are truly allowed to lead and manage their teams and business is critical when running a portfolio of nursery businesses, whilst growing at the pace we intend."

"This will create opportunities for the team to grow and develop as we create more support roles that provide coaching and guidance to maximise the family and team experiences, and shareholder value."

Ensuring a smooth handover

Chief Financial Officer Craig Grant has been involved in mergers and acquisitions for over 20 years and

plays a key role in supporting nursery owners who are selling to Family First.

"We know that vendors are often worried about selling their business as they do this only once, so we do everything we can to help them understand the process."

"One of the things they like is that we have strong financial backing through August Equity and that we're not a buyer who needs to raise funds from a bank or secondary source. It removes a lot of uncertainty for them."

"They know they're selling to an organisation with strong core values, with private equity backers who aren't trying to run the company but are providing professional support, which ensures the transaction proceeds smoothly and swiftly."

The nursery group's ethos is all about putting the family first, whether it be parents, grandparents, carers, friends, employees, or colleagues as well as the children it cares for. The strong synergy between August Equity and Family First will continue to ensure this is achieved.

Strong track record

With Chairman Andy Morris at the helm, the Group is in good hands. When he sold 92 Asquith nurseries to Bright Horizons in 2016, over half had achieved Outstanding status, illustrating his laser-like focus on pulling up every nursery by its bootstraps. He subsequently helped grow the OAC Childcare Group in



Australia from 24 nurseries to 79.

As Andy says: "Our focus is on supporting every individual who works for us and seeing what they can bring to the Group. We're always looking for the right businesses to join us. Often when owners sell to us they're worried about what will happen to their staff and whether we'll dismantle everything they've achieved. We focus on retaining their brand name and legacy and building on their achievements, with a clear desire to achieve or retain an Ofsted Outstanding rating." ■

● If you are interested in finding out more about Family First group, please visit:

www.familyfirstnurseries.com

or contact:

andy@familyfirstnurseries.com

T: 0207 622 0484