

Business plan for paramount senior care services



Paramount Senior Care Services Inc. (Paramount) is a new home health care company in its start up stages. It will offer in-home care services to patients and clients from Halton-Peel region of the province of Ontario, Canada. Our value proposition is to offer quality, personalized, customized care, support and assistance to seniors and families to help them maintain their independence at the comfort of their own homes at reasonable cost.

Paramount has a unique competitive advantage; it is offering a “ one-stop-shop” home care service for senior: skilled home health care, companionship; cleaning and housekeeping services; home repair, renovation and maintenance at reasonable price. Paramount is providing the senior and families the benefits of living in an assisted facility in the comfort of their own homes.

There is an expected growth in the demand of health care in Canada over the next 30 years, largely due to unprecedented growth in the number of seniors. According to Statistics Canada there will be a 30% increase in Canada's senior population annually from 2006 to 2016 or 4.3M to 9.0M respectively. The population based in Canada is aging, including residents of Halton-Peel Region, and more of the seniors opting to stay in their own homes as long as possible. Even after their hospitalization for example, they rather recuperate at home rather than proceeding to a nursing home or rehabilitation clinic. At the rate of 57% growth of senior population in Halton-Peel region from 1996 to 2016 as projected by Statistics Canada, the senior population aged 65 to 85+ in the region for the next five years will be from 222,921 to 242,459; trend is growing by 30% annually in succeeding years. Paramount customer base will be through referrals from physicians, social

workers, other health care professionals and community care facilities in the region. There is a strong competition in the market, however, Paramount will position itself as unique ‘one-stop-shop’ home care service for seniors with competent, caring caregivers and professional management.

Our company’s business model includes several revenue streams from services we offer such as skilled care-nursing care, physical therapy, speech therapy or occupational therapy; companionship; housekeeping; and home repair, renovation and maintenance.

In the home care business, the terms of payment for services rendered usually takes up to 30 days. In this regard, Paramount is looking for additional funding to support the cash flow for the initial operation, in the form of a 5-year loan in the amount of \$50, 000 at the prevailing interest rate. The company will not take up any further loans, as it plans to support the growth through its cash flow.

Company Overview

Paramount Senior Care Services Inc. is a start-up company in its initial year of operation. Our company will be located in Mississauga. It will offer in-home care services to patients and clients, who prefer to be assisted and taken care of in the comfort of their own homes, from Halton and Peel District region which includes the cities of Mississauga, Brampton, Caledon, Milton, Oakville, Halton Hills & Burlington.

Offering:

Skilled Care- Nursing, Physical Therapist, Occupational Therapist, Speech Therapist

Personal Support Care

Companionship

Housekeeping

Home Repair, Renovation and Maintenance

Value Proposition

Our value proposition is to offer quality, personalized, customized care, support and assistance to seniors and families to help them maintain their independence at the comfort of their own homes at reasonable cost.

Mission Statement

Paramount Senior Care Services strives to offer superior and reasonably priced home health care to individual and families in Halton-Peel Region providing with competent, reliable health care and professional management.

Company Ownership

Paramount Senior Care Services Inc. is a limited liability partnership owned and operated by:

Severina Saliva-Parayaoan

Arlyn Gardon, RN

Ben Dimaano

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Business Model

Our company have several revenue streams from services it offers that includes income from skilled care, companionship, personal support and services, housekeeping and companionship, and other special services in home repair, renovation, maintenance and security services as outlined in the diagram below.

PARAMOUNT SENIOR CARE SERVICES INC.

Business Model

Profit

Key Personnel /Resource

Cost/Expenses

Revenue Streams

Customer Segments

Strategic Goals

Objectives

Key Strategic Areas of Focus

Year 1

Year 2

Year 3

Sales Revenue

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10% annual growth

10% annual growth

10% annual growth

Profit before Interest & Taxes

40% of sales

40% sales

40% of sales

Net Profit

At least 20% of sales

At least 20% of sales

At least 20% of sales

Geographic coverage- # of locations

Focus in Halton-Peel Region

Expand nationwide thru franchising the company's business in Edmonton and B. C.

Expand internationally- US East coast and the Islands of Bermuda

Customer satisfaction

At least 80% customer retention

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At least 80% customer retention

At least 80% customer retention

Service Overview

Paramount Care Services Inc. offers excellent home health care services such as skilled nursing care, nursing aide, speech therapy, physical therapy, or personal support services; companionship: personal hygiene, meals preparation, housekeeping, laundry, transportation and shopping. We also provide home repair, renovation, security and maintenance to upgrade home facilities adaptable to seniors changing lifestyle and physical mobility.

The following are the list of services and its features. All aims to benefit the seniors and family with peace of mind, convenience and assurance of excellent personal health care and care of property- providing the benefits of assisted living facility in the comfort of their own homes.

Skilled Care features:

Nursing Care

Physical Therapy

Speech Therapy

Occupational Therapy

Personal Support Care features:

Assist in personal hygiene and grooming

Morning Care/Bedtime Care

Catheter care

Etc.

Companionship features:

Companionship on travel

Respite care while in the hospital or at home

Meals preparation

Grocery shopping

Medical appointment

Beauty Salon or Barber's appointment

Engage in interactive activities

Pet Care

Etc.

Housekeeping features:

Cleaning inside the house

Cleaning windows

Laundry, etc.

Home Repair, Renovation and Maintenance features:

Toilet and bathroom renovation

Installation of handrails in bathrooms or stairs

Plumbing

Electrical

Carpentry

Gardening and Lawn Maintenance

Snow removal

Country Analysis- PEST

PEST Analysis- Canada

Establishing a senior home care business in a democratic country like Canada is projected to be successful. Canada has a strong and stable economy where seniors are protected and covered with health care insurance and benefits, and labor laws pertaining caregivers and health care professionals are in place to support the growing and changing needs of the country's demographics, supported with highly advanced technological infrastructure with a general hospital in every major city and good route accessibility.

Political and Legal Factors

Democratic country

Health insurance for seniors are mandatory and well-established

Laws and regulations supporting and encouraging seniors home care health services

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Labor laws and immigration laws encouraging caregiver programs

Economic Factors

Strong, stable economy

Senior citizens are provided with health care benefits and allowances

Growing population of seniors at the rate of 30% annual growth rate

Increase in demand in seniors home health care services

Growth in immigration particularly in health care profession

Socio-Cultural Factors

Seniors in Canada are usually taken care of caregivers other than family members

Family members are usually busy with careers and can afford to hire caregivers for elderly members of the family rather than to give up their work

Seniors prefer to stay in the comfort of their own homes as long as there will be proper caregiver to assist

Technological Factors

Highly technological infrastructure with very good access to telecommunications including telephone, internet, etc.

Service Business-Industry Analysis

To summarize the industry analysis using Porter's Five Forces:

Barriers to Entry is low, considering home care services are considered as home-based business threats of new entrants is high.

Supplier's Power is low, although nurses and health-care related professionals are in demand there are more people who are also getting qualifications in health care as second career as well as qualified new immigrants coming to the country.

Buyer's Power is high, considering there are many choices referrals and recommendation from key partners is highly important.

Threat of Substitute is high, as there are many alternative service providers in the market.

Competition/Rivalry is high, existing large private companies are dominating the market plus the presence of major franchise companies.

Due to the increasing demand and growth of the industry, senior home care business is still consider to be an attractive industry even though the rivalry is high.

Marketing Plan

Market Analysis Summary

There is an expected growth in the demand of health care in Canada over the next 30 years, largely due to unprecedented growth in the number of seniors. The forecasted numbers are below*.

Year

Number of Seniors

Population Share

Ratio of Seniors

2006

4.3 million

13.3%

1 in 7 people

2016

5.7 million

16.6%

1 in 6 people

2026

7.7 million

21.4%

1 in 5 people

2036

9.0 million

24.5%

1 in 4 people

* Statistics Canada, CANSIM, Table 052-0004 and Catalogue no. 91-520-X. 2005.

Based on the above information, there will be a 30% increase in senior population annually from 2006 to 2016.

The consumer base for Paramount Senior Care Services Inc will be patients referred by social workers, physicians, health care facilities and other health care professionals as well as satisfied clients and their families. The majority of these patients will be covered by OHIP with a smaller portion being shouldered by the patients and/or families.

Market Segmentation

The population based in Canada is aging, including residents of Halton and Peel Region, and more of the seniors opting to stay in their own homes as long as possible. Even after their hospitalization for example, they rather recuperate from home than proceeding to a nursing home or rehabilitation clinic.

Population Estimates and Projections by CSD for Halton-Peel Region, 2001-2016

Census

Subdivision

1996

Population

2001

Population

2006

Population

2011

Population

2016

Population

Peel

Mississauga

563, 000

613, 000

653, 000

676, 000

694, 000

Brampton

277, 600

321, 000

382, 000

445, 000

510, 000

Caledon

41, 200

49, 000

58, 000

67, 000

76, 000

Total

881, 800

983, 000

1, 093, 000

1, 188, 000

1, 280, 000

Halton

Oakville

132, 300

146, 300

161, 300

184, 900

214, 900

Burlington

141, 100

154, 800

164, 300

172, 200

178, 900

Milton

33, 100

37, 100

58, 000

71, 000

84, 200

Halton Hills

43, 700

49, 000

54, 800

60, 000

65, 000

Total

350, 200

338200

438, 400

488, 100

543, 000

Grand Total

1, 232, 000

1, 321, 200

1, 531, 400

1, 676, 100

1, 823, 000

From 1996 to 2016, Halton-Peel region's population is projected to experience a growth rate of over 50%, compared to a provincial average of approximately 25%, as per Ontario Ministry of Health and Long-Term care Provincial Health Planning Database in 2001.

Population in Halton-Peel Region, by Age and Sex, 2000 (Ontario Ministry of Health and Long-Term care Provincial Health Planning Database in 2001)

Halton Region Peel Region

Target Market Segment- Trends and Growth

Based on the above data, at the rate of 57% growth of population from 1996 to 2016 as projected by Statistics Canada, the senior population aged 65 to 85+ in Halton-Peel region for the next five years will be as follows:

Year

Halton Region

Estimated Population

Peel Region

Estimated Population

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Estimated

Total Population

Projected Senior

Population (65 and above)

(13. 3% of Total)

2011

488, 100

1, 188, 000

1, 676, 100

222, 921

2012

497, 862

1, 211, 760

1, 709, 622

227, 380

2013

507, 819

1, 235, 995

1, 643, 814

231, 927

2014

517, 976

1, 260, 715

1, 778, 691

236, 566

2015

528, 335

1, 285, 929

1, 814, 265

241, 297

2016

543, 000

1, 280, 000

1, 823, 000

242, 459

The total size of the market representing projected senior population in the Halton and Peel region is 222, 921 in 2011 to 242, 459 in 2016; and expected to increase by 30% in the succeeding years.

Out of the total market size, Paramount Senior Care Services, Inc target market share for the first three years of operation is 0. 12%, 0. 13%, and 0. 14% or 276, 303 and 333 patients/clients respectively, at 10% sales annual growth as illustrated in the table below.

Year

Projected Senior

Population (65 and above)

(13. 3% of Total)

Target Market Share in %

Target Number of Clients/Patients/day (year)

Growth Rate

2011

222, 921

1st-2012

227, 380

0. 12%

23 (276)

10%

2nd-2013

231, 927

0. 15%

25 (303)

10%

3rd-2014

236, 566

0. 20%

27. 5 (333)

10%

Our primary market segment includes those seniors 65 years old and above who require health care services or companionship by home health nursing staff or personal support workers. As well as, individuals who have suffered stroke, and other physical ailments resulting to personal injury requiring rehabilitation care, respite care, speech therapy, physical therapy, or care

management from skilled nurse or therapist or personal support worker in their own homes.

These patients and their families may also require other home services such as meals preparation, cleaning, housekeeping, transportation and shopping as well as home repairs, renovation, including property and lawn maintenance, home security and emergency alarm.

Target Market Segment Strategy

Initially, our company will focus on those market segments that require only home-based services where our services are mostly needed. This will greatly decrease overhead, since additional office or facilities will not be required. In the long term, maybe after five years of successful operation opening of an assisted living facility will be an option.

Competition and Buying Patterns

The following are key factors considered by the consumer and healthcare professionals when referring home health care services:

Trust in the reputation of the service provider

Reliability and timely delivery of services

Quality of services by the service provider

Price comparative to other providers

Competitive Analysis

Key Factors

Paramount

Care Services

Home

Instead

(Private)

Nurses

Next Door

(Private)

Guardian Angel Care

(Private)

Public sector-i. e. Red Cross, Victorian Order of Nurses, etc

Strength

One-Stop-Shop care for seniors

Franchise proven business and strong support

Franchise proven business and strong support

Hospice, palliative & end of life care

Community services and link with government/

Hospitals

Weakness

New company with no strong clients base yet

Categorize as more expensive in the industry

Categorize as more expensive in the industry

Lack of personalize care

Limited to health care service only (no cleaning/ housekeeping)

Unique Selling Proposition

One-Stop-Shop care for seniors

Patented CAREgiver program

Guaranteed

nurses just next door of the clients

Specialized in hospice, palliative & end of life care

Community service supported by the government

Trust in the professional reputation

Medium-as we are a start-up company

High-due to brand image

High-due to brand image

High-due to number of years in the business

High- due to established and proven organization and community service

Reliability

High-24/7 service

High-24/7 service

High-24/7 service

High-24/7 service

High-24/7 service

Quality of Services

High- regulated by law

High- regulated by law

High- regulated by law

High- regulated by law

High-regulated by law

Price

Lower than franchise competitors

Expensive

Expensive

Competitive

As per OHIP

Notes:

The table above shows a strong competition in the home health care industry. However, Paramount Senior Care Services Inc is positioning itself as health care company providing affordable rates for seniors and families having a limited budget which represents a majority of seniors in the target market areas with our unique offering of ‘ one-stop-shop’ services for seniors.

Competitive Advantage

Paramount Senior Care Services Inc. is a newly set up business that has a unique competitive advantage offering a “ one-stop-shop” for senior care: home health care and companionship; cleaning & housekeeping services; home repair, renovation and maintenance at reasonable price. Paramount Senior Care Services is providing the senior and families the benefits of living in an assisted facility in the comfort of their own homes.

Strategy and Implementation Summary

Paramount Senior Care Services Inc. will initially focus on Halton and Peel District within the province of Ontario, Canada. Within this geographical area we will target on senior home care program. Within this area we have two

target markets: the individual client, and the regional physicians, hospitals and other health care facilities and insurance companies.

Marketing Strategy

Product/Services

Our primary focus is home health care services to seniors. We will provide seniors a ' One-Stop-Shop' in all their home health care services need; it will provide convenience for seniors and their families.

Pricing Strategy

Our company pricing system will be set according to OHIP and other private insurance regulations, and is reasonable and competitive. We will do so by developing a contracted service from health-care staff on hourly, daily or weekly basis and only limited full-time employees as full-time staff.

Distribution Strategy

Our company will focus in the Halton-Peel Region where the projected growth of seniors is higher than the national average. Our company will build strategic alliance with health care facilities in the region primarily Trillium Hospital in Mississauga, Credit Valley hospital, and the new general hospital in Milton as well as community centers and health care practitioners in the region.

Promotion Strategy

Marketing our company as a service-oriented business requires establishing a good reputation for expert care and superior quality service. It starts with our existing contacts currently in positions to make recommendations and

referrals to us, and we will continue with our efforts to network, integrate with the community health care professionals in the region.

We will participate in community events in the region to build contacts and generate more referrals.

We will create marketing communications and promotion materials in a business, professional manner, as well as our marketing tools such as flyers, brochures, business cards and advertisements.

Sales Strategy

Our patients and their families, as well as referring physicians and healthcare professional must be satisfied with our service, as we sell superior care, 24/7 availability, reliability and good relationships.

Growth in service industry often resulted to loss of quality control that causes client dissatisfaction, increase in complaints and eventually loss of customers. In this regard we will constantly focus on superior quality of service.

Sales Forecast

The company's projected annual sales for the first three years of operation are as follows based on the assumption:

Using conservative estimates

Assuming to acquire a share of only 0. 12% to 0. 13% of target market

An average of six hours service per client

An average rate of \$25/hour

Target growth rate of 10% annually

Sales Forecast

Year 1

Year 2

Year 3

Sales

Target Market Size

227, 380

231, 927

236, 566

Target Market Share

0. 12%

0. 13%

0. 14%

No. of Patients or Clients

23

25

28

Ave. Hours/Patient/Day

8

8

8

Total Service Hours/Day

184

200

220

Ave. Rate/Hour

\$25.00

\$25.00

\$25.00

Total Sales/Day

\$4,600.00

\$5,000.00

\$5,500.00

Total Sales/Month

\$92, 000. 00

\$100, 000. 00

\$110, 000. 00

Total Sales/Year

100%

\$1, 104, 000. 00

\$1, 200, 000. 00

\$1, 320, 000. 00

Direct Cost of Sales

at 6% of Sales

6%

\$ 66, 240. 00

\$ 72, 000. 00

\$ 79, 200. 00

Gross Profit

94%

\$ 1, 037, 760. 00

\$ 1, 128, 000. 00

\$ 1, 240, 800. 00

Geographic Expansion Plan

Year 1- Halton & Peel Region in the Province of Ontario, Canada

Year 2- To expand operation nation-wide by second year of operation by expanding in British Columbia and Edmonton.

Year 3- To expand operation internationally by third year of operation; to start in the United States by entering New York City in US East Coast; and the Islands of Bermuda in the Atlantic.

Operations

Day-to-day Operations

Office Location: Main office in Mississauga with sub-office in Milton

Office hours: 8: 30 am- 5: 30 pm Mondays-Saturdays at the main office location in Mississauga.

Operating hours: 24/7 on call in case of appointment schedule, clients visit or emergency. There will be an assigned manager to handle calls during out-of-office hours on rotation basis.

Client call and visit schedule.

Staff and sub-contracted parties work schedule and assignment making sure clients/patients will be attended as required.

Office Requirements

Telephone

4-in-1 printer, copier, fax and scanner machine

Computer for office use

Office table and chairs

Office supplies- stationary, etc,

Legal Compliance

Business license and registration

Incorporation

Taxes

Bond, security and liability insurance

Legal documentations

CPA retainer

Health Compliance

Accreditation and certification from government agencies

Certification and qualification of staff and skilled professionals

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Management Information System

QuickBooks software program for accounting, finance and payroll recording and management

Company website

Internet connection and email

Data Base Management

Customer Relationship Management

Communications

Brochures

Print ads

Presentation folders for clients and partners in health care

Medical Supplies & Equipments

Basic supplies in handling patients such as clinical gloves and masks

Risk Management

There are several identified potential risks in home health care industry, our company have identified some of them and have established mitigation plan to manage the risk accordingly as described in the table below.

Potential Risks

Mitigation Plan

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Injury, accidents and/or death

Loss/theft on clients property

Internal breach of security (i. e. credit card use, unauthorized use of data by employees or third parties)

Health care recording process & quality control management in place to prove proper care or negligence

Bond and insurance coverage

Liability waiver

Background check on staff and sub-contractors/partners is mandatory

Bond and security & liability insurance

Liability waiver

Organization policies and procedures in handling documentations must be in order

Data encryption

Electronic form and signature

Offsite storage

Management and Organization Summary

Paramount Senior Care, Inc. initial management team will consist of a Managing Director, a Case Manager, a Maintenance Manager, six employees,

and contracted caregivers and housekeepers, a contracted agency to fulfill the need for Physical Therapists, Occupational Therapists, and Speech Therapists. Initially, all managers will also provide direct service.

Severina Saliva-Parayaoan has a Bachelor's Degree in Business Administration major in Accounting and currently finishing a post-graduate certificate in Global Business Management. She has over ten years experience in business development, management and administration. She will provide all administrative direction and will perform most of the administrative functions with assistance from the Administrative Assistant. She will also supervise housekeeping service.

Arlyn Guardon is a registered nurse and has experience as a Skilled Nurse and Care Manager for a Home Health Agency will be the Case Manager. She will also provide direct nursing services during the initial stages of the business, as well as supervising the nursing and caregiver staff. As the need for the service providers grows, both managers will assume primary roles in management and will delegate direct service to employees.

Ben Dimaano is a licensed home technician in Ontario and has over 10 years of experience in home repairs, renovation and maintenance. He will be the Maintenance Manager responsible for the HRR&M Department.

Organizational Chart

Personnel Plan

Assumptions:

Owners will not receive salaries rather it will be in the form of a draw.

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Number of full-time employees will be kept to a minimum, any increase in labour requirements will be fulfilled through contracting.

10% annual increase in cost of living allowance for the full-time employees.

Managing Director- This full-time position will be held by Severina Saliva-Parayaoan. As owner compensation will be made in the form of a draw.

Case Manager- this part-time position will be held by Arlyn Gardon. As owner compensation will be made in the form of a draw.

Maintenance Manager- this part-time position will be held by Ben Dimaano. As owner compensation will be made in the form of a draw.

Administrative Assistant (1)- this full time position is based on 40-hours per week reimbursed at \$12. 00 per hour, with benefits assume at 30% of total payroll.

Skilled Nurse (1) – this full-time position will be paid \$22. 00 per hour for direct service hours, with benefits assume at 30% of total payroll.

Personal Support Workers (12)- This full-time position will be paid for \$12. 00 per hour for direct service hours, with cost of benefits assume at 30% of total payroll.

Housekeepers (10)- This position will be paid for \$10. 25 per hour for direct service hours with cost of benefits assume at 30% of total payroll.

Physical therapist/Occupational Therapist/Speech Therapist- these positions will be contracted at a rate of \$30. 00 per hours. There will be no benefits

attached to these positions as they are contracted on a fee-for-service reimbursement only.

Personnel Plan

Year 1

Year 2

Year 3

Managing Director

\$ –

\$ –

\$ –

Case Manager

\$ –

\$ –

\$ –

Maintenance Manager

Administrative Assistant

\$ 29, 952

\$ 32, 947

\$ 36, 241. 92

1-Skilled Nurse

\$ 54, 912

\$ 60, 403

\$ 66, 443. 52

12-Personal Support Worker

\$ 359, 424

\$ 395, 366

\$ 434, 903. 04

10-Housekeeper/Companion

\$ 255, 840

\$ 281, 424

\$ 309, 566. 40

Total People

23

23

23

Total Payroll

\$ 700, 128

\$ 770, 164

\$ 847, 178

Personnel Summary

Position

Admin Assistant

Skilled Nurse

Personal Support Worker

Housekeeper

Qualification

College Graduate

At least one year experience

Registered and license in Ontario

At least 3 years of experience

Certified in Ontario

At least 2 years of experience

Secondary School graduate

At least one year of experience

Type of employment

Full time

Full Time

Full Time

Full time

Salary +Benefits

\$29, 952

\$54, 912

\$29, 952

\$21, 320

No. of Positions

1

1

12

10

VIII. Start-up Capital Requirements

The following is the summary of the start up costs which includes:

Business Development

Rental Expenses

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Office Equipment

Nursing Supplies

Start-up Capital Requirements

Business Development

Attorney Fees- Setting up a limited company

\$ 1, 000. 00

Business Licence

\$ 200. 00

Medisoft Billing Program

\$ 5, 000. 00

Professional Liability Insurance

\$ 3, 000. 00

*Assuming 25% down of \$12, 000. 00

Workman's Compensation Insurance Deposit

\$ 500. 00

Premises and content Insurance Deposit