

# Hea 409 business plan

Business



HEA 409 Business Plan: HealthCo Organization Introduction Indisputably, planning is an important aspect of any individual activity. As a result, any business activity should have a basis on a plan. Business plan is an outline that provides a skeleton through which a business organization is to be formed (Thomas, 2003). Therefore, business plan has many sections that perform varied functions. One of the sections is the service description section. Services description section provides a deeper understanding on the services that the proposed organization is likely to be involved in as planned (Walshe & Smith, 2011). The other section is financial projections. On the basis of a healthcare organization, the following is a description of service description section and the financial projections.

#### Service Description Section

The healthcare organization that is to be formed, HealthCo Organization will provide premier healthcare services especially to home-based care patients. In addition, HealthCo Organization will also be involved in providing skilled and effective nursing services, social work, as well as different forms of therapies (Walshe & Smith, 2011). Amongst the therapies that will be provided by HealthCo Organization include speech, physical, and occupational therapy. The surrounding community is known to be workaholics and would not have adequate time to relax and have adequate physical exercises. In addition, the community is made of many old people that require adequate physical therapies to boost their health. As a result, HealthCo Organization will be involved in extensive home-based health care besides offering the aforementioned forms of therapies in order to enhance the health of the community.

HealthCo Organization will also provide other services that include injury

<https://assignbuster.com/hea-409-business-plan/>

case management especially in respect to games and fire (Thomas, 2003). The injury case management that HealthCo Organization will provide involves an intensive program and awareness on the cases of various forms of injuries. Moreover, HealthCo Organization will also be involved in providing adequate and effective assessment of the injuries sustained, planning on how to solve the injuries, providing adequate understanding of how to care for such injuries, and ensuring that the injuries are not only treated but also cared for adequately (Walshe & Smith, 2011). Lastly, there will be professional services in respect to general health and the environment for any community member.

#### Financial Projections: Income Statement Projects

In order to develop attainable and logical financial projections, specific assumptions include:

Strong economy that has very low inflation rate with no conspicuous recessions

There will be no significant changes within the existing healthcare policies and regulations in the next three years

The various rates such as interest rates and tax rates will remain unchanged for the next three years (interest rate = 10% and tax rate = 30%)

Based on the above assumptions, the following is the projected income statement:

#### Projected Income Statement

Year 1

Year 2

Year 3

Revenue and Costs

<https://assignbuster.com/hea-409-business-plan/>

Sales Revenues

\$526, 000

\$580, 000

\$623, 000

Cost of Sales

\$30, 500

\$32, 900

\$34, 900

Gross Margin

\$495, 500

\$547, 100

\$588, 100

Gross Margin %

94. 20%

94. 31%

94. 40%

Expenses

Payroll

\$120, 000

\$120, 000

\$120, 000

Payroll Taxes

\$40, 000

\$40, 000

\$40, 000

Rent

\$2, 400

\$3, 600

\$3, 600

Calling Charges

\$2, 000

\$2, 500

\$2, 900

Internet Access

\$300

\$300

\$300

Workmans Comp Insurance

\$500

\$500

\$500

Advertising and Marketing

\$1, 000

\$1, 000

\$1, 000

Professional Development

\$1, 000

\$1, 000

\$1, 000

Office Equipment and Supplies

\$4, 300

\$4, 300

\$4, 300

Nursing Supplies

\$8, 000

\$8, 000

\$8, 000

Total Operating Expenses

\$178, 500

\$180, 200

\$180, 600

Profit Before Interest and Taxes

\$317, 000

\$366, 900

\$407, 500

EBITDA

\$317, 000

\$366, 900

\$407, 500

Interest Expense

\$6, 000

\$6, 000

\$6, 000

Taxes Incurred

\$95, 100

\$110, 070

\$122, 250

Net Profit

\$215, 900

\$250, 830

\$278, 250

Net Profit/Sales

41. 05%

43. 25%

44. 66%

References

Thomas, R. K. (2003). Health Services Planning. New York, NY: Kluwer Academic Publishers.

Walshe, K. & Smith, J. (2011). Healthcare Management. New York, NY: McGraw-Hill Education.