How to Start an Assisted Living Business

By the BizMove.com Team

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Table of Contents

1. Determining the Feasibility of Your New Business
   2. Starting Your Business Step by Step
   3. Complete Assisted Living Business Plan Template

1. Determining the Feasibility of Your New Business

A. Preliminary Analysis

This guide is a checklist for the owner/manager of a business enterprise or for one contemplating going into business for the first time. The questions concentrate on areas you must consider seriously to determine if your idea represents a real business opportunity and if
you can really know what you are getting into. You can use it to evaluate a completely new venture proposal or an apparent opportunity in your existing business.

Perhaps the most crucial problem you will face after expressing an interest in starting a new business or capitalizing on an apparent opportunity in your existing business will be determining the feasibility of your idea. Getting into the right business at the right time is simple advice, but advice that is extremely difficult to implement. The high failure rate of new businesses and products indicates that very few ideas result in successful business ventures, even when introduced by well established firm. Too many entrepreneurs strike out on a business venture so convinced of its merits that they fail to thoroughly evaluate its potential.

This checklist should be useful to you in evaluating a business idea. It is designed to help you screen out ideas that are likely to fail before you invest extensive time, money, and effort in them.

**Preliminary Analysis**

A feasibility study involves gathering, analyzing and evaluating information with the purpose of answering the question: "Should I go into this business?" Answering this question involves first a preliminary assessment of both personal and project considerations.

**General Personal Considerations**

The first seven questions ask you to do a little introspection. Are your personality characteristics such that you can both adapt to and enjoy business ownership/management?

1. Do you like to make your own decisions?
2. Do you enjoy competition?
3. Do you have will power and self-discipline?
4. Do you plan ahead?
5. Do you get things done on time?
6. Can you take advise from others?
7. Are you adaptable to changing conditions?

The next series of questions stress the physical, emotional, and financial strains of a new business.

8. Do you understand that owning your own business may entail working 12 to 16 hours a day, probably six days a week, and maybe on holidays?
9. Do you have the physical stamina to handle a business?
10. Do you have the emotional strength to withstand the strain?
11. Are you prepared to lower your standard of living for several months or years?
12. Are you prepared to lose your savings?

Specific Personal Considerations
1. Do you know which skills and areas of expertise are critical to the success of your project?
2. Do you have these skills?
3. Does your idea effectively utilize your own skills and abilities?
4. Can you find personnel that have the expertise you lack?
5. Do you know why you are considering this project?
6. Will your project effectively meet your career aspirations

The next three questions emphasize the point that very few people can claim expertise in all phases of a feasibility study. You should realize your personal limitations and seek appropriate assistance where necessary (i.e. marketing, legal, financial).

7. Do you have the ability to perform the feasibility study?
8. Do you have the time to perform the feasibility study?
9. Do you have the money to pay for the feasibility study done?

General Project Description
1. Briefly describe the business you want to enter.

____________________
____________________
2. List the products and/or services you want to sell
____________________
3. Describe who will use your products/services
____________________
4. Why would someone buy your product/service?
____________________
5. What kind of location do you need in terms of type of neighborhood, traffic count, nearby firms, etc.?
____________________
6. List your product/services suppliers.
7. List your major competitors - those who sell or provide like products/services.

8. List the labor and staff you require to provide your products/services.

B. Requirements For Success

To determine whether your idea meets the basic requirements for a successful new project, you must be able to answer at least one of the following questions with a "yes."

1. Does the product/service/business serve a presently unserved need?
2. Does the product/service/business serve an existing market in which demand exceeds supply?
3. Can the product/service/business successfully compete with an existing competition because of an "advantageous situation," such as better price, location, etc.?

Major Flaws

A "Yes" response to questions such as the following would indicate that the idea has little chance for success.

1. Are there any causes (i.e., restrictions, monopolies, shortages) that make any of the required factors of production unavailable (i.e., unreasonable cost, scare skills, energy, material, equipment, processes, technology, or personnel)?
2. Are capital requirements for entry or continuing operations excessive?
3. Is adequate financing hard to obtain?
4. Are there potential detrimental environmental effects?
5. Are there factors that prevent effective marketing?

C. Desired Income

The following questions should remind you that you must seek both a return on your investment in your own business as well as a reasonable salary for the time you spend in operating that business.
1. How much income do you desire?
_______________

2. Are you prepared to earn less income in the first 1-3 years?
_______________

3. What minimum income do you require?
_______________

4. What financial investment will be required for your business?
_______________

5. How much could you earn by investing this money?
_______________

6. How much could you earn by working for someone else?
_______________

7. Add the amounts in 5 and 6. If this income is greater than what you can realistically expect from your business, are you prepared to forego this additional income just to be your own boss with the only prospects of more substantial profit/income in future years?
_______________

8. What is the average return on investment for a business of your type? _______________

D. Preliminary Income Statement

Besides return on investment, you need to know the income and expenses for your business. You show profit or loss and derive operating ratios on the income statement. Dollars are the (actual, estimated, or industry average) amounts for income and expense categories. Operating ratios are expressed as percentages of net sales and show relationships of expenses and net sales.

For instance 50,000 in net sales equals 100% of sales income (revenue). Net profit after taxes equals 3.14% of net sales. The hypothetical "X" industry average after tax net profit might be 5% in a given year for firms with 50,000 in net sales. First you estimate or forecast income (revenue) and expense dollars and ratios for your business. Then compare your estimated or actual performance with your industry average. Analyze differences to see why you are doing better or worse than the competition or why your venture does or doesn't look like it will float.

These basic financial statistics are generally available for most businesses from trade and industry associations, government agencies, universities and private companies and banks
Forecast your own income statement. Do not be influenced by industry figures. Your estimates must be as accurate as possible or else you will have a false impression.

1. What is the normal markup in this line of business. i.e., the dollar difference between the cost of goods sold and sales, expressed as a percentage of sales? 

_____________

2. What is the average cost of goods sold percentage of sales?

_____________

3. What is the average inventory turnover, i.e., the number of times the average inventory is sold each year?

_____________

4. What is the average gross profit as a percentage of sales?

_____________

5. What are the average expenses as a percentage of sales?

_____________

6. What is the average net profit as a percent of sales?

_____________

7. Take the preceding figures and work backwards using a standard income statement format and determine the level of sales necessary to support your desired income level.

_____________

8. From an objective, practical standpoint, is this level of sales, expenses and profit attainable?

_____________
E. Market Analysis

The primary objective of a market analysis is to arrive at a realistic projection of sales. After answering the following questions you will be in a better position to answer question eight immediately above.

Population

1. Define the geographical areas from which you can realistically expect to draw customers.
   ______________

2. What is the population of these areas?
   ______________

3. What do you know about the population growth trend in these areas? ______________

4. What is the average family size?
   ______________

5. What is the age distribution?
6. What is the per capita income?

7. What are the consumers' attitudes toward business like yours?

8. What do you know about consumer shopping and spending patterns relative to your type of business?

9. Is the price of your product/service especially important to your target market?

10. Can you appeal to the entire market?

11. If you appeal to only a market segment, is it large enough to be profitable?

F. Competition

1. Who are your major competitors?

2. What are the major strengths of each?

3. What are the major weaknesses of each?

4. Are you familiar with the following factors concerning your competitors:

   Price structure?

   Product lines (quality, breadth, width)?
Location?
_____________

Promotional activities?
_____________

Sources of supply?
_____________

Image from a consumer's viewpoint?
_____________

5. Do you know of any new competitors?
_____________

6. Do you know of any competitor’s plans for expansion?
_____________

7. Have any firms of your type gone out of business lately?
_____________

8. If so, why?
_____________

9. Do you know the sales and market share of each competitor?
_____________

10. Do you know whether the sales and market share of each competitor are increasing, decreasing, or stable?
_____________

11. Do you know the profit levels of each competitor?
_____________

12. Are your competitors' profits increasing, decreasing, or stable?
_____________

13. Can you compete with your competition?
_____________
G. Sales

1. Determine the total sales volume in your market area.

2. How accurate do you think your forecast of total sales is?

3. Did you base your forecast on concrete data?

4. Is the estimated sales figure "normal" for your market area?

5. Is the sales per square foot for your competitors above the normal average?

6. Are there conditions, or trends, that could change your forecast of total sales?

7. Do you expect to carry items in inventory from season to season, or do you plan to mark down products occasionally to eliminate inventories? If you do not carry over inventory, have you adequately considered the effect of mark-down in your pricing? (Your gross profits margin may be too low.)

8. How do you plan to advertise and promote your product/service/business?

9. Forecast the share of the total market that you can realistically expect - as a dollar amount and as a percentage of your market.

10. Are you sure that you can create enough competitive advantages to achieve the market share in your forecast of the previous question?

11. Is your forecast of dollar sales greater than the sales amount needed to guarantee your desired or minimum income?
12. Have you been optimistic or pessimistic in your forecast of sales? _______________
13. Do you need to hire an expert to refine the sales forecast? _______________
14. Are you willing to hire an expert to refine the sales forecast? _______________

H. Supply
1. Can you make a list of every item of inventory and operating supplies needed?
2. Do you know the quantity, quality, technical specifications, and price ranges desired?
3. Do you know the name and location of each potential source of supply?
4. Do you know the price ranges available for each product from each supplier?
5. Do you know about the delivery schedules for each supplier?
6. Do you know the sales terms of each supplier?
7. Do you know the credit terms of each supplier?
8. Do you know the financial condition of each supplier?
9. Is there a risk of shortage for any critical materials or merchandise?
10. Are you aware of which supplies have an advantage relative to transportation costs?
11. Will the price available allow you to achieve an adequate markup?

I. Expenses
1. Do you know what your expenses will be for: rent, wages, insurance, utilities, advertising, interest, etc?
2. Do you need to know which expenses are Direct, Indirect, or Fixed?
3. Do you know how much your overhead will be?
4. Do you know how much your selling expenses will be?

Miscellaneous
1. Are you aware of the major risks associated with your product? Service Business?
2. Can you minimize any of these major risks?
3. Are there major risks beyond your control?
4. Can these risks bankrupt you? (fatal flaws)

J. Venture Feasibility

1. Are there any major questions remaining about your proposed venture?
2. Do the above questions arise because of a lack of data?
3. Do the above questions arise because of a lack of management skills?
4. Do the above questions arise because of a "fatal flaw" in your idea?
5. Can you obtain the additional data needed?

2. Starting Your Business Step by Step

A. Things to Consider Before You Start

This guide will walk you step by step through all the essential phases of starting a successful service business. To profit in a service based business, you need to consider the following questions: What business am I in? What services do I provide? Where is my market? Who will buy? Who is my competition? What is my sales strategy? What merchandising methods will I use? How much money is needed to operate my firm? How will I get the work done? What management controls are needed? How can they be carried out? When should I revise my plan? And many more.

No one can answer such questions for you. As the owner-manager you have to answer them and draw up your business plan. The pages of this guide are a combination of text and workspaces so you can write in the information you gather in developing your business plan - a logical progression from a commonsense starting point to a commonsense ending point.

It takes time and energy and patience to draw up a satisfactory business plan. Use this Guide to get your ideas and the supporting facts down on paper. And, above all, make changes in your plan on these pages as that plan unfolds and you see the need for changes.

Bear in mind that anything you leave out of the picture will create an additional cost, or drain on your money, when it crops up later on. If you leave out or ignore enough items, your business is headed for disaster.
Keep in mind too, that your final goal is to put your plan into action. More will be said about this near the end of this Guide.

**What's in this for Me?**

You may be thinking: Why should I spend my time drawing up a business plan? What's in it for me? If you've never drawn up a plan, you are right in wanting to hear about the possible benefits before you do your work.

A business plan offers at least four benefits. You may find others as you make and use such a plan. The four are:

1. The first, and most important, benefit is that a plan gives you a path to follow. A plan makes the future what you want it to be. A plan with goals and action steps allows you to guide your business through turbulent economic seas and into harbors of your choice. The alternative is drifting into "any old port in a storm."

2. A plan makes it easy to let your banker in on the action. By reading, or hearing, the details of your plan he will have real insight into your situation if he is to lend you money.

3. A plan can be a communications tool when you need to orient sales personnel, suppliers, and others about your operations and goals.

4. A plan can help you develop as a manager. It can give you practice in thinking about competitive conditions, promotional opportunities, and situation that seem to be advantageous to your business. Such practice over a period of time can help increase an owner-manager's ability to make judgments.

**Why am I in Business?**

Many enterprising people are drawn into starting their own business by the possibilities of making money and being their own boss. But the long hours, hard work, and responsibilities of being the boss quickly dispel and preconceived glamour.

Profit is the reward for satisfying consumer needs. But it must be worked for. Sometimes a new business might need two years before it shows a profit. So where, then, are reasons for having your own business?

Every business owner-manager will have his or her own individual reasons for being in business. For some, satisfaction come from serving their community. They take pride in serving their neighbors and giving them quality work which they stand behind. For others, their business offers them a chance to contribute to their employees' financial security.

There are as many rewards and reasons for being in business as there are business owners. Why are you in business?

________

________
What business am I in?

In making your business plan, the first question to consider is: What business am I really in. At the first reading this question may seem silly. "If there is one thing I know," you say to yourself, "it is what business I'm in." But hold on. Some owner-managers go broke and others waste their saving because they are confused about the business they are in.

The changeover of barbershops from cutting hair to styling hair is one example of thinking about what business you're really in.

Consider this example, also. Joe Riley had a small radio and TV store. He thought of his business as a retail store though he also serviced and repaired anything he sold. As his suburb grew, appliance stores emerged and cut heavily into his sales. However, there was an increased call for quality repair work.

When Mr. Riley considered his situation, he decided that he was in the repair business. As a result of thinking about what business he was really in, he profitably built up his repair business and has a contract to take care of the servicing and repair business for one of the appliance stores.

Decide what business you are in and write your answer in the following spaces. To help you decide, think of the answers to questions such as: What inventory of parts and materials must you keep on hand? What services do you offer? What services do people ask for that you do not offer? What is it you are trying to do better, more of, or differently from your competitors?

How to Plan Your Marketing

When you have decided what business you're in, you have made your first marketing decision. Now you are ready for other important considerations.

Successful marketing starts with the owner-manager. You have to know your service and the needs of your customers.

The narrative and work blocks that follow are designed to help you work out a marketing plan for your firm. The blocks are divided into three sections:

Section One - Determining the Sales Potential

Section Two - Attracting Customers

Section Three - Selling to Customers

Section One - Determining the Sales Potential
In the service business, your sales potential will depend on the area you serve. That is, how many customers in this area will need your services? Will your customers be industrial, commercial, consumer, or all of these?

When picking a site to locate your business, consider the nature of your service. If you pick up and deliver, you will want a site where the travel time will be low and you may later install a radio dispatch system. Or, if the customer must come to your place of business, the site must be conveniently located and easy to find.

You must pick the site that offers the best possibilities of being profitable. The following questions will help you think through this problem.

In selecting an area to serve, consider the following:

Population and its growth potential
Income, age, occupation of population
Number of competitive services in and around your proposed location
Local ordinances and zoning regulations
Type of trading area (commercial, industrial, residential, seasonal)

For additional help in choosing an area, you might try the local chamber of commerce and the manufacturer and distributor of any equipment and supplies you will be using.

You will want to consider the next list of questions in picking the specific site for your business:

Will the customer come to your place of business?
How much space do you need?
Will you want to expand later on?
Do you need any special features required in lighting, heating, ventilation?
Is parking available?
Is public transportation available?
Is the location conducive to drop-in customers?
Will you pick up and deliver?
Will travel time be excessive?
Will you prorate travel time to service call?
Would a location close to an expressway or main artery cut down on travel time?
If you choose a remote location, will savings in rent off-set the inconvenience?
If you choose a remote location, will you have to pay as much as you save in rent for advertising to make your service known?

If you choose a remote location, will the customer be able to readily locate your business?

Will the supply of labor be adequate and the necessary skills available?

What are the zoning regulations of the area?

Will there be adequate fire and police protection?

Will crime insurance be needed and be available at a reasonable rate?

I plan to locate in __________ because:

____________
____________
____________

Is the area in which you plan to locate supported by a strong economic base? For example, are nearby industries working full time? Only part time? Did any industries go out of business in the past several months? Are new industries scheduled to open in the next several months?

Write your opinion of the area’s economic base and your reason for that opinion here.:

____________
____________

Will you build? ________ What are the terms of the loan or mortgage?

____________
____________

Will you rent? _________ What are the terms of the lease?

____________
____________

Is the building attractive? _________ In good repair? __________

Will it need remodeling? __________ Cost of remodeling? __________

What services does the landlord provide?

____________
____________
What is the competition in the area you have picked?
The number of firms that handle my service __________
Does the area appear to be saturated? __________
How many of these firms look prosperous? __________
Do they have any apparent advantages over you? __________
How many look as though they're barely getting by? __________
How many similar services went out of business in the area last year? __________
Can you find out why they failed? __________
How many new services opened up in the last year? __________
How much do your competitors charge for your service? __________
Which firm or firms in the area will be your biggest competition? __________
List the reasons for your opinion here:

______________
______________

Section Two - Attracting Customers

When you have a location in mind, you should work through another aspect of marketing. How will you attract customers to your business? How will you pull customers away from your competition?

It is working with this aspect of marketing that many service firms find competitive advantages. The ideas which they develop are as good and often better, than those which large companies develop with hired brains. The workblocks that follow are designed to help you think about image, pricing, customer service policies, and advertising.

Image

Whether you like it or not, your service business is going to have an image. The way people think of your firm will be influenced by the way you conduct your business. If people come to your place of business for your service, the cleanliness of the floors, the manner in which they are treated, and the quality of your work will help form your image. If you take your service to the customer, the conduct of your employees will influence your image. Pleasant, prompt, courteous service before and after the sale will help make satisfied customers your best form of advertising.
Thus, you can control your image. Whatever image you seek to develop. It should be concrete enough to promote in your advertising. For example, "service with a smile" is an often used image.

Write out what image you want customers to have of your business.

____________________

____________________

**Pricing**

In setting prices for your service, there are four main elements you must consider:

(1) Materials and supplies

(2) Labor and operating expenses

(3) Planned profit

(4) Competition

Further along in this Guide you will have the opportunity to figure out the specifics of materials, supplies, labor, and operating expenses. From there you may want the assistance of your accountant in developing a price structure that will not only be fair to the customer, but also fair to yourself. This means that not only must you cover all expenses but also allow enough margin to pay yourself a salary.

One other thing to consider. Will you offer credit? __________ Most businesses use a credit card system. These credit costs have to come from somewhere. Plan for them. If you use a credit card system, what will it cost you? __________

Can you add to your prices to absorb this cost?

Some trade association have a schedule for service charges. It would be a good idea to check with the trade association for your line of business. Their figures will make a good yardstick to make sure your prices are competitive.

And, of course, your prices must be competitive. You've already found out your competitors' prices. Keep these in mind when you are working with your accountant. If you will not be able to make an adequate return, now is the time to find out.

**Customer Service Policies**

Customers expect certain services or conveniences, for example, parking. These services may be free to the customer, but not to you. If you do provide parking, you either pay for your own lot or pick up your part of the cost of a lot which you share with other businesses. Since these conveniences will be an expense, plan for them.

List the services that your competitors provide to customers:
Now list the services that you will provide your customers:

**Service / Estimated Cost**

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**Planning Your Advertising Activities**

In this section on attracting customers, advertising was saved until last because you have to have something to say before advertising can be effective. When you have an image, price range, and customers services, you are ready to tell prospective customers why they should use your services.

When the money you can spend on advertising is limited it is vital that your advertising be on target. Before you can think about how much money you can afford for advertising, take time to determine what jobs you want advertising to do for your business. The work blanks that follow should be helpful to your thinking.

The strong points about my service business are:

| ________________ |

My service business is different from my competition in the following ways:

| ________________ |

My advertising should tell customers and prospective customers the following facts about my business and services:

| ________________ |

When you have these facts in mind, you now need to determine who you are going to tell it to. Your advertising needs to be aimed at a target audience - those people who are most likely to use your services. In the space below, describe your customers in terms of age, sex, occupation, and whatever else is necessary depending on the nature of your business. This is your customer profile of "male and female automobile owners, 18 years old and above." Thus, for this repair business, anyone over 18 who owns a car is likely to need its service.
The customer profile for my business is ______________________

Now you are ready to think about the form your advertising should take and its cost. You are looking for the most effective means to tell your story to those most likely to use your service. Ask the local media (newspapers, radio and television, and the printers of direct mail pieces) for information about the services and the results they offer for your money.

How you spend advertising money is your decision, but don't fall into the trap that snare's many advertisers. As one consultant describes this pitfall: It is amazing the way many managers consider themselves experts on advertising copy and media selection without any experience in these areas.

The following blanks should be useful in determining what advertising is needed to sell your strong points to prospective customers.

<table>
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<th>Form of Advertising</th>
<th>Size of Audience</th>
<th>Frequency of Use</th>
<th>Cost of A Single Ad</th>
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<td>Total</td>
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When you have a figure on what your advertising for the next 12 months will cost, check it against one of the operating ratios (expenses as a percentage of sales) which trade associations and other organizations gather. If your estimated cost for advertising is substantially higher than this average for your line of service, take a second look. No single expense item should be allowed to get way out of line if you want to make a profit. Your task in determining comes down to: How much can I afford to spend and still do the job that needs to be done?

**Section Three - Selling to Customers**

To complete your work on marketing, you need to think about what you want to happen after you get a customer. Your goal is to provide your service, satisfy customers, and put money into the cash register.

One-time customers can't do the job. You need repeat customers to build a profitable annual sales volume. When someone returns for your service, it is probably because he was satisfied by his previous experience. Satisfied customers are the best form of advertising.

If you previously decided to work only for cash, take a hard look at your decision. Americans like to buy on credit. Often a credit card, or other system of credit and collections, is needed to attract and hold customers.
Based on this description and the dollar amount of business you indicated that you intend to do this year, fill in the following workblocks.

**Fixtures and Equipment**

No matter whether or not customers will come to your place of business, there will be certain equipment and furniture you will need in your place of business which will allow you to perform your service.

**Parts and Material**

You will probably need some kind of parts or material to provide your service.

I plan to buy parts and material from:

____________________

Before you make any supply arrangements, examine the supplier's obsolescence policy. This can be a vital factor in service parts purchasing. You also look at the supplier's warranty policy.

Now that you have determined the parts and materials you'll need, you should think about the type of stock control system you'll use. A stock control system should enable you to determine what needs to be ordered on the basis of: (1) what is on hand, (2) what is on order, (3) what has been used. (Some trade associations and suppliers provide systems to members and customers.)

When you have decided on a system for stock control, estimate its cost. My system for stock control will cost me __________ for the first year.

**Overhead**

List the overhead items which will be needed. Examples are: rent, utilities, office help, insurance, interest, telephone, postage, accountant, payroll taxes, and licenses or other local taxes. If you plan to hire others to help you manage, their salaries should be listed as overhead.

____________________

**Getting the Work Done**

An important step in setting up your business is to find and hire capable employees. Then you must train them to work together to get the job done. Obviously, organization is needed if your business is to produce what you expect it to produce, namely profits.

Organization is essential because you as the owner-manager cannot do all the work. As your organization grows, you have to delegate work, responsibility and authority. A helpful tool in getting this done is the organization chart. It shows at a glance who is responsible for the major activities of a business.
As an additional aid in determining both what needs to be done and who will do it, list each activity that is involved in your business. Next to the activity indicate who will do it. You may do this by name or some other designation such as "worker #1", Remember that a name may appear more than once.

**Activity / Name**

_____________ _______________
_____________ _______________
_____________ _______________
_____________ _______________
_____________ _______________
_____________ _______________

**How Much Money Will You Need**

At this point, take some time to think about what your business plan means in terms of dollars. This section is designed to help you put your plan into dollars.

The first question concerns the source of dollars. After your initial capital investment, the major source of money is the sale of your services. What dollar volume of business do you expect to do in the next 12 months? __________

**Expenses**

In connection with your annual dollar volume of business, you need to think about expenses. If, for example you plan to do 100,000 in business, what will it cost you to do this amount of servicing? And even more important, what will be left over as profit at the end of the year? Never lose sight of the fact that profit is your pay. Even if you pay yourself a salary for living expenses, your business must make a profit if it is to continue year after year and pay back the money you invested in it.

The following workblock is designed to help you make a quick estimate of your expenses. To use this formula, you need to get only one figure - the cost of sales figure for your line of business. If you don't have this operating ratio, check with your trade association.
Whether you have the funds (savings) or borrow them, your new business will have to pay back these start-up costs. Keep this fact in mind as you work on the "Expenses" section, and on other financial aspects of your plan.

**Break Down Your Expenses**

Your quick estimate of expenses provides a starting point. The next step is to break down your expenses so they can be handled over the 12 months. Use an "Expenses Worksheet" form to make up an expense budget.

**Matching Money and Expenses**

A budget helps you to see the dollar amount of your expenses each month. Then from month to month the question is: Will sales bring in enough money to pay the firm's bills on time? The answer is "maybe not" or "I hope so" unless the owner-manager prepares for the "peaks and valleys" that are in many service operations.

A cash forecast is a management tool which can eliminate much of the anxiety that can plague you if your business goes through lean months. Use a worksheet, "Estimated Cash Forecast", or ask your accountant to use it to estimate the amounts of cash you expect to flow through your business during the next 12 months.
Is Additional Money needed?

Suppose at this point you have determined that your business plan needs more money than can be generated by sales. What do you do?

What you do depends on the situation. For example, the need may be for bank credit to tide your business over during the lean months. This loan can be repaid during the fat sales months when expenses are far less than sales. Adequate working capital is necessary for success and survival.

Whether an owner-manager seeks to borrow money for only a month or so or on a long-term basis, the lender needs to know whether the store's financial position is strong or weak. Your lender will ask to see a current balance sheet.

Even if you don't need to borrow, use it, to draw the "picture" of your firm's financial condition. Moreover, if you don't need to borrow money, you may want to show your plan to the bank that handles your store's checking account. It is never too early to build good relations with your banker, to show that you are a manager who knows where you want to go rather than a store owner who hopes to make a success.

Control and Feedback

To make your plan work you will need feedback. For example, the year-end profit and loss statement shows whether your business made a profit or loss for the past 12 months.

But you can't wait 12 months for the score. To keep your plan on target you need readings at frequent intervals. A profit and loss statement at the end of each month or at the end of each quarter is one type of frequent feedback. However, the income statement or profit and loss statement (P and L) may be more of a loss than a profit statement if you rely only on it. You must set up management controls which will help you to insure that the right things are being done from day to day and from week to week. In a new business, the record-keeping system should be set up before your business opens. After you're in business is too late. For one thing, you may be too busy to give a record-keeping system the proper attention.

The control system which you set up should give you information about: stock, sales, and disbursement. The simpler the system, the better. Its purpose is to give you current information. You are after facts with emphasis on trouble spots. Outside advisers, such as an accountant, can be helpful.

Stock Control

The purpose of controlling parts and materials inventory is to provide maximum service to your customers and to see that parts and materials are not lost through pilferage, shrinkage, errors, or waste. Your aim should be to achieve a high turnover on your inventory. The fewer dollars you tie up in inventory, the better.

In a business, inventory control helps the owner-manager to offer customers efficient service. The control system should enable you to determine what needs to be ordered on the basis of: (1) what is on hand, (2) what is on order, and (3) what has been used.
In setting up inventory controls, keep in mind that the cost of the inventory is not your only cost. You will also have costs such as the cost of purchasing, the cost of keeping control records, and the cost of receiving and storing your inventory.

**Sales**

In a small business, sales slips and cash register tapes give the owner-manager feedback at the end of each day. To keep on top of sales, you will need answers to questions such as: How many sales were made? What was the dollar amount? What credit terms were given to customers?

**Disbursements**

Your manager controls should also give you information about the dollars your company pays out. In checking on your bills, you do not want to know what major items, such as paying bills on time to get the supplier's discount, are being handled according to your policies. Your review system will also give you the opportunity to make judgments on the use of funds. In this manner, you can be on top of emergencies as well as routine situations. Your system should also keep you aware that tax moneys such as payroll income tax deductions, are set aside and paid out at the proper time.

**Break-Even Analysis**

Break-even analysis is a management control device because the break-even point shows how much you must sell under given conditions in order to just cover your costs with No profit and No loss.

Profit depends on sales volume, selling price, and costs. Break-even analysis helps you to estimate what a change in one or more of these factors will do to your profits. To figure a break-even point, fixed costs, such as rent, must be separated from variable costs, such as the cost of sales and the other items listed under "controllable expenses" on the expense worksheet, of this Guide.

The formula is:

Break-even point (in sales dollars) =

\[
\frac{\text{Total fixed costs}}{\text{1 - \frac{\text{Total variable costs}}{\text{Corresponding sales volume}}}}
\]

An example of the formula is: Bill Jackson plans to open a laundry. He estimates his fixed expenses at about $9,000, the first year. He estimates his variable expenses at about $700 for every $1,000 of sales.
Is Your Plan Workable?

Stop when you have worked out your break-even point. Whether the break-even point looks realistic or way off base, it is time to make sure that your plan is workable.

Take time to re-examine your plan before you back it with money. If the plan is not workable better to learn it now than to realize 6 months down the road that you are pouring money into a losing venture.

In reviewing your plan, look at the cost figures you drew up when you broke down your expenses for one year. If any of your cost items are too high or too low, change them. You can write your changes in the white spaces above or below your original entries on that worksheet. When you finish making your adjustments, you will have a Revised projected statement of sales and expenses for 12 months.

With your revised figures work out a revised break-even point. Whether the new break-even point looks good or bad, take one or more precaution. Show your plan to someone who has not been involved in working out the details.

Your banker, or other advisor outside of your business may see weaknesses that failed to appear as you pored over the details of your plan. They may put a finger on strong points which your plan should emphasize.

Put Your Plan into Action

When your plan is as near on target as possible, you are ready to put it into action. Keep in mind that action is the difference between a plan and a dream. If a plan is not acted upon, it is of no more value than a pleasant dream that evaporates over the breakfast coffee.

A successful owner-manager does not stop after he has gathered information and drawn up a plan, as you have done in working through this Guide. He begins to use his plan.

At this point, look back over your plan. Look for things that must be done to put your plan into action.

What needs to be done will depend on your situation. For example, if your business plan calls for an increase in sales, one action to be done will be providing funds for this expansion.

Have you more money to put into this business?

Do you borrow from friends and relatives? From your bank? From your suppliers by arranging liberal commercial credit terms.
If you are starting a new business, one action step may be to get a loan for fixtures, employee salaries, and other expenses. Another action step will be to find and hire capable employees.

In the spaces that follow, list things that must be done to put your plan into action. Give each item a date so that it can be done at the appropriate time. To put my plan into action, I must do the following:

**Action / Completion Date**

____________ ____________
____________ ____________
____________ ____________
____________ ____________
____________ ____________
____________ ____________

**Keeping Your Plan Up To Date**

Once you put your plan into action, look out for changes. They can cripple the best made business plan if the owner-manager lets them.

Stay on top of changing conditions and adjust your business plan accordingly.

Sometimes the change is made within your company. For example, several of your employees quit their jobs. Sometimes the change is with customers: for example, their desires and tastes shift. Sometimes the change is technological as when raw materials are put on the market introducing the need for new processes and procedures.

In order to adjust your plan to account for such changes, an owner-manager must:

1. Be alert to the changes that come in your company, line of business, market, and customers.
2. Check your plan against these changes.
3. Determine what revisions, if any, are needed in your plan.

The method you use to keep your plan current so that your business can weather the forces of the market place is up to you. Read the trade papers and magazines for your line of business. Another suggestion concerns your time. Set some time - two hours, three hours, whatever is necessary-to review your plan periodically. Once each month, or every other month, go over your plan to see whether it needs adjusting. If revisions are needed, make them and put them into action.

3. Complete Assisted Living Business Plan Template
# Table of Contents

1.0 Executive Summary ........................................................................................................... 31

1.1 Objectives .......................................................................................................................... 33

1.2 Mission ............................................................................................................................... 33

1.3 Keys to Success ................................................................................................................. 33

2.0 Organization Summary ....................................................................................................... 34

2.1 Legal Entity ........................................................................................................................ 34

2.2 Start-up Summary .............................................................................................................. 34

Table: Start-up ......................................................................................................................... 35
Chart: Start-up .......................................................................................................................... 36

3.0 Services ............................................................................................................................. 36

4.0 Market Analysis Summary .................................................................................................. 36

4.1 Market Segmentation ......................................................................................................... 38

Table: Market Analysis ............................................................................................................. 38
Chart: Market Analysis (Pie) ..................................................................................................... 38

4.2 Target Market Segment Strategy ....................................................................................... 38

4.3 Service Providers Analysis ................................................................................................. 39

4.3.1 Alternatives and Usage Patterns ..................................................................................... 40

5.0 Web Plan Summary ........................................................................................................... 40

5.1 Website Marketing Strategy ............................................................................................... 40

5.2 Development Requirements ............................................................................................... 41

6.0 Strategy and Implementation Summary ............................................................................. 42

6.1 SWOT Analysis .................................................................................................................. 42

6.1.1 Strengths ......................................................................................................................... 42

6.1.2 Weaknesses ..................................................................................................................... 42

6.1.3 Opportunities .................................................................................................................. 43

6.1.4 Threats ............................................................................................................................ 43
6.2 Competitive Edge ............................................................................................................... 43
6.3 Marketing Strategy ............................................................................................................ 43
6.4 Fundraising Strategy ......................................................................................................... 43
6.4.1 Funding Forecast ............................................................................................................ 44
Table: Funding Forecast .......................................................................................................... 44
Chart: Funding Monthly ......................................................................................................... 45
Chart: Funding by Year ............................................................................................................ 46
6.5 Milestones .......................................................................................................................... 46
Table: Milestones ..................................................................................................................... 46
7.0 Management Summary ...................................................................................................... 47
7.1 Personnel Plan ................................................................................................................... 47
Table: Personnel ...................................................................................................................... 48
8.0 Financial Plan .................................................................................................................... 48
8.1 Start-up Funding ............................................................................................................... 49
Table: Start-up Funding ............................................................................................................ 50
8.2 Important Assumptions ...................................................................................................... 51
8.3 Break-even Analysis ......................................................................................................... 51
Table: Break-even Analysis ................................................................................................... 51
Chart: Break-even Analysis ................................................................................................... 52
8.4 Projected Surplus or Deficit ............................................................................................. 53
Table: Surplus and Deficit ...................................................................................................... 53
Chart: Surplus Monthly .......................................................................................................... 55
Chart: Surplus Yearly .............................................................................................................. 55
Chart: Gross Surplus Monthly ............................................................................................... 56
Chart: Gross Surplus Yearly ................................................................................................... 56
8.5 Projected Cash Flow ......................................................................................................... 57
Table: Cash Flow .................................................................................................................... 57
Chart: Cash .............................................................................................................................. 59
8.6 Projected Balance Sheet.................................................................................................... 59
Table: Balance Sheet............................................................................................................... 60
8.7 Standard Ratios.................................................................................................................. 61
Table: Ratios ............................................................................................................................ 61
Table: Funding Forecast ....................................................................................................... Error! Bookmark not defined.
Table: Personnel ................................................................................................................. Error! Bookmark not defined.
Table: Surplus and Deficit .................................................................................................... Error! Bookmark not defined.
Table: Cash Flow ................................................................................................................. Error! Bookmark not defined.
Table: Balance Sheet............................................................................................................ Error! Bookmark not defined.
1.0 Executive Summary

COMPANY NAME is a start-up nonprofit located in Lake Charles, Louisiana. The company is privately owned by INSERT NAME(S) who have extensive experience in the Personal Care Service industry, and have maintained excellent reputations in this same industry. The Company is situated in a group location, and the business space encompasses 2500 square feet.

COMPANY NAME is the Owners' other company, which is a successful for-profit company. COMPANY NAME is the spin-off non-profit company, which was created for the purpose of providing PCA services to people who cannot afford the services provided by COMPANY NAME, and people who don’t have Medicaid and Medicare.

The Owners are seeking grant funding in the amount of $500,000. The money will be used to fund the community for services for Personal Care Attendants (PCAs) to enter into homes of clients who cannot afford the services. COMPANY NAME provides services to adult clients with handicaps/disabilities or who are developmentally challenged. Personal Care Attendants (PCAs) provide the following types of in-home assistance to clients:

- Bathing, grooming, and toileting
- Light housekeeping
- Meal preparation
- Shopping transportation
- Money management
- Companionship
- Social services

A grant or a series of grants, amounting to $500,000 is anticipated by COMPANY NAME in order to successfully execute its objectives. The funding will be used for additional staff, computer equipment, website design and marketing and will be allocated as follows:

Staff: $300,000 per year
Marketing: $15,000 per year
Manager salaries: $140,000 per year

Although COMPANY NAME has not started operation due to lack of funding, the company currently has a waiting list for clients in need of in-home care services. During the first year of operations the company looks to service a minimum of 100 clients per month at the rate of $15 per hour.

Sales in this type of business are directly related to quality patient service and utmost satisfaction from referring physicians and health care facilities. It is perpetual business. One doesn't sell home health care; rather one sells excellent care, availability, and effective interpersonal relationships.

In a service industry, growth can mean loss of quality control, which in turn leads to client dissatisfaction. The services COMPANY NAME provides should always reflect the mission and oversight of management. The Owners want their clients to know that the quality of service they receive will be excellent, regardless of the individual service provider performing the service.

The Owners will therefore avoid the temptation to broaden the scope of COMPANY NAME's services too quickly. Rather, they will focus their immediate attention on making the services that are offered of the highest possible quality. Only when those services are well-established and grounded in excellence will the Owner's consider expanding the service base.

COMPANY NAME's Net Worth is expected to be ($39,992) in 2010, ($16,486) in 2011, and $310,898 in 2012, respectively.

Chart: Highlights
1.1 Objectives

The Owners' objectives for **COMPANY NAME** include:

- To serve at least 100 people
- To employ at least 75 people
- To grow billing to at least $50,000 per week

1.2 Mission

The mission of **COMPANY NAME** is as follows:

To provide and promote respect, compassionate, spiritual acceptance with emotional care for adults, geriatrics with developmental challenges both at home and in the community.

1.3 Keys to Success

The Company's keys to success include:

- An excellent location for the business
• High demand for the services offered

• Experience and dependability of the staff

2.0 Organization Summary

COMPANY NAME is a start-up nonprofit located in Lake Charles, Louisiana. The company is privately owned by INSERT NAME(S) who have extensive experience in the Personal Care Service industry, and have maintained excellent reputations in this same industry. The Company is situated in a group location, and the business space encompasses 2500 square feet.

COMPANY NAME is the Owners' other company, which is a successful for-profit company. Angel Care Group is the spin-off non-profit company, which was created for the purpose of providing PCA services to people who cannot afford the services provided by COMPANY NAME, and people who don't have Medicaid and Medicare.

COMPANY NAME offers in-home supportive care and assistance to developmentally challenged and handicapped/disabled adults within the local community. There have been no sales during the last 3 years and the company has demonstrated no performance because of the lack of funding.

2.1 Legal Entity

COMPANY NAME is a 501(c) (3) nonprofit corporation. The company is a C corporation and INSERT NAME has 67% ownership interest and INSERT NAME has 33% ownership interest.

2.2 Start-up Summary

The COMPANY NAME was started in March 2007, with the intention of making a difference in the local community by offering the services of Personal Care Attendants to people who cannot afford them and do not have Medicare or Medicaid.

Start-up expenses total $500,000 including expenses related to additional staff, computer equipment, website design and marketing. The details are included in the following chart and table.

The funding will be used for additional staff, computer equipment, website design and marketing. Staff will cost around $300,000 per year, marketing will cost $15,000 per year, and managers will cost $140,000 per year.
## Start-up

<table>
<thead>
<tr>
<th>Requirements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Start-up Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Grant Writing</td>
<td>$3,200</td>
</tr>
<tr>
<td>Business Plan Writing</td>
<td>$3,200</td>
</tr>
<tr>
<td>Formation of 501(c) 3 Corporation</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Total Start-up Expenses</strong></td>
<td>$6,900</td>
</tr>
<tr>
<td><strong>Start-up Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash Required</td>
<td>$6,900</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>$0</td>
</tr>
<tr>
<td>Long-term Assets</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$6,900</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td>$13,800</td>
</tr>
</tbody>
</table>
3.0 Services

The Company provides services to adult clients with handicaps/disabilities or who are developmentally challenged. Personal Care Attendants (PCAs) provide the following types of in-home assistance to clients:

- Bathing, grooming, and toileting
- Light housekeeping
- Meal preparation
- Shopping transportation
- Money management
- Companionship
- Social services

The cost of the services is $15.60 per hour.

4.0 Market Analysis Summary

Personal care attendants and home health aides are in high demand across the country. As people live longer and the population of older adults grows, more people will need help with the activities of daily living. According to the Department of Labor
Statistics, Personal and Home Care aides are in the top 10 fastest growing occupations in the country.

At the time of the most recent United States Census Survey, the number of people in Lake Charles, LA was 71,757, with 14.7 percent of the population (10,517) in the community being 65 years and over, compared to 12.40% nationally.

According to www.city-data.com, in 2000, there were 14,778 people in Lake Charles, LA listed as disabled. Additional data indicates that Mentally-Disabled Residents (Noninstitutionalized) is highest among the age cohort 21-64 with there being approximately 640 males, and 540 females.

One of the top industries in this ZIP code by the number of employees in 2005 includes:

Health Care and Social Assistance: Home Health Care Services (100-249 employees: 1, 50-99 employees: 4, 20-49 employees: 4, 10-19 employees: 1, 5-9 employees: 6, 1-4 employees: 1)
4.1 Market Segmentation

COMPANY NAME’s customer base will be divided among the following types:

Table: Market Analysis

<table>
<thead>
<tr>
<th>Potential Customers</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentally Disabled</td>
<td>2%</td>
<td>1,180</td>
<td>1,204</td>
<td>1,228</td>
<td>1,253</td>
<td>1,278</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physically Disabled</td>
<td>4%</td>
<td>14,778</td>
<td>15,369</td>
<td>15,984</td>
<td>16,623</td>
<td>17,288</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.86%</td>
<td>15,958</td>
<td>16,573</td>
<td>17,212</td>
<td>17,876</td>
<td>18,566</td>
</tr>
</tbody>
</table>

Chart: Market Analysis (Pie)

Market Analysis (Pie)

4.2 Target Market Segment Strategy
COMPANY NAME’s target markets include mentally and physically disabled adults. In 2000, there were 14,778 people in Lake Charles, LA listed as disabled. Additional data indicates that Mentally-Disabled Residents (Noninstitutionalized) is highest among the age cohort (21-64).

4.3 Service Providers Analysis

Personal care attendants (PCAs) help disabled, chronically ill and cognitively challenged older people. Some PCAs simply assist recently-released patients who have short-term needs. In many cases they take care of these clients in their homes. They may also provide their services in hospices or outside of the home to keep the clients involved in community activities. Their presence is often required for the elderly or physically/mentally disabled who need more help than their family or friends are able to sustain.

Personal care attendants are also known as personal and home care aides, homemakers, companions and caregivers. One attendant may have four or five clients at a time, which requires that they carefully block out their time between clients.

Job Duties

Personal care attendants offer services based on the specific needs of their clients, so their daily tasks vary. Some may do minor housework such as laundry, food shopping and meal preparation. Aides will often help clients into and out of bed, dress and undress, run errands, bathe and groom. Depending on the personal care attendant’s specialty, one may also provide psychological support and instruction for their families on nutrition and medicine. Other tasks that aides perform are emptying bedpans, changing soiled bed linens and caring for disoriented patients.

Personal care attendants offer aide services to the disabled, elderly and mentally challenged. They often work in clients’ homes, but may also find positions within hospitals or private practices.

Aides may also work with individuals who are developmentally or intellectually disabled. These workers are often called direct support professionals and they may assist in implementing a behavior plan, teaching self-care skills and providing employment support, as well as providing a range of other personal assistance services.
Many disabled or developmentally challenged adults are being cared for at home. Additionally, more and more older people, electing to live independent, non-institutionalized lives, are receiving home care services as their physical capabilities diminish.

As the health care system prepares to receive the 78 million strong baby boom generation the opportunities for home care are growing at an unprecedented rate. Home care is the only answer to serving the needs of these individuals to allow them to remain active and independent in their own homes and communities, which is what the vast majority of Americans prefer instead of institutional care.


The growth of the health care industry and the aging population will both contribute to the growth of demand for personal care attendants. The need for personal care attendants will grow faster than the average for all occupations. It is estimated that the demand will grow by 28 percent from 2006 to 2016, according to the U.S. Bureau of Labor Statistics (BLS), www.bls.gov. The growing demand for in-home treatment will also contribute to the growing demand for personal care attendants. Excellent job opportunities will be available for people interested in this line of work because of modest entry requirements.

4.3.1 Alternatives and Usage Patterns

Service is the number one reason a client would choose a particular company that offers PCA services. Contributing factors that influence decision-making include service and reputation.

5.0 Web Plan Summary

The COMPANY NAME website will be the virtual business card and portfolio for the company, as well as its online "home." The homepage will be one more way to let customers know how this business is helping to provide essential services to needy people in the community.

5.1 Website Marketing Strategy

The Company's Website address will be included on a variety of printed marketing materials, including business cards and informational brochures. The Website will
feature testimonials of how the Company exceeded the expectations of clients and their families by providing excellent care and premier services.

**Customer Testimonials** - Posting customer testimonials regarding positive services will be an excellent marketing tool. These testimonials can be placed on the Website where they can be viewed by potential customers.

**Create a Solid "About" Page** - Typically, one of the top 10 most popular pages of any Web site is the "About" page. It provides a personalized glimpse of the company and its owners. It is a very effective tool because people are simply curious. They want to know who is behind a company. More often than not, a potential client will select a company with a "real" person behind it, rather than a faceless company that does not provide even a little bit of personal information.

**Statistics, Tracking, and Analytics** - Google is a great resource for providing this type of information, since it is a primary search engine. In this day and age, this type of information is absolutely essential to any business no matter how large or small. By implementing this marketing strategy, **COMPANY NAME** can ascertain the following information:

1. How many hits does the site receive?
2. How many of these are from unique visitors?
3. How are people finding the Web site?
4. What search terms are they finding the company under?
5. What Web sites link to the company?
6. What are the most popular pages on the company's site?
7. Who is the average visitor?

### 5.2 Development Requirements

The Website will be relatively simple in layout. Ongoing costs will include:

- **Web site name registration** - charge per year
- **Site Hosting** - charge per month
- **Search Engine Registration** - charge per year
• Site Design Changes - photography costs are considered to be part of Marketing and Advertising

6.0 Strategy and Implementation Summary

Flyers, programs, and brochures will be an important source of information and education to convey the mission of COMPANY NAME.

The long-term strategy is to double the size of the company based on aggressive marketing and advertising that will be conducted via television and newspaper advertisements.

6.1 SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses of the Company, and describes the opportunities and threats facing COMPANY NAME.

6.1.1 Strengths

COMPANY NAME's strengths include:

• Understanding the clients' needs

• Exceeding the expectations of clients and their families by providing excellent care and premier services

• Hiring individuals who are passionate about providing these essential services to the needy

• Providing empathy to the PCAs that are hired to perform the actual care

6.1.2 Weaknesses

COMPANY NAME's primary weakness is lack of funding.
6.1.3 Opportunities

COMPANY NAME’s market opportunities include the following:

- Personal care attendants and home health aides are in high demand across the country.

- As people live longer and the population of older adults grows, more people will need help with the activities of daily living.

- According to the Department of Labor Statistics, Personal and Home Care aides are in the top 10 fastest growing occupations in the country.

6.1.4 Threats

COMPANY NAME’s biggest challenge will be finding and hiring enough high-quality caregivers to meet the needs of its growing client base.

6.2 Competitive Edge

The major competitive edge that COMPANY NAME will emphasize is the high quality of its customer service. The company will differentiate itself through the courteousness and good people skills of its Personal Care Attendants, along with their dependability. These efforts will generate good word-of-mouth advertising among the targeted customer group. As the company grows, special efforts will be devoted to the customer service training of new employees.

6.3 Marketing Strategy

Flyers, programs, and brochures will be an important source of information and education to convey the mission of COMPANY NAME. Additionally, the Company will market its services through traditional word-of-mouth sources (friends, family, etc). The marketing strategy attempts to successfully communicate the unique value the program offers to customers.

6.4 Fundraising Strategy

A grant or a series of grants, amounting to $500,000 is anticipated by COMPANY NAME in order to successfully execute its objectives.

Although, COMPANY NAME has not started operation due to lack of funding, the company currently has a waiting list for clients in need of in-home care services. During the first year of operations the company looks to service a minimum of 100 clients per month at the rate of $15 per hour.
Sales in this type of business are directly related to quality patient service and utmost satisfaction from referring physicians and health care facilities. It is perpetual business. One doesn't sell home health care; rather one sells excellent care, availability, and effective interpersonal relationships.

In a service industry, growth can mean loss of quality control, which in turn leads to client dissatisfaction. The services COMPANY NAME provides should always reflect the mission and oversight of management. The Owners want their clients to know that the quality of service they receive will be excellent, regardless of the individual service provider performing the service.

The Owners will therefore avoid the temptation to broaden the scope of COMPANY NAME’s services too quickly. Rather, they will focus their immediate attention on making the services that are offered of the highest possible quality. Only when those services are well-established and grounded in excellence will the Owner's consider expanding the service base.

6.4.1 Funding Forecast

The most important factor for our financial plan is collection of receivables. Our home health care services will be reimbursed primarily by Medicare, Medicaid, and other private insurances. History indicates that these payers are sometimes slow to reimburse and receivables can get hung up in the automated payment system if not tracked closely.

Our cost of sales is relatively low, as this is a service agency and the primary costs involved in providing the services are those related to payroll. The cost of sales reflects the cost of mileage reimbursement to employees, because the services we provide are home- and community-based and require travel to and from service locations.

Table: Funding Forecast

<table>
<thead>
<tr>
<th>Funding</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health Care Service</td>
<td>$1,419,208</td>
<td>$2,080,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td>$1,419,208</td>
<td>$2,080,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td><strong>Direct Cost of Funding</strong></td>
<td>$66,700</td>
<td>$72,000</td>
<td>$79,000</td>
</tr>
<tr>
<td><strong>Home Health Care Service</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Subtotal Cost of Funding</strong></td>
<td>$66,700</td>
<td>$72,000</td>
<td>$79,000</td>
</tr>
</tbody>
</table>

**Chart: Funding Monthly**

Funding Monthly

![Chart: Funding Monthly](image)
6.5 Milestones

COMPANY NAME's primary milestone is to obtain $500,000 in grant funding in order to add staff, develop marketing, and update computer equipment with the proceeds.

Table: Milestones

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Start Date</th>
<th>End Date</th>
<th>Budget</th>
<th>Manager</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtaining Grant Funding</td>
<td>7/1/2010</td>
<td>7/31/2010</td>
<td>$500,000</td>
<td>Owners</td>
<td>Department</td>
</tr>
</tbody>
</table>

Totals

$500,000
7.0 Management Summary

The two principals, INSERT NAME(S), have excellent credentials in this industry. This will benefit COMPANY NAME in two ways:

- New clients will be brought from previous client families.
- The experience each has will attract new clients.

INSERT NAME has 22 years of management experience, and extensive training on development of small businesses. INSERTNAME has 10 years of outdoor sales experience, marketing, and customer relation leadership ability.

7.1 Personnel Plan

The following is an explanation of personnel needs, costs, and benefits as listed in the Personnel table. COMPANY NAME has set a plan to hire 75 employees in the first year of operation at the rate $10.00 per hour in the first year, $10.25 in the second year, and $10.50 in the third year for cost of living increase.

The Company's organizational structure is outlined below and with the percentage of salary increase each will receive in 2011 and 2012:

- President and CEO: 15%
- Vice President: 15%
- Field Supervisor and office Manager: 10%
- Secretary: 15%
- Staffing Coordinator: 10%
Table: Personnel

<table>
<thead>
<tr>
<th>Personnel Plan</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSERT NAME</td>
<td>$48,000</td>
<td>$55,200</td>
<td>$63,480</td>
</tr>
<tr>
<td>INSERT NAME</td>
<td>$48,000</td>
<td>$55,200</td>
<td>$63,480</td>
</tr>
<tr>
<td>INSERT NAME</td>
<td>$24,000</td>
<td>$27,600</td>
<td>$31,740</td>
</tr>
<tr>
<td>INSERT NAME</td>
<td>$48,000</td>
<td>$55,200</td>
<td>$63,480</td>
</tr>
<tr>
<td>INSERT NAME</td>
<td>$24,000</td>
<td>$27,600</td>
<td>$31,740</td>
</tr>
<tr>
<td>45 Patient Care Attendants (PCA)</td>
<td>$864,000</td>
<td>$885,600</td>
<td>$907,200</td>
</tr>
<tr>
<td>30 Certified Nurses Attendants (CNA)</td>
<td>$576,000</td>
<td>$590,400</td>
<td>$604,800</td>
</tr>
<tr>
<td>Total People</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total Payroll</strong></td>
<td><strong>$1,632,000</strong></td>
<td><strong>$1,696,800</strong></td>
<td><strong>$1,765,920</strong></td>
</tr>
</tbody>
</table>

8.0 Financial Plan

The funding will be used for additional staff, computer equipment, website design and marketing and will be allocated as follows:

Staff: $300,000 per year
Marketing: $15,000 per year
Manager salaries: $140,000 per year

**COMPANY NAME**’s Net Worth is expected to be ($39,992) in 2010, ($16,486) in 2011, and $310,898 in 2012, respectively.
8.1 Start-up Funding

COMPANY NAME does not have any current assets nor do they keep inventory. The Company's net worth is comprised of long-term assets such as computers, furniture and office equipment necessary to conduct business as well as the initial $6,900 investment required to get the foundation formed, have a business plan written and grant writing completed.
## Start-up Funding

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-up Expenses to Fund</td>
<td>$6,900</td>
</tr>
<tr>
<td>Start-up Assets to Fund</td>
<td>$6,900</td>
</tr>
<tr>
<td>Total Funding Required</td>
<td>$13,800</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Non-cash Assets from Start-up</td>
<td>$0</td>
</tr>
<tr>
<td>Cash Requirements from Start-up</td>
<td>$6,900</td>
</tr>
<tr>
<td>Additional Cash Raised</td>
<td>$0</td>
</tr>
<tr>
<td>Cash Balance on Starting Date</td>
<td>$6,900</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$6,900</td>
</tr>
<tr>
<td>Liabilities and Capital</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Current Borrowing</td>
<td>$0</td>
</tr>
<tr>
<td>Long-term Liabilities</td>
<td>$0</td>
</tr>
<tr>
<td>Accounts Payable (Outstanding Bills)</td>
<td>$0</td>
</tr>
<tr>
<td>Other Current Liabilities (interest-free)</td>
<td>$0</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$0</td>
</tr>
<tr>
<td>Capital</td>
<td></td>
</tr>
<tr>
<td>Planned Investment</td>
<td></td>
</tr>
<tr>
<td>Owner</td>
<td>$13,800</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Investor</td>
<td>$0</td>
</tr>
<tr>
<td>Additional Investment Requirement</td>
<td>$0</td>
</tr>
<tr>
<td>Total Planned Investment</td>
<td>$13,800</td>
</tr>
<tr>
<td>Loss at Start-up (Start-up Expenses)</td>
<td>($6,900)</td>
</tr>
<tr>
<td>Total Capital</td>
<td>$6,900</td>
</tr>
<tr>
<td>Total Capital and Liabilities</td>
<td>$6,900</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$13,800</strong></td>
</tr>
</tbody>
</table>

### 8.2 Important Assumptions

It is the assumption of **COMPANY NAME** that the Estimated Monthly Fixed Cost will be $158,275.

**COMPANY NAME** is anticipating the receipt of grant funding of $500,000 in the 3rd or 4th quarter of 2010 to finance the Company's day to day operations.

### 8.3 Break-even Analysis

The following Break-even Analysis shows that $166,080 is needed in monthly revenue to break even.

#### Table: Break-even Analysis

<table>
<thead>
<tr>
<th>Break-even Analysis</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Revenue Break-even</td>
<td>$166,080</td>
</tr>
</tbody>
</table>
Assumptions:

Average Percent Variable Cost  5%

Estimated Monthly Fixed Cost  $158,275

Chart: Break-even Analysis
8.4 Projected Surplus or Deficit

The total operating expenses for the first year will be approximately $1,899,300 and increase in very small amounts over the following years. The reason for this is that **COMPANY NAME** will provide only 1 service, which is home health care. Therefore, unless an unforeseen circumstance should occur or an unforeseen expense insurrects itself into the mix of expenses already assumed, then the expenses for **COMPANY NAME** should remain fairly consistent. Since most of the operations that would need to be performed are not those done by machine, but rather by the hands and minds of a person, salaries for the employees of **COMPANY NAME** are over 50% of the operating expenses. This amount may seem disproportionate, but it is very much an accurate depiction of how much of the work will be done by the team and not by the team’s equipment.

**INSERT NAME** profitable company, **COMPANY NAME**, is currently leasing a facility in the amount of $1200 per month for business operations; **COMPANY NAME** will lease office space from **COMPANY NAME Agencies** for day to day operations at the monthly rate of $500.

**Table: Surplus and Deficit**

<table>
<thead>
<tr>
<th>Surplus and Deficit</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>$1,419,208</td>
<td>$2,080,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Direct Cost</td>
<td>$66,700</td>
<td>$72,000</td>
<td>$79,000</td>
</tr>
<tr>
<td>Other Costs of Funding</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Direct Cost</td>
<td>$66,700</td>
<td>$72,000</td>
<td>$79,000</td>
</tr>
<tr>
<td>Gross Surplus</td>
<td>$1,352,508</td>
<td>$2,008,000</td>
<td>$2,521,000</td>
</tr>
<tr>
<td>Gross Surplus %</td>
<td>95.30%</td>
<td>96.54%</td>
<td>96.96%</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>$1,632,000</td>
<td>$1,696,800</td>
<td>$1,765,920</td>
</tr>
<tr>
<td>Marketing/Promotion</td>
<td>$12,000</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td></td>
<td>First Year</td>
<td>Second Year</td>
<td>Third Year</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$1,200</td>
<td>$1,200</td>
<td>$1,200</td>
</tr>
<tr>
<td>Rent</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,800</td>
<td>$1,800</td>
<td>$1,800</td>
</tr>
<tr>
<td>Insurance</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>$244,800</td>
<td>$254,520</td>
<td>$264,888</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$1,899,300</td>
<td>$1,973,820</td>
<td>$2,053,308</td>
</tr>
<tr>
<td>Surplus Before Interest and Taxes</td>
<td>($546,792)</td>
<td>$34,180</td>
<td>$467,692</td>
</tr>
<tr>
<td>EBITDA</td>
<td>($545,592)</td>
<td>$35,380</td>
<td>$468,892</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$100</td>
<td>$600</td>
<td>$0</td>
</tr>
<tr>
<td>Taxes Incurred</td>
<td>$0</td>
<td>$10,074</td>
<td>$140,308</td>
</tr>
<tr>
<td><strong>Net Surplus</strong></td>
<td>($546,892)</td>
<td>$23,506</td>
<td>$327,384</td>
</tr>
<tr>
<td><strong>Net Surplus/Funding</strong></td>
<td>-38.54%</td>
<td>1.13%</td>
<td>12.59%</td>
</tr>
</tbody>
</table>
Chart: Surplus Monthly

Surplus Monthly

Chart: Surplus Yearly

Surplus Yearly
8.5 Projected Cash Flow

The information in the cash flow chart represents the predicted cash flow of 2010-2012. By the end of 2011, a positive net cash flow is achieved.

Cash flow projections are critical to the success of COMPANY NAME. The monthly cash flow is shown in the illustration; one bar represents the cash flow per month and the other represents the monthly cash balance.

The cash flow from operations is not projected to meet operating expenses for the foundation; it is for this reason the grant funding is necessary. Once grant funding is received OWNER’SNAME will purchase a fax, copier and computer for the Foundation.

The table reflects the expectation that the foundation will receive grant funding in the amount of $500,000 in 2010. The annual cash flow figures are included here, and the more important detailed monthly numbers are included in the Appendix.

Table: Cash Flow

<table>
<thead>
<tr>
<th>Pro Forma Cash Flow</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash from Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Funding</td>
<td>$1,419,208</td>
<td>$2,080,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Subtotal Cash from Operations</td>
<td>$1,419,208</td>
<td>$2,080,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td><strong>Additional Cash Received</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax, VAT, HST/GST Received</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>New Current Borrowing</td>
<td>$20,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>New Other Liabilities (interest-free)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>New Long-term Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Sales of Other Current Assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Sales of Long-term Assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>New Investment Received</strong></td>
<td>$500,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Subtotal Cash Received</strong></td>
<td>$1,939,208</td>
<td>$2,080,000</td>
<td>$2,600,000</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
</tr>
<tr>
<td><strong>Expenditures from Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Spending</td>
<td>$1,632,000</td>
<td>$1,696,800</td>
<td>$1,765,920</td>
</tr>
<tr>
<td>Bill Payments</td>
<td>$305,079</td>
<td>$356,849</td>
<td>$493,413</td>
</tr>
<tr>
<td><strong>Subtotal Spent on Operations</strong></td>
<td>$1,937,079</td>
<td>$2,053,649</td>
<td>$2,259,333</td>
</tr>
<tr>
<td><strong>Additional Cash Spent</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax, VAT, HST/GST Paid Out</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Principal Repayment of Current Borrowing</td>
<td>$0</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td>Other Liabilities Principal Repayment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Long-term Liabilities Principal Repayment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Purchase Other Current Assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Purchase Long-term Assets</td>
<td>$6,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Dividends</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Subtotal Cash Spent</strong></td>
<td>$1,943,079</td>
<td>$2,073,649</td>
<td>$2,259,333</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td>($3,871)</td>
<td>$6,351</td>
<td>$340,667</td>
</tr>
<tr>
<td><strong>Cash Balance</strong></td>
<td>$3,029</td>
<td>$9,379</td>
<td>$350,046</td>
</tr>
</tbody>
</table>
8.6 Projected Balance Sheet

The balance sheet table explains the factors, elaborated in the table itself, which shows a substantial increase in net worth by 2012.
### Pro Forma Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$3,029</td>
<td>$9,379</td>
<td>$350,046</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$3,029</td>
<td>$9,379</td>
<td>$350,046</td>
</tr>
<tr>
<td><strong>Long-term Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term Assets</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>$1,200</td>
<td>$2,400</td>
<td>$3,600</td>
</tr>
<tr>
<td><strong>Total Long-term Assets</strong></td>
<td>$4,800</td>
<td>$3,600</td>
<td>$2,400</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$7,829</td>
<td>$12,979</td>
<td>$352,446</td>
</tr>
<tr>
<td><strong>Liabilities and Capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$27,821</td>
<td>$29,465</td>
<td>$41,548</td>
</tr>
<tr>
<td>Current Borrowing</td>
<td>$20,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Subtotal Current Liabilities</strong></td>
<td>$47,821</td>
<td>$29,465</td>
<td>$41,548</td>
</tr>
<tr>
<td><strong>Long-term Liabilities</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$47,821</td>
<td>$29,465</td>
<td>$41,548</td>
</tr>
<tr>
<td></td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>Paid-in Capital</strong></td>
<td>$513,800</td>
<td>$513,800</td>
<td>$513,800</td>
</tr>
<tr>
<td><strong>Accumulated Surplus/Deficit</strong></td>
<td>($6,900)</td>
<td>($553,792)</td>
<td>($530,286)</td>
</tr>
<tr>
<td><strong>Surplus/Deficit</strong></td>
<td>($546,892)</td>
<td>$23,506</td>
<td>$327,384</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td>($39,992)</td>
<td>($16,486)</td>
<td>$310,898</td>
</tr>
<tr>
<td><strong>Total Liabilities and Capital</strong></td>
<td>$7,829</td>
<td>$12,979</td>
<td>$352,446</td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>($39,992)</td>
<td>($16,486)</td>
<td>$310,898</td>
</tr>
</tbody>
</table>

### 8.7 Standard Ratios

The information in the ratio analysis represents an industry profile as it applies to gross margins and funding.

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) code 8082, Home Health Care Services, are shown for comparison. Since **COMPANY NAME** is a non-profit organization and intends to utilize grant funds, profit margins may exceed 50%.

**Table: Ratios**

<table>
<thead>
<tr>
<th>Ratio Analysis</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Industry Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding Growth</strong></td>
<td>n.a.</td>
<td>46.56%</td>
<td>25.00%</td>
<td>4.07%</td>
</tr>
<tr>
<td><strong>Percent of Total Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>58.99%</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>38.69%</td>
<td>72.26%</td>
<td>99.32%</td>
<td>65.98%</td>
</tr>
<tr>
<td>Long-term Assets</td>
<td>61.31%</td>
<td>27.74%</td>
<td>0.68%</td>
<td>34.02%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>610.84%</td>
<td>227.02%</td>
<td>11.79%</td>
<td>29.50%</td>
</tr>
<tr>
<td><strong>Long-term Liabilities</strong></td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>52.00%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>610.84%</td>
<td>227.02%</td>
<td>11.79%</td>
<td>81.51%</td>
</tr>
<tr>
<td><strong>Net Worth</strong></td>
<td>-510.84%</td>
<td>-127.02%</td>
<td>88.21%</td>
<td>18.49%</td>
</tr>
<tr>
<td><strong>Percent of Funding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Gross Surplus</td>
<td>95.30%</td>
<td>96.54%</td>
<td>96.96%</td>
<td>94.51%</td>
</tr>
<tr>
<td>Selling, General &amp;</td>
<td>133.84%</td>
<td>95.41%</td>
<td>84.37%</td>
<td>50.96%</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising Expenses</td>
<td>0.85%</td>
<td>0.58%</td>
<td>0.46%</td>
<td>0.79%</td>
</tr>
<tr>
<td>Surplus Before Interest</td>
<td>-38.53%</td>
<td>1.64%</td>
<td>17.99%</td>
<td>7.77%</td>
</tr>
<tr>
<td>and Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Main Ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>0.06</td>
<td>0.32</td>
<td>8.43</td>
<td>1.24</td>
</tr>
<tr>
<td>Quick</td>
<td>0.06</td>
<td>0.32</td>
<td>8.43</td>
<td>1.22</td>
</tr>
<tr>
<td>Total Debt to Total Assets</td>
<td>610.84%</td>
<td>227.02%</td>
<td>11.79%</td>
<td>81.51%</td>
</tr>
<tr>
<td>Pre-tax Return on Net</td>
<td>1367.50%</td>
<td>-203.69%</td>
<td>150.43%</td>
<td>214.21%</td>
</tr>
<tr>
<td>Worth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-tax Return on</td>
<td>-6985.76%</td>
<td>258.72%</td>
<td>132.70%</td>
<td>39.61%</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Additional Ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Surplus Margin</td>
<td>-38.54%</td>
<td>1.13%</td>
<td>12.59%</td>
<td>n.a</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>0.00%</td>
<td>0.00%</td>
<td>105.30%</td>
<td>n.a</td>
</tr>
<tr>
<td><strong>Activity Ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable Turnover</td>
<td>11.97</td>
<td>12.17</td>
<td>12.17</td>
<td>n.a</td>
</tr>
<tr>
<td></td>
<td>27</td>
<td>29</td>
<td>26</td>
<td>n.a</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>-----</td>
</tr>
<tr>
<td>Payment Days</td>
<td>27</td>
<td>29</td>
<td>26</td>
<td>n.a</td>
</tr>
<tr>
<td>Total Asset Turnover</td>
<td>181.28</td>
<td>160.26</td>
<td>7.38</td>
<td>n.a</td>
</tr>
</tbody>
</table>

**Debt Ratios**

<table>
<thead>
<tr>
<th></th>
<th>0.00</th>
<th>0.00</th>
<th>0.13</th>
<th>n.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Net Worth</td>
<td>0.00</td>
<td>0.00</td>
<td>0.13</td>
<td>n.a</td>
</tr>
<tr>
<td>Current Liab. to Liab.</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>n.a</td>
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</tbody>
</table>

**Liquidity Ratios**

<table>
<thead>
<tr>
<th></th>
<th>($44,792)</th>
<th>($20,086)</th>
<th>$308,498</th>
<th>n.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Working Capital</td>
<td>($44,792)</td>
<td>($20,086)</td>
<td>$308,498</td>
<td>n.a</td>
</tr>
<tr>
<td>Interest Coverage</td>
<td>-5,467.92</td>
<td>56.97</td>
<td>0.00</td>
<td>n.a</td>
</tr>
</tbody>
</table>

**Additional Ratios**

<table>
<thead>
<tr>
<th></th>
<th>0.01</th>
<th>0.01</th>
<th>0.14</th>
<th>n.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets to Funding</td>
<td>0.01</td>
<td>0.01</td>
<td>0.14</td>
<td>n.a</td>
</tr>
<tr>
<td>Current Debt/Total Assets</td>
<td>611%</td>
<td>227%</td>
<td>12%</td>
<td>n.a</td>
</tr>
<tr>
<td>Acid Test</td>
<td>0.06</td>
<td>0.32</td>
<td>8.43</td>
<td>n.a</td>
</tr>
<tr>
<td>Funding/Net Worth</td>
<td>0.00</td>
<td>0.00</td>
<td>8.36</td>
<td>n.a</td>
</tr>
</tbody>
</table>

**Dividend Payout**

<table>
<thead>
<tr>
<th></th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
<th>n.a</th>
</tr>
</thead>
</table>