

BEST CARE BUSINESS

Chengyao Yin¹, Arphaporn Jongwiriyaaroenchai²
^{1,2}Graduate School, Southeast Asia University, Bangkok, Thailand
E-mail: ArphapornJ@sau.ac.th

ABSTRACT

The purpose of this business plan is to describe the development of Bestcare Business in the field of nursing facilities. As the global aging problem increases, so does the senior population in the U.S. The California Regional Senior Communities Report clearly states that the number of people over 60 years of age has increased by 3.32% annually since 2010. Best Care, on the other hand, is a partnership-based company. The company has been committed to the home care side of the business in the past. But at the moment, besides the problems caused by economic issues, people are pursuing community-based care facilities as part of the reason. The company has maintained a Full Holding share, and its significant shares are held by several partners. At present, best care is planning to develop two new care homes to cope with the increasing demand. This business plan is a detailed description of this plan. First, the current status of the company is described here. The market outlook, capital requirements, and potential competitors are then explained, and the company's strengths and weaknesses are analyzed. The company's payback period is 2.95 years, although the formula's NPV is 5.05. and IRR is 477. As an investment objective, the company's ROI is 93.7%, and breakeven point is 758,533, which means that the company's goals are excellent.

Keywords: Best care, Nursing care facilities, elderly, Florida

Section 1 Introduction

According to the World Health Organization 2022 report, global aging continues to increase. In the United States, for example, according to the US Census Bureau 2019, there are approximately 54.1 million people over the age of 65 in the country. In other words, older people make up about 16.5% of the US workforce. And in California, the number one state and county for population growth in the US, the projected increase in population as of 2060 is 11.7 million. However, in contrast, the population aged 60 and over is expected to grow at more than three times the rate of the total population. An annualized growth rate of 3.5% for the elderly population proves that the day-to-day care of senior citizens will be a serious matter in the near future.

As compared to 1980, current research shows that twice as many families are seeking residential and nursing homes as the preferred lifestyle for their elderly parents. It also proves that care homes are a profitable business. As a partnership founded in 1980, Best CARE Florida's mission is to provide high-quality, full-time care for seniors through licensed residential boards and nursing homes.

The company is administratively located at 208 South 28th Avenue,
Hollywood; 1031 Ives Dairy Road, #228, Miami; 2385 NW Executive Center Dr.

Suite 100, Boca Raton; And 7951 Ron Beatty Blvd, Micco. the home of Jennifer Lopez, R.N., one of two partners. In addition to attending to the administration and accounting duties, Ms. Lopez oversees medical services for elderly residents. Her partner, Henry Johnson, oversees the maintenance of the homes and does all of the shopping for food, furniture, patient supplies, etc.

Best Care Business owns and operates three five-bedroom homes in Hollywood, Miami-Dade, Palm Beach and Melbourne. Each home provides 24-hour full-care services for up to six residents. Two fully-trained caregivers have been hired for each home and live on the premises. In addition, contract-service caregivers work on the live-ins' days off.

The three current homes have been running profitably for the last three years. This market has created a high demand where the supply is short. Best Care Company plans to expand by purchasing two more homes over the next five years. The two new homes will be mortgage-free. They will be bought with cash from previous profits from the company that has been retained and invested by the partners.

This business plan will serve as a five-year plan that will guide the company through the administrative, marketing, and financial issues inherent in reaching a growth goal that will double the size of the company.

Section 2 Company description.

2.1 Best Care is a private, state-licensed home care company. The company was founded in 1980 and has been in business ever since. The current CEO and vice president are Marc Spector and Jacque Scherer, former President of the Florida Chapter of the Private Care Association (PCA) and current Registered Nurse, respectively. The company has been well known in the home-owned and operated service community since its inception. Professional executives manage the company with decades of experience in home health care. Their team is knowledgeable with a variety of backgrounds, including nursing, business, and legal expertise. This company is now located in Miami, Broward, Palm Beach, and Melbourne offices. And the company has maintained the number one position in these areas for private home healthcare needs.

2.2 company history.

The company was founded in 1980.

In 1985, the best care service center in Hollywood was opened.

In 1991, recent LEAD CLIENT SERVICES COORDINATOR, Sherie Stewart, taken part in Best Care South Florida.

In 2002, the current CEO, Marc Spector, joined Best Care.

In 2007, the current Vice president Jacque Scherfer comes to the company.

Best Care Nurses Registry Joined in Twitter in February 2010

In 2014, Best Care connected to AE Technology Group for asking to upload their YouTube advertising video.

2.3 mission statement

Best Care's mission is to recommend the highest quality home health caregivers who provide comprehensive, holistic Care for seniors in their own homes. The company aims to match caregivers with each senior. Registered Nurses, Nurse Practitioners, Certified Nursing Assistants, Home Health Aides, and Companions at Best Care work hard to provide a therapeutic environment for patients and families to learn to care for themselves after they have contracted with a client.

2.4 products and services

The major services contains caretaker, the registered nurse (RN), the nurse practitioner, Infant Nurse, post-surgical Care, Sitters, Veteran's Pension.

2.5 Current status

Currently, South Florida bestcare Inc. has four flagship offices under its name. Its current property equity is estimated at \$1 million. Bestcare Florida has a loan book of \$350K as of April 2020. The company has gross revenue of \$15million and 143 employees. Its SIC code is 80808 and NAICS code is 62621.

2.6 Legal status

Although the company is not certified for registration, according to the initial data, Best Care is a partnership company.

Partnerships have a different nature in Florida. Rights and proof of identity and income tax-related requirements.

2.7 Taxable for partnership company

Florida partnerships with partners subject to state corporate income tax forms require filing Form F-1065. This also applies to any limited liability company whose corporate partner is classified as a partnership for federal tax purposes.

2.8 Key partnerships

bestcare does not have a designated supplier or cooperative friend, but technical cooperative suppliers do exist. These include Cloudflare CDN, Facebook Workplace, PHP, reCAPTCHA, and AE Technology Group, all of which are companies involved in the maintenance of web information and the operation of major streaming media platforms.

Industry Analysis

3.1 SWOT Analysis, Total Factors Analysis Summary. (TFAS)

1.Strength analysis

Both the federal and state governments have maintained high levels of assistance that continue to increase.

2.Weakness

The industry is redundant due to past tax regulations and the fact that profits have remained high. In addition, there is a high concentration of product services.

3. OPPORTUNITIES

- 1). high-income growth has been maintained at a steady level of development.
- 2). the industry's high-income growth for highly qualified people has remained high over the next five years.
- 3). the number of adults aged 65 and over has maintained a high growth rate.

4. THREATS

Federal government spending on disability benefits for spiders has fallen by 3.2% between 2017 and 2022. In addition, the number of people with private health insurance has fallen by 0.2%. Furthermore, low-income growth across the United States is expected to increase at a lower rate between 2005 and 2022, with low outlier growth and low-performance drivers.

5. Total Factors Analysis Summary

the care facility industry has remained resilient and profitable over the five years to 2022. However, the COVID-19 (coronavirus) pandemic has caused more than 40.0% of all related deaths in nursing facilities in the US. Fortunately, \$4.9 billion in direct relief funding for skilled nursing facilities was released in May 2020. This eased the challenges for the sector, with revenue declining by 3.6% in real terms for the year. However, the industry could not avoid contraction altogether, with revenues contracting by 3.9% in 2021.

3.2 Five force model

1. Competition in the Industry

St. Augustine Health Ministries, Hcr Manorcare Inc and Ensign Group, Inc.

2. Potential of New Entrants Into an Industry

The entry barrier to the nursing facility industry is moderate, especially in states without certificate of need (CON) regulations

3. Power of Suppliers

The care facility industry has a low level of industry globalization, as US institutions primarily provide services to US citizens.

4. Power of Customers

This industry as well depends on medium to long-term customers.

5. Threat of Substitutes

Care facilities in the United States have more alternatives in their related sectors. Domestic options include US home care providers; US hospitals; US specialist hospitals, US retirement communities; and group homes.

3.3 Industry size, growth rate, and sales projections

The industry's figures for 2022 in the US are \$141.8 billion in annual revenue and 1.53 million people employed. The major scale of development is related to the number of people over 65 years of age in the country, which figures at 58.8 million. In 2022, the change in revenue is positive due to the US epidemic and the Federal Reserve's fiscal-related strategies. This year's income change is 3.96% positive compared to last year. The value added in terms of revenue was approximately 3.23%, and the number of institutions increased by 2.28%

Market segmentation and target market selection.

The four include a policy level, an economic level, a technical level and, most importantly, an analysis of the socio-demographic aspects.

4.1.1 The political dimension

Under this year's US Senate Bill 804, Florida will lower the minimum threshold for caregivers in nursing homes. This means that the number of caregivers in Florida's care homes can be widened to a greater extent. Also, 2022. Hundreds of millions of dollars more in Medicaid payments to care for the poor elderly and disabled in Florida. These two policy aspects tell us that the entire state of Florida, and indeed the entire United States, is stepping up its support for nursing homes for the elderly. This is helping the entire sector to maintain their stability and health.

4.1.2 The economy

It is true that there is some uncertainty and that the epidemic from 2020 onwards will prevent most people from travelling to crowded areas, which will in part affect the growth of care homes. The big figures tell us that

despite the decline in 2020, personal consumption expenditure figures have nearly doubled between 2010 and 2022. Furthermore, according to Chen and Dennis in their 2004 article on the economics of scale in nursing home care, it is clear that there are economies of scale in medicare post-acute care.

4.1.3 Technical aspects

The sector does not have much room for growth. Especially during the epidemic since 2020, the industry has remained flat. However, the industry has made progress in the treatment and care of newly crowned patients in relation to the epidemic.

4.1.4 Demographic and social aspects.

Both in terms of economic feedback and social adoption, there is a trend towards the participation of people in nursing homes. In addition, the ageing of the population and the growth of the elderly population is one of the reasons why people are becoming more willing to accept and choose care homes. According to a US government report, 16% of the population was over 65 in 19 years, but this is expected to grow to 21.6% of the population in 2024. The data also indicates above that the elderly population in Florida has also reached over 4.5 million in 2019.

4.1.5 Buyer behavior.

Buyers are keen to choose venues close to their homes, such as commercial centres or shopping venues near their homes. However, they also need to ensure a quieter, more stable environment, so maintaining a location around three to five kilometres from the city centre is optimal. Moreover, care facilities have a group living effect. It is usually ideal to set up in another care home of your choice, and to have the support of other nearby medical facilities.

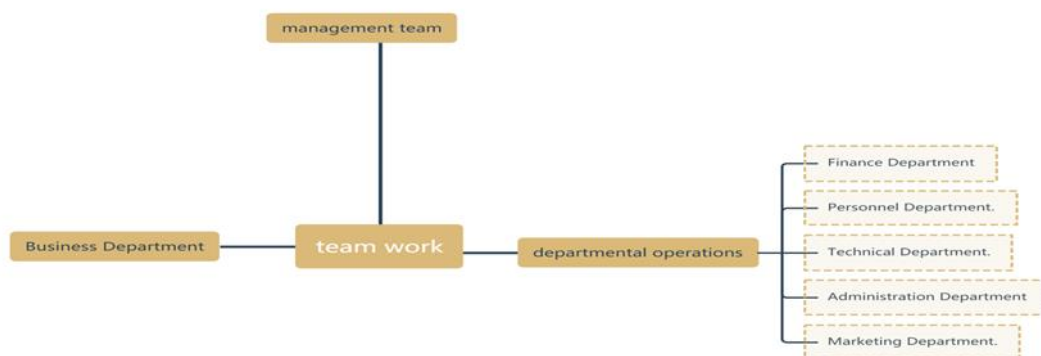
4.2 Competitor analysis.

Industry operators compete with other industry players (internal competition) and with other industry operators (external competition). Currently, the level of competition in the industry is high and increasing. In terms of the five forces competition model, competition for patients from hospitals and other healthcare providers has intensified in recent years.

4.3 Market plan.

A marketing plan is an operational document that outlines the advertising strategies that the organization will implement to generate leads and reach its target market. The marketing plan details the outreach and PR activities that will be undertaken over a period of time, including how the company will measure the effectiveness of these initiatives. This report will use the marketing strategy approach to design the marketing plan.

MANAGEMENT TEAM AND COMPANY STRUCTURE



OPERATION PLAN, PRODUCTION DESIGN AND DEVELOPMENT PLAN

The plan for the development of the operational level is. The steady growth of the elderly population and the increased demand for caregivers for patients after the new crown epidemic. Since the growth rate of Florida's elderly population is around 4% per year, the profitability drive for best care is also around 4% per year. However, because of the immature structure of the original workforce, I believe that a profit margin of about 10.2% is optimal for the next five years, based on the current workforce structure. Or 8% in the next three years, and 12% in the following two years. The core fixed cost is to build two to three new care homes, which requires the purchase

of your existing care home or the renovation of your existing care home, which is a cost. The price for a six-person care home. The price of a six room care home can range from \$100,000 to \$150,000. Private care homes in Florida are quoted at \$300 per day or \$9,000 per month, with CNAs and HNAs paying between \$10-20 per hour. This is about \$7,200 in overhead. Their operating margins are maintained at less than 20% versus the industry standard of 11.7%, so margins are maintained in this range. The original initial overhead will be expensed from earnings over the last three years. The product design will be broadened from the original caregiving alone to a full range of care. The issue of aftercare for newly crowned patients is a top priority in our upcoming product design. This part will be implemented in the next two years. The main operating model is. We will promote our product to a wide range of traditional media in order to increase our awareness of post-neonatal care. The goal of the development is to build and improve the infrastructure and operation of the three additional care homes within five years. The main objective is to maintain a price growth rate of about 4% per year and to increase the scale of development. This is also in response to the increasingly broad care market and the pressure of a stronger dollar in the coming years.

6.6 development plan

The development approach here is to increase the number of care homes, increase the number of staff caregivers and increase the number of sources of elderly population.

With the development of the whole industry, standardization is the general trend. At present, best care company has accumulated quite stable and long-term customers. Moreover, it is clear from the previous analysis that there is limited profit to be made from extensive publicity in a short period of time.

Therefore, the overall strategy for the company now is how to improve the company's standardization and how to steadily expand the territory. Therefore, the overall direction of development is divided into three steps.

The first step is to amend the articles of incorporation in accordance with the head nursing care home regulations.

Currently, although the detailed care home regulations are not given throughout the United States, basically these requirements are based on a selection of the head company's regulatory charter. Therefore, it is feasible to refer to some of the head's bylaws for amendments.

Financial Projections (feasibility, Financial)

This section discusses the financial projections for 2023 to 2027. These projections are based on business objectives and development plans to forecast future performance. Also, the forecasts take into account the macro environment, such as economic trends and pandemic conditions

1.1 Sources and uses of funds statement

These sources come mainly from revenue surpluses saved in previous years, financial subsidies from the state and federal governments, and possibly shareholder reinvestment.

These are mainly used for the construction of new nursing homes, for increasing publicity channels, for corporate training of current employees, and for skills training of contracted nursing staff.

1.2 Assumptions sheet

Due to the lack of current data for south florida best care, future trends can only be analyzed from a broad industry perspective. There are two tables in total, which are highly correlated. They will forecast the revenue, total number of establishments, number of companies, number of workers, and number of potential future clients for the nursing care facilities industry over the next 5 years and the percentage change in these values.

References

- Denmark: Denmark moving to strengthen international student recruitment. (2015). MENA Report, n/a. summary - sweetstudy.com. Retrieved from <https://www.sweetstudy.com/files/anatomyofabusinessplan-pdf>
- New Horizon. Retrieved from <https://newhorizonshomecare.com/>
- The Cannabis Industry – the Good, the Bad and the Good Again!. Retrieved from <https://www.maxqtech.com/2022/10/21/cannabis-industry-during-pandemic/>
- Porter's 5 Forces Explained and How to Use the Model - Investopedia. Retrieved from <https://www.investopedia.com/terms/p/porter.asp>

Agricultural And Forestry Machinery In South Korea. (2017). In Euromonitor Industrial and Sector Capsules. Euromonitor International Ltd.

Solved According to the Centers for Medicare and Medicaid - Chegg. Retrieved from <https://www.chegg.com/homework-help/questions-and-answers/according-centers-medicare-medicaid-services-cms-wound-prevention-care-key-indicator-health-q78744408>

The "Beowulf" Anglo-Saxony Epic Poem - 376 Words | Essay Example. Retrieved from <https://ivypanda.com/essays/the-beowulf-anglo-saxony-epic-poem/>

Florida State Genealogical Society - Archived Webinars. Retrieved from <https://flsgs.org/cpage.php?pt=254>

Registered Nurses (RNs) – Best Care Nurses. Retrieved from <https://bestcaresfl.com/registered-nurses-rns/>