



Business Plan



Charlene Brown, CEO & Founder
charlene@reciprocare.co

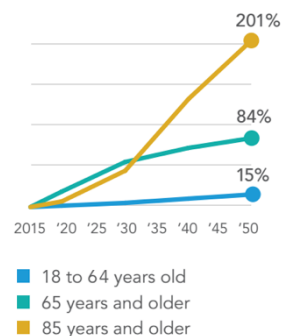
Rachel Fuller, Chief Growth Officer
rachel@reciprocare.co

1. INTRODUCTION

1.1 CONTEXT

America is aging and the need for qualified caregivers is increasing substantially.

As the Baby Boomer generation enters retirement over the next 20 to 30 years, America will face the largest elder population in its history. By 2030, an estimated 70 million US residents will be over the age of 65. The number of available paid caregivers (hereafter referred to as “caregivers”) is insufficient to support this generation to age in place. According to research, the demand for such caregivers is expected to grow by nearly 50% - reaching 5 million workers by 2020¹. Yet, the labor pool driving this workforce is expected to increase only by 2%, highlighting the gap between the need for caregivers and the limited workforce available to meet this need. It is not surprising that the Bureau of Labor Statistics lists caregivers among the nation’s top 5 growing professions.

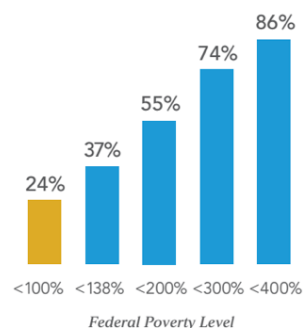


The home care industry is fragmented and served by agencies providing different categories of services.

There are several types of home care agencies, including private duty and home healthcare agencies. Both home healthcare agencies and non-medical home care agencies employ caregivers to provide support to seniors and disabled persons who need help living safely at home. They provide a wide range of “non-medical” services including, but not limited to, bathing, toilet hygiene, housework, meal preparation and getting out of bed. These agencies employ caregivers to provide non-medical home care.

About 9 in 10 home care workers are women. Most of America’s 2.2 million caregivers who are providing non-medical home care are female, minority, and poor; nearly 50% rely on public assistance.

HOME CARE WORKERS
BY POVERTY LEVEL, 2014



1.2 PROBLEM & OPPORTUNITY

Caregivers: Despite the rising demand for caregivers as the Baby Boomer generation ages, hundreds of thousands of caregivers have difficulty finding full-time work. Only 40% of caregivers are employed full-time throughout the year. Facing difficulty predicting their hours or income, caregivers change jobs frequently and juggle multiple jobs across agencies to create schedules that make sense for them. They are frustrated because they are just looking for simple, targeted ways to apply for and find work across multiple agencies.

Agencies: Despite widespread caregiver underemployment, home care agencies have a tough time finding workers. 70% report caregiver shortages as the biggest threat to the future growth of their business. It can take weeks for an agency to comply with state-mandated verifications for hire.

¹ PHI was formerly known as the Paraprofessional Health Institute

They struggle to hire quickly enough to keep up with demand from their clients. Some agencies are even turning away new clients or keeping existing clients waiting until they can hire the right caregiver whose schedule and credentials align with the client's needs.

1.3 SOLUTION & PRODUCT

ReciproCare is a technology-enabled business addressing home care labor market inefficiencies with a one-stop job search and application platform for caregivers. Our matching engine helps home care agencies and other recruiters find the caregivers with right skills, interests, availability and geography for fast-track hiring. Caregivers in our database are near ready for hire –employers can skip prescreening with our system and just interview and onboard workers. We offer employers unlimited job postings to incentivize them to provide more specific job postings (e.g. agency posts different job for each family seeking home care) to improve the detail about the job that is available to caregivers who are making decisions about where to work.

ReciproCare's "*Caregiver Common App*" makes it easy for caregivers to apply once for consideration for jobs at multiple employers. We only partner with employers who agree to accept the "*Caregiver Common App*" as a substitute for their own application. Our matching engine and job board can help caregivers find the right mix of jobs with complementary schedules to make it easier to work enough hours to achieve greater economic stability.

1.4 CUSTOMERS

ReciproCare's initial target customers are CEOs, HR/Recruiting Directors and Directors of Nursing at for-profit, non-medical, private duty home care agencies providing home care. We are targeting agencies that accept private pay and long term care insurance. We do not expect to find customers among the agencies that accept Medicaid as their only revenue source. Our research shows that such agencies have tighter margins and are not ideal early adopters.

2. COMPANY DESCRIPTION

2.1 MISSION STATEMENT

ReciproCare aims to expand the capacity of the long-term care industry to serve seniors and disabled persons while transforming access to employment opportunities for its low-income, largely female workforce. Our goals are to:

- Increase the the proportion of caregivers who are fully employed
- Expand the workforce capacity of the long term care industry

2.2 CORE TEAM

CHARLENE BROWN - MD, MPH: CEO & FOUNDER



Charlene knows first-hand the importance of in-home care in preventing adverse outcomes for seniors. Recognizing both the unmet needs in home care and underemployment within the aging caregiver workforce, Charlene founded ReciproCare as a natural extension of her preventive medicine career. Charlene is a graduate of Princeton University, Harvard Medical School and Harvard School of Public Health. She is Board-certified in public health and general preventive medicine and has more than fifteen years of experience addressing public health problems in resource-poor settings. She served as a Medical Officer at USAID and as the Deputy Commissioner at the Baltimore City Health Department where she managed a staff of nearly 200. As a recognized public health expert, Charlene has the vision and senior-level leadership and management experience to take ReciproCare from concept to scale. Her career has centered around bringing public health interventions to hard-to-reach populations in resource-poor settings and scaling them across countries and regions around the world. These skills will support ReciproCare as it moves towards revenue and impact.

RACHEL FULLER - JD: CHIEF GROWTH OFFICER



Rachel is the CEO & Co-founder of Feather, a venture-backed startup that provides an online platform to help families find, hire, and coordinate with independent caregivers in their area through a web and mobile app. Under her leadership, Feather grew from an idea to a fully-functioning platform with thousands of users nationwide. Rachel's strategic marketing and caregiver acquisition strategies help to grow Feather's caregiver user base from zero to 12,000 in only five months. Rachel is a graduate of the University of Memphis Cecil C. Humphreys School of Law. As an experienced entrepreneur in the aging technology space, Rachel brings her successful business growth hacking and strategies to ReciproCare.

RIANA SHAH: HEAD OF CUSTOMER SUCCESS



Riana is the Co-Founder of the GT Capital Labs, a social innovation center that runs an impact investment fund for entrepreneurs in low-income communities in India. She is also the Founder and CEO of Independent Thought and Social Action International (ITSA), an education reform venture that works with school districts to implement critical thinking and youth-led social entrepreneurship in curricula. ITSA has worked with 20,000 students and teachers across 19 cities and 11 countries and has received funding from the Davis Projects for Peace Prize, the Eugene Lang Foundation, and Google. Additionally, Riana is a Consultant and Senior Business Analyst for The Advisory Board Company (ABC). She holds a B.A. in Sociology, Anthropology, and Educational Studies from Swarthmore College. As an experienced social entrepreneur, Riana brings both her successful fundraising and product experiences (educational technology at ABC) to support

ReciproCare's sustainability.

2.3 ADVISORS

ReciproCare is also has a strong team of informal advisors:

DR. CHRIS GIBBONS

Dr. Gibbons serves as the Chief Health Innovation Officer (CHIO) at the Federal Communications Commission (FCC) and is the founder and CEO of the Greystone Group through which he advises entrepreneurs at the intersection of health, disparities, and technology. As a physician informatician, healthcare disparities and urban health expert whose research has focused on technology to improve healthcare disparities, Dr. Gibbons's work led to the emergence of a new field called Populomics – the intersection of population science, medicine and health informatics. He was the Associate Director of the Johns Hopkins Urban Health Institute before the FCC. He is applying his expertise in technology solutions that can reach low-income healthcare workers to support ReciproCare's product development and caregiver acquisition strategies.

SEAN GLASS

Mr. Glass is an entrepreneur, investor, Chairman and CEO of Advantia Health, a company that is integrating technology and providing care at the most convenient and efficient care sites for women and their families. Mr. Glass has founded and led numerous startups, including the higher education focused online financial services firm, Higher One, that was in the top 100 of the Inc. 500 list and went public in 2010 (NYSE:ONE). He met with Charlene weekly as her official business advisor during the 5-month intensive phase of her Fellowship in the Halcyon Incubator. Sean continues to serve as a resource, connector, and advisor for Charlene and for ReciproCare.

DAWN SEEK

Ms. Seek is a senior operational leader within the home care industry with more than 20 years of escalating experience and leadership in home care. She is currently the Maryland Director of Operations for Home Care Assistance and the Vice-President of the Maryland National Home Care Association. Dawn has launched private duty home care businesses in Maryland and has contributed to legislative policy and thought leadership in the industry. She is a licensed practical nurse, has a MBA, and started her career many years ago as a caregiver (Certified Nursing Assistant (CNA)). Dawn met with Charlene weekly for nearly a year as she researched the industry and developed ReciproCare's product.

TIM COX

Mr. Cox is a business and operational leader within the hospice and nursing home industry, where he has nearly 20 years of experience. Currently, he is the CEO of Washington Home and Community Hospice leading its transition from exclusively facility-based hospice to include home and community hospice services. Mr. Cox is the former Chief Operating Officer of the Armed Services Retirement Homes. He serves a resource, mentor, and advisor to Dr. Brown, sharing his depth of industry expertise to support the Company.

JOHN TUNNEY

Mr. Tunney is the Vice President of Client CFO Advisory Services at the Silberstein Insurance Group (SIG). He has over 25 years of CFO experience building emerging growth and middle market companies in both the public market and the private sector. He heads SIG's CFO Advisory Services Division and is helping companies like ReciproCare evaluate and project revenue for their technology solutions and businesses. Using his past experience in the area of HR administration and information technology, he helps clients meet both their business objectives and employee-focused strategies. John's experience even extends to oversight of year-end audits of online marketing and software development companies. He holds a B.A. from Washington & Lee University, an MBA from Loyola University of Maryland, and earned a CPA with high distinction.

ZACHARY LEVERENZ

Mr. Leverenz is the Founder and CEO of EveryoneOn, a national nonprofit working to eliminate the digital divide by making high-speed, low-cost Internet services and computers accessible to unconnected Americans. As a digital inclusion expert, he has connected more than 500,000 students, adults, seniors, and veterans to the Internet and has provided them with improved access to critical education, employment, banking, and government services. In his role, he has also raised over \$10 million in seed funds and multi-year investments from top philanthropic and corporate funders, including the Knight Foundation, the Cox Foundation, Microsoft, Google, and GitHub, while increasing year-on-year revenues by 75% from 2013 to 2016. Prior to founding EveryoneOn, he served as the CEO of Meet (Middle East Entrepreneurs of Tomorrow), and as the Managing Director of PeacePlayers International. He holds a B.A. from Dickinson College and an Ed.M from Harvard University.

2.4 STRATEGIC PARTNERS

DUPONT STUDIOS: DEVELOPMENT PARTNER

As part of the jumpstart program at Dupont Studios, we took part in a five-week program to work with their development, branding, and film teams to refine our product while being taught core technical skills. Their expertise working with startups includes SwingSpace, RentStatus, Puck, SalesVote and JustRequest.me.

LYFT: CAREGIVER ACQUISITION PARTNER

Reciprocare has partnered with Lyft to increase cross-market utilization of our shared labor forces. This includes referral incentives, shared content marketing, and perks for our shared users.

2.5 LEGAL STRUCTURE

Reciprocall Health, Inc. is a C-Corporation, incorporated in Dover, Delaware. Reciprocall Health,

Inc. has a foreign qualification in the State of Maryland, where it is doing business as ReciproCare Solutions, and Washington, D.C., where it is doing business as ReciproCare.

3. MARKET RESEARCH

3.1 INDUSTRY OVERVIEW

Home care occupations, particularly home health aides and personal care aides (referred to as “caregivers” throughout this document) are among those occupations expected to add the highest numbers of new positions to the workforce in coming years. Despite this growth rate, the workforce is will be insufficient to meet market needs as the Baby Boomer generation ages and family size shrinks, reducing the absolute number of family caregivers. The demand for home care is rising as Baby Boomers with more disposable income elect to age in place.

MARKET SIZE

In order to gauge our market opportunity, we have triangulated findings from multiple industry papers. For instance, the average homecare worker earns a median wage of \$13,300 a year². This is coupled with an industry-wide turnover ratio in excess of 60%. For industries with high turnover and low wages, research indicates that the cost of replacing employees is approximately 16% of their average yearly salary³. This indicates that, for our industry, we can estimate the cost of turnover to be \$2,128 per employee. Additionally, our entire economic impact is spread across the 2.2 million homecare workers that are employed by the industry. This amounts to a total market opportunity of \$4.68 billion.

3.2 TARGET MARKET

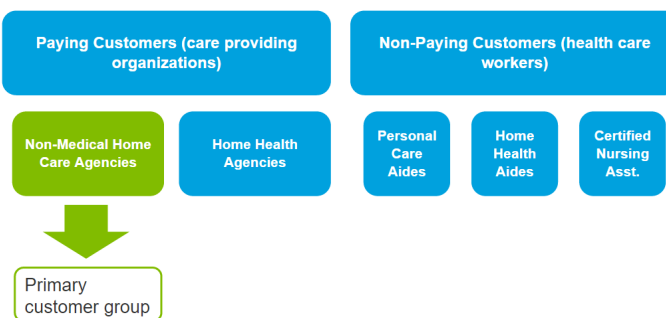
CUSTOMER MARKET

Our paying customers will be home care agencies, not seniors and families. Large local and regional agencies are excellent customer targets, given their need to recruit a large number of caregivers to serve new clients. Many of these home care agencies are struggling to hire caregivers quickly enough to serve their growing client base. ReciproCare is piloting in Maryland and will expand to additional metropolitan areas where the projected demand for home care exceeds anticipated occupational growth rates.

Initially, we are targeting small and large local agencies during the pilot phase and will

Understanding ReciproCare Customers

ReciproCare will service both a paying customer base and non-paying customer base.



² PHI was formerly known as the Paraprofessional Health Institute

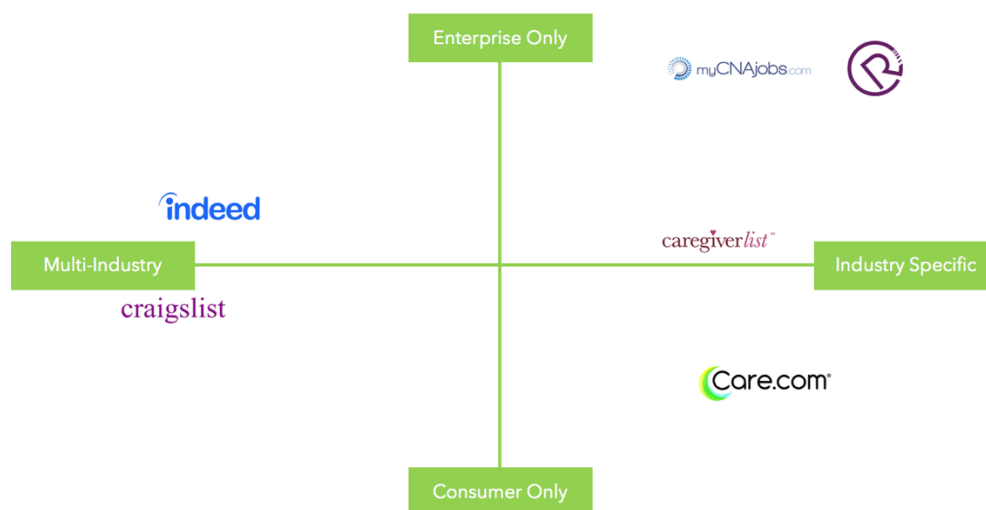
³ “There are significant costs to replacing employees”, Center for American Progress

expand to large national agencies over time. Our expansion timeline is explored in more detail in the Operations section of the business plan.

3.3 COMPETITORS

ReciproCare is a business-to-business (B2B) company with a two-sided marketplace between caregivers and home care agencies.] It is important to understand that we are NOT in competition with digital home care agency startups like Honor, HomeTeam, HomeHero, or Carelinx, all of which have a clear business to consumer (B2C) focus. We anticipate that these digital home care agency startups could be our future customers.

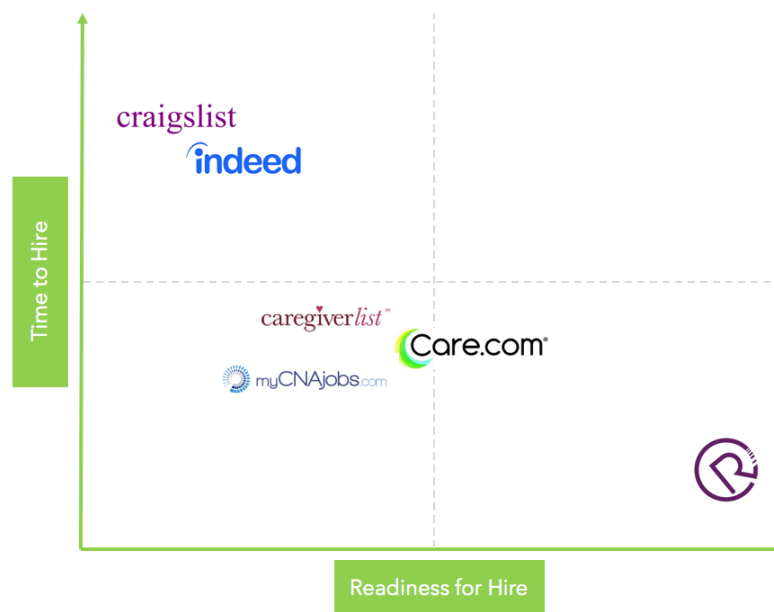
The 2016 Home Care Benchmarking Study ([Appendix 8.1](#)) highlights the most common strategies that agencies used to find caregivers. Home care agencies rely on word-of-mouth, static job boards like Craigslist, and slightly more flexible job boards like Indeed.com to find caregivers; none are specific to the home care industry. Some caregiver marketplaces enable agencies to post jobs and search for caregivers (e.g. Care.com, mycnajobs.com), but they don't ensure that caregivers have their documents ready-to-go in order to support agencies with rapid hiring in regulated states. ReciproCare will also recruit caregivers using Craigslist and most of these other methods to aggregate caregivers and couple them with offline, network-based strategies to reach caregivers. By sourcing caregivers from Indeed, Craigslist, CareerBuilder and other sites, we can simplify and streamline sourcing for agencies.



3.4 COMPETITIVE ADVANTAGE

ReciproCare will lower barriers to hiring the caregiver workforce by focusing on fast-track hiring and rapid on-boarding. ReciproCare couples its technology solution with a worker-centric approach to streamline inefficient, paper-based processes.

Easier to apply for the right job: Most job boards assume that candidates are looking for a single full-time, part-time, or contract job for a daytime, evening, or overnight shift. Caregiving occurs at all hours on all days, but job postings are often nonspecific and do not contain the information on where, when, and the special skills that a caregiver would be expected to use when working for a particular agency. Agencies are not incentivized to advertise more details about prospective jobs because prolonged pre-hire verification limits agencies from describing specific client needs since they won't be able to hire quickly enough for those needs. By shortening time to hire, we can transform how agencies advertise; they can be specific, enabling caregivers to compare schedules and skills required by each agency to mix and match opportunities in ways that fit their lives. This will make our matching engine more robust than that of our competition. We anticipate that better matching may help to reduce the industry's 60% caregiver turnover rate.



Caregiver common app: At ReciproCare, we are partnering with employers who will accept our “Common App” as the caregiver’s job application. Given our usability research to inform the design of the Common App, we expect greater uptake of our carefully designed, web-based mobile application.

User Experience: Research about smartphone utilization among low income populations and people of color has shown that smartphone owners from households earning less than \$30,000 annually are nearly twice as likely to use a smartphone to look for information about a job – and *more than four times as likely to use their phone to actually submit a job application*.⁴ In order to maximize caregiver engagement, we will use a mobile-first web design. This design has been simplified to challenge assumptions about common technology conventions and designed by and with caregivers.⁵ Our competitors within the industry do not currently have this reputation

⁴ [U.S. Smartphone Use in 2015. Pew Research Center.](#)

⁵ For example, in some of our user tests, caregivers did not know what the symbol commonly associated with uploading documents meant, or how to use it.

and would have to alter their messaging and behavior to convince caregivers that they are their advocates.

COMPETITOR ANALYSIS

[Appendix 8.2](#) shows how our competitors are currently inefficient. This is manifested in high turnover rates and high costs of caregiver acquisitions. To highlight some of the weaknesses of our competitors within this sector, we look at some specific pain-points, and ways that ReciproCare addresses them:

Competitor	Problem	How we're different
Craigslist	Static job board that is not industry-specific or dynamic. It is great for sourcing and yields large numbers of applicants; many are lower quality or just have no experience in caregiving. Home care agency recruiters can become overwhelmed when sifting through large stacks of unqualified resumes from Craigslist.	ReciproCare is home care industry specific and will help recruiters to do more targeted recruiting, saving time and frustration. Everyone in our database will be a caregiver, unlike respondents to Craigslist ads.
Indeed	Indeed is a job aggregator that sources listings from job boards like Craigslist, in addition to other sources such as company websites and associations. Similar to Craigslist, it is not industry specific and fails to consider the unique hiring process and regulations of the homecare industry. At over 80%, it also has the highest turnover ratio in the industry and leads to high acquisition costs.	Reciprocare offers users a solution catered to their industry, and uses its expertise with low digital literacy populations to onboard caregivers. It also saves agencies time by collecting vital documents to reduce the typical hiring time.
myCNAjobs.com	myCNAjobs.com marketplace is not designed by and for caregivers. Also, agencies complain that they don't have enough caregivers in specific jurisdictions. Furthermore, caregivers still have to apply again and go through a full recruitment process with agencies after completing the myCNAjobs.com application, adding time and redundancy to the process.	ReciproCare is designed by and for caregivers with the purpose of becoming the go-to site for caregiver job search. We are building caregiver loyalty by making caregivers the central focus of our business. For example, our partner agencies will accept our application as the only application that a caregiver must complete; this is not the case with mycnajobs.com despite their one-click apply option. Caregiver loyalty will be our competitive advantage.
Care.com	While Care.com has a recruiting business solutions arm, their caregivers are entrepreneurial and don't want to work for home care agencies. Their brand has been focused on enabling entrepreneurial caregivers to work directly with families to set up business relationships. Agencies are frustrated with the difficulty of recruiting caregivers from Care.com who want to work at agencies (as opposed to direct-to-consumer).	Our platform only recruits caregivers who want to work for home care agencies. We will be a resource that agencies can count on to find caregivers who want to work for home care and hospice agencies.
CaregiverList	Caregiver List focuses on both the B2B and B2C marketplace. Like Care.com, it also faces a problem of caregivers with divergent incentives. Agencies have a hard time choosing the best fit from the pool as certain caregivers are not looking to work at agencies.	Our platform is highly targeted and designed to meet the needs of agencies. Through Reciprocare, agencies reduce the time and friction it takes to hire new caregivers.

3.5 REGULATION

FAIR LABOR STANDARDS ACT

In 2013, the Department of Labor ruled that the Fair Labor Standards Act of 1974 should apply to the domestic service employment, particularly work in the home care industry. The Supreme Court upheld these changes in 2015. In summary, Federal minimum wage and overtime protections now extend to caregivers, a cadre that was previously considered exempt.

Facing higher labor costs due to the ruling and persistently low margins, many private duty home care agencies are limiting home care aide hours to avoid paying overtime, thereby exacerbating the existing problems with worker scarcity. Caregivers facing even more unpredictable schedules are even more motivated to look for additional hours of work at other agencies.

4.PRODUCT / SERVICE LINE

4.1 OUR PRODUCT

ReciproCare's recruiting platform will help private duty home care agencies to rapidly identify, vet, and deploy caregivers while reducing the amount of time needed to hire a new home care aide. At the same time, it provides underemployed caregivers who are working for multiple employers with a one-stop shop where they can search for and find additional work hours that match their precise, but frequently changing, availability. **Our system can reduce hiring times from weeks to days.** Our product roadmap has the following features that support this fast-track hiring:

AGENCIES:

- Agency Profiles (agencies can market themselves to caregivers)
- Job Postings (incentivize more detailed job postings for caregiver search)
- Caregiver Database and Profiles (search caregivers near ready for hire)
- Caregiver Matches (find caregivers to match each home care client's different needs)
- Interview Scheduling (skip prescreening & save time)

CAREGIVERS:

- Agency Database and Profiles (new data points relevant to caregivers)
- Uniquely Designed, Universal Caregiver Application (usability, save lots of time)
- Caregiver Profiles (caregivers market themselves to agencies)
- Job Board (job specificity means caregivers can mix & match jobs for more income)
- Job Matches (saves caregivers time)
- Credentials Management (stay up-to-date on eligibility for jobs)
- One-click applications (save time)

ReciproCare's platform matches the skills, availability, location and interests of unemployed or underemployed workers to the address the real-time and longer-term staffing needs of home care agencies. By enabling agency representatives to search ReciproCare's talent bench of caregivers who are available for fast-track hiring, the platform enables agencies to meet real-time and longer-term customer demands. Agency representatives may search the worker database or be matched to caregivers who are ready for near-immediate hire based on geolocation, skills, availability and fit.

4.2 PRICING STRUCTURE

ReciproCare is a subscription-based service that charges agencies a monthly fee that is tiered based on the agency's hiring needs. Our model charges agencies a flat fee for contacting a predetermined number of caregivers. See below:

	Tier 1	Tier 2	Tier 3	Enterprise
MONTHLY SUBSCRIPTION	\$299/Office	\$499/Office	\$999/Office	Pricing on Request

4.3 INTELLECTUAL PROPERTY RIGHTS

We have registered multiple domain names including reciprocalls.com and reciprocare.co. We have parked relevant social media accounts on Twitter, Facebook and LinkedIn for current and future use.

4.4 RESEARCH & DEVELOPMENT

The ReciproCare business model assumes that home care aide scarcity can be reduced by more efficiently matching the days of the week and the times of day that underemployed, hourly caregivers are available to work to the days of the week and times of day associated with the unmet demand of home care agencies.

By monitoring and mining the data collected from both agencies and home care workers, ReciproCare will be able to learn important lessons that could help to clarify and quantify the extent to which the perceived scarcity of caregivers is linked to underemployment and underutilization of the existing workforce.

We will interpret data from worker, agency, and family surveys and platform utilization to evaluate impact and inform improvement efforts. We will use qualitative methods to develop case studies for a more nuanced understanding of our social impact. We will employ data analytic techniques to learn from our data to consistently improve the quality of our matching processes.

USER EXPERIENCE RESEARCH

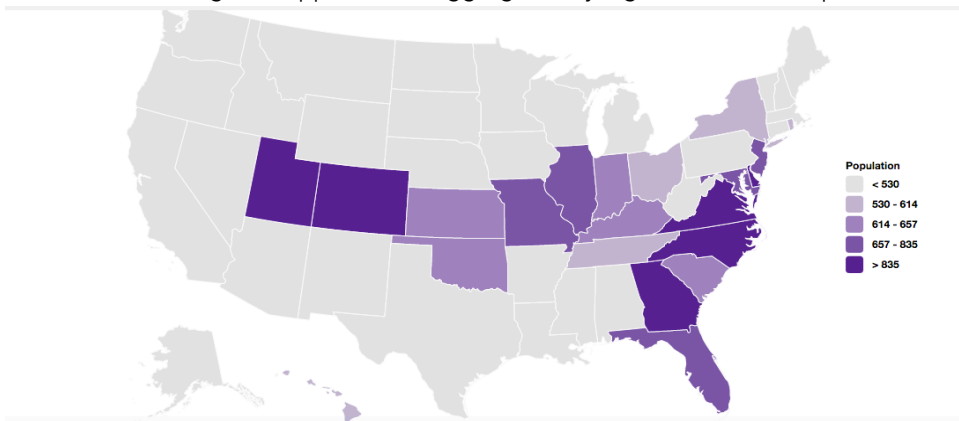
More than one million potential users have not been reached by existing caregiver marketplaces; these barriers to caregiver engagement inspire our high level of attention to caregiver user experience and user experience research. Much of our attention is going towards design of the document upload process. We expect to iterate on these usability and design issues over time.

5. OPERATIONS PLAN

5.1 EXPANSION PLAN

In a study released in December 2015, the U.S. Bureau of Labor Statistics stated that the compound annual growth rate for home care services, particularly personal care aides, between 2014 and 2024 would be, the highest among all industries. Yet, there are still not enough workers.

Illustration: Paid Caregiver Support Ratio (aggregated by high-need counties per state) - 2017



**The darker purple is associated with a higher paid caregiver support ratio. The higher the ratio (elder: paid caregiver), the more limited the jurisdiction's access to caregivers.*

At Reciprocare, we have developed a state-by-state plan for expansion between 2017-2018 starting in July 2017. We paid particular attention to analyses by aging technology expert, Laurie Orlov of *Aging in Place Technology Watch*, that show a gap between the prospective number of seniors aged 80+ and paid personal care aides, the fastest growing category of home care aides.

Timeframe	July-Dec	Jan-July	Aug-Dec
States	MD, VA	NY, NJ, PA	GA, AL, FL
# of Customers (Cumulative)	134	616	1245

5.2 HUMAN RESOURCES

In addition to the core team, Reciprocare also has strong expertise in key functional areas:



Tina Flynn
Caregiver Specialist
IT student by day, caregiver by night



Mehtab Bakhshi
Operations Director
Georgetown MBA Candidate

Our expansion strategy considers the additional human capital we will need until December, 2018. These can be broken down into the following roles:

Role	Hires
Caregiver Specialist	3
Sales Staff	3
Account Manager	2

5.3 LONG TERM / EXIT STRATEGY

Reciprocare's goal is to go beyond long-term care and reduce unemployment across multiple low-wage, high-turnover industries. We would accomplish this organically, or via a strategic buy-out.

As we approach market saturation with long-term caregivers and agencies following a national rollout, we would seek to incorporate additional service lines into our business model. Our customer research has shown that agencies also look for ancillary service providers – for instance, dining services, among others. Expanding our product into these service lines will allow us to provide value at scale to agencies and increase revenue generation within our existing client base. It would also allow us to leverage our insights to improve job opportunities for a greater subset of the low-wage, high-turnover population.

There have also recently been a number of acquisitions within this space. We would be open to bringing our experience and expertise with recruiting low-digital-literacy caregivers to a firm that is strategically looking to improve their reach within that sector of the market.

RECENT ACQUISITIONS

Company	Acquired By	Year	Sale Price
BuySellAds	Authentic Jobs	2017	-
Jobr	Monster	2016	-
Randstad	Monster	2016	\$429 MM
Hiree	Quikr	2016	-
Nubelo	Freelancer.com	2016	-
Bright.com	LinkedIn	2014	\$120 MM

In addition to employment focused acquisitions, the long-term care industry has also been looking to consolidate. Care.com, for instance, has bolstered its portfolio through the following buy-outs:

Company	Acquired By	Year	Sale Price
Kinsights	Care.com	2016	-
Citrus Lane	Care.com	2014	\$48 MM
Besser Betreut	Care.com	2014	\$23 MM
Breedlove	Care.com	2014	-
Parents In a Pinch	Care.com	2014	\$1.6 MM

6. MARKETING PLAN

6.1 GROWTH STRATEGY

The biggest challenges that ReciproCare will face are user (caregiver) acquisition and customer (agency) acquisition. In particular, ReciproCare will need to work carefully to balance the relative rates of customer and user acquisition to ensure that supply (caregivers) can meet customer demand (home care agencies) to ensure that both sides of this marketplace remain satisfied.

ACQUISITION CHANNELS

ReciproCare targets our two unique user classes, caregivers and employers through a combination of offline and online acquisition channels. Our early proof-of-concept tests utilized only rudimentary offline channels in small sample sets of our target users. However, in coordination with our beta launch we are employing a multichannel go-to-market strategy to saturate the caregiver and agency-owner population of the Baltimore and DC areas.

Our **offline sales channels** include direct sales, facilitated by our memberships in various professional organizations, and traditional print advertising via mail, local news sources, and industry publications.

Direct Sales:

- i. We will do direct sales to leads and warm introductions we've garnered through our participation in professional organizations listed below.
- ii. We also have access to a list of all the agencies registered in the state of Maryland and we will have targeted email and direct marketing flows specifically designed to convert them.
- iii. To reach caregivers, we table at job fairs at nursing and vocational schools, and we conduct free seminars on subjects like resume-building to not only recruit caregivers, but also to help them get through the first stages of onboarding with ReciproCare.

Professional Organizations:

- i. We are paid members of the [Maryland National Capital Home Care Association](#) (MNCHA) and have full access to the list of agency members; the majority are Maryland agencies. As members of MNCHA, we have also joined the Private Duty Working Group. We have presented our early work at member meetings and hope to tie both our Beta and launch to presentations to the Private Duty Group at MNCHA.
- ii. We are active participants in Aging 2.0 DC. Aging 2.0 is an international global innovation network focused on aging. As the winner of the Aging 2.0 DC and Baltimore pitch competitions and our attendance at the national meeting, we have gathered additional interest from home care agencies in upstate New York and California. Through the Aging 2.0 network, we can also access warm introductions to the national leadership of select home care agency franchises.
- iii. We are pursuing partnerships with employment agencies, nursing schools, and caregiver training programs. Through networks in the local government, we will connect with caregiver training programs and workforce development programs.

Referral Incentives

- i. We have garnered several of our early beta-tester agencies from referrals from other agencies in the Maryland area.

Traditional Print Advertising

- i. We will conduct direct mail marketing campaigns to agencies and agency-owners in the Maryland and DC areas to guarantee saturation for a relatively low cost. We can reach all 1202 agencies in Maryland for approximately \$600.
- ii. We will also engage in limited print advertising to target local immigrant newspapers and caregivers unlikely to engage online (e.g. older caregivers). While caregiver conversions do not directly translate into revenue, caregivers are essential for our customers.

ReciproCare's **online marketing channels** include email marketing campaigns, webinars, retargeting ads, job posting sites, content marketing, and social media campaigns.

- Google AdWords

- i. ReciproCare will utilize an online acquisition funnel for potential customers and caregivers based on the words and phrases they use to search for jobs and staffing solutions.
- ii. Our funnel:
 - Ad campaigns for key words and phrases.
 - Ads that capture clicks from potential customers.
 - Landing pages that capture new leads and direct them to convert into a paying customer.
 - Email drip campaigns to customers who do not convert immediately.
- iii. Our budget strategy:
 - Cost per click: > \$2.40

- Click through rate: 1%
- Micro-conversion (email capture): 10%
- Macro-conversion (converts to paying customer): 10%
- Job Posting Sites
 - i. We will recruit caregivers through the most popular job posting site in the industry: Craigslist. Not only does Craigslist get more caregiver traffic than any other job posting site, but it is also the most cost effective.
- Facebook Ads
- Online Content

MULTIPLE STATES

In 2017, ReciproCare will launch in Maryland and Virginia; both jurisdictions face a projected increase in the demand for home health aides by 2020. In both jurisdictions, the projected occupational growth rates for this workforce will not keep up with demand. After penetrating the market in these two jurisdictions, ReciproCare will expand to other jurisdictions along the Eastern seaboard and the Southeast with high projected increases in their demand for home health aides and occupational growth rates that do not keep up with demand, particularly in Massachusetts (54%), New York (45%) and New Jersey (43%).

CUSTOMER DIVERSIFICATION

As ReciproCare reaches a critical mass of caregivers, it will further diversify its home care agency customer base to move from large and small local home care agencies to include large national home care agencies and franchises, adult day care, and senior care facilities, all of which have higher volumes of client and high rates of turnover rates among caregivers.

INDUSTRY PARTNERSHIPS

Through partnerships with the Care Academy, ReciproCare will provide access to standardized online education for caregivers who are seeking additional work opportunities to supplement their income to increase their marketability and competence as caregivers of the disabled and older adults. ReciproCare is also developing partnerships with worker organizations (National Domestic Worker's Association (NDWA), caregiver training programs, workforce development and justice (Workplace Justice Project) programs, and other partners.

6.2 COMMUNICATION

Our customer communications will be through email, phone, and in-person meetings to evaluate customer satisfaction. Our teams of caregiver specialists and account managers will be the first line of staff who communicate with customers by chat, email, text, or phone to provide support. ReciproCare plans to actively engage our users and customers through our social media accounts

on Facebook (users, customers) and LinkedIn (customers). Additionally, WhatsApp is a commonly used form of communication used among caregivers and will be incorporated into our marketing strategy.

ReciproCare will offer 24-hour live customer service given the round-the-clock nature of the industry. We will ensure that our contact information is available to interested parties.

7.FINANCIALS

7.1 SALES PROJECTIONS

Reciprocare Projected Statement of Operations

	2017 Total	2018 Total	2019
Revenues			
Revenue Tier 1 (\$299/month)	\$ 53,820	\$ 1,622,793	\$ 5,430,306
Revenue Tier 2 (\$499/month)	-	396,880	\$ 2,540,641
Revenue Tier 3 (\$999/month)	-	261,988	\$ 2,606,866
Total Revenue	53,820	2,281,660	10,577,813
Cost of Revenue			
Development Payroll & Related	28,333	69,167	83,333
Miscellaneous	60,000	-	-
Total Cost of Revenue	88,333	69,167	83,333
Gross Profit	(34,513)	2,212,493	10,494,480
Operating Expenses			
Sales Payroll includes Commissions	22,208	102,917	119,167
G&A Payroll	106,417	242,500	252,500
Payroll Taxes	4,447	27,417	29,216
Employee Benefits	20,000	68,800	75,200
Channel Partner Costs	3,500	6,000	-
Rent	1,000	36,000	50,000
Phone	2,500	2,700	27,500
Insurance	7,000	20,000	40,000
Supplies	900	1,720	6,875
Miscellaneous	17,500	12,000	18,000
Legal	15,000	25,000	40,000
Market Research / Consulting	-	15,000	25,000
Professional Fees	6,000	32,000	20,000
Travel / Entertainment	8,750	23,000	60,000
Web Hosting Subscriptions	3,500	12,000	24,000
Computer and Internet Expenses	2,100	12,000	18,000
Dues / Subscriptions	4,000	7,000	6,000
Depreciation	150	1,200	(1,800)
Advertising/Literature	17,157	89,556	100,000
Total Operating Expenses	242,129	736,809	909,658
Operating Profit	(231,784)	1,475,684	9,584,822
Net Income Before Taxes	(231,784)	1,475,684	9,584,822
Income Taxes	(208,451)	1,267,233	-
Net Income	\$ (231,784)	\$ 921,504	\$ 9,584,822

7.2 HISTORICAL FINANCIALS

CASH FLOW STATEMENT

ReciproCare

Statement of Cash Flows

For Year Ending December 31

2015- 2016

	Actual 2015	Actual 2016
Cash Flow		
Net cash flow provided by (used) in operations	\$	(30,958)
Net cash provided by (used) from investments		-
Net cash from financing activities		38,611
Total cash inflows (outflows) for period	-	7,653
Cash & equivalents, beginning of period		2,809
Cash & equivalents, end of period	\$ -	\$ 10,462

BALANCE SHEET

ReciproCall Health, Inc Annual Balance Sheet

As Of:	31 Dec 2016	31 Dec 2015
Assets		
SunTrust - Checking - 3415	8,525.87	2,809.28
PayPal	1,936.10	0.00
Organizational Expense	2,362.98	2,362.98
Start Up Expense	10,841.15	10,841.15
Money in transit	0.00	0.00
Total Assets	23,666.10	16,013.41
Liabilities		
SunTrust - Credit Card - 0410	0.00	119.48
Salary & Wage Payable	0.00	0.00
Expenses Payable	355.29	0.00
Payroll Tax Payable	0.00	0.00
Loan Payable - Kiva (Amount: \$10,000, Maturity Date	8,611.10	0.00
Total Liabilities	8,966.39	119.48
Equity		
Additional Paid in Capital - Faran Negarestan	2,141.18	2,141.18
Additional Paid in Capital - Charlene Brown	42,740.75	13,652.75
Capital Stock - Faran Negarestan	20.00	20.00
Capital Stock - Charlene Brown	992.00	80.00
Retained Earnings	-31,194.22	0.00
Total Equity	14,699.71	15,893.93

INCOME STATEMENT

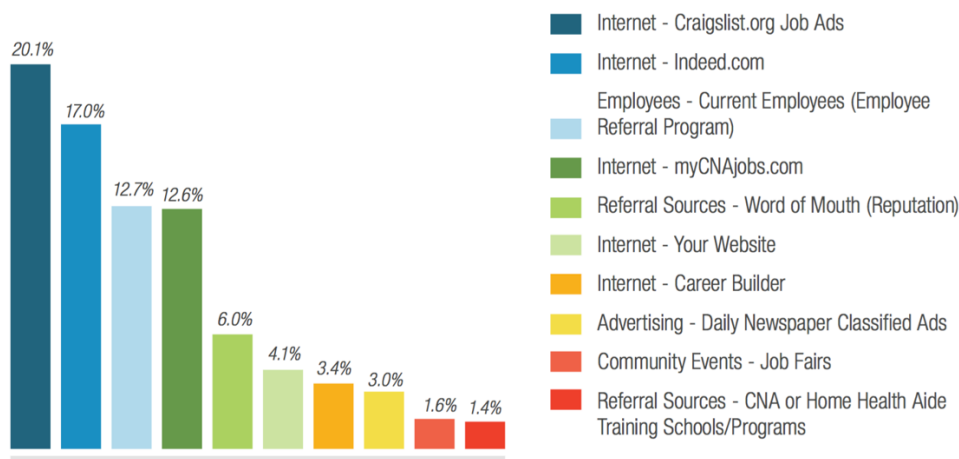
ReciproCall Health, Inc Annual Income Statement 2015 to 2016

Year	2016
Revenues	
Other Income - Contest Prizes	16,311.00
Total Revenues	16,311.00
Operating Expenses	
Bank & ATM Fee Expense	55.25
Business Insurance Expense	379.00
Business Meals & Entertainment Expense	334.34
Commission & Fees	150.00
Dues & Membership Expense	59.99
Independent Contractor Expense	8,552.00
License & Fee Expense	1,802.00
Marketing & Advertising Expense	2,540.92
Office Supply Expense	65.97
Payroll Admin Expense	45.00
Payroll Tax Expense	358.61
Phone & Internet Expense	91.68
Postage & Shipping Expense	15.02
Professional Service Expense	14,535.00
Recruiting & HR Expense	472.26
Rent or Lease Expense	7,086.28
Research & Development Expense	430.00
Salary & Wage Expense	6,096.20
Software & Web Hosting Expense	1,382.00
Training & Education Expense	1,049.35
Travel & Transportation Expense	2,004.35
Total Operating Expenses	47,505.22
Total Expenses	47,505.22
Net Profit	-31,194.22

8.APPENDIX

8.1 CAREGIVER ACQUISITION: CHANNELS

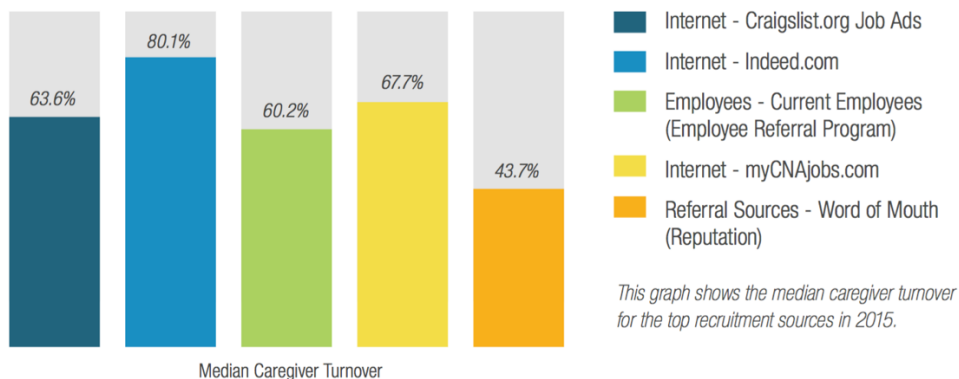
6.1 Top 10 Caregiver Recruitment Sources/Methods in 2015 - Overall



*Homecare Benchmarking Study (2016)

8.2 CAREGIVER ACQUISITION: CHANNEL TURNOVER

6.9 Top Recruitment Sources for 2015 - Median Caregiver Turnover



*Homecare Benchmarking Study (2016)