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# CareAcademy Business Plan

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**CareAcademy**

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### Executive Summary

CareAcademy is an online company dedicated to providing education and training to the over 40 million formal and informal caregivers in the US. Our team of educational experts, doctors, and caregivers creates classes that help caregivers to connect with experts, each other, and learn the best ways to provide care.

Our founders are Helen Adeosun, EdM a caregiver and master’s degree from the Harvard Graduate School of Educaton and Dr. Madhuri Reddy, a geriatrician and Assistant Professor at Harvard Medical School. As a caregiver, Helen Adeosun knows the frustration of having very vague answers to the most pressing questions. Our classes distill the most basic information about care and help caregivers find answers.

In-home non-medical care is an $84 billion a year marketplace that includes a fragmented network of agencies, paid caregivers, and family caregivers with very few local and federal oversights. Our curriculum and classes are a way to add standardization and best practices of what caregivers should know. Our classes are two hours or less and teach competencies such as what it means to be a caregiver, asking for support as a caregiver, and the legal issues surrounding being a caregiver. We offer a mix of both the clinical skillsets and the soft skills needed to work with a client or loved one.

Unlike our competitors that came into existence with institutions that provide care services, we focus on in-home caregiving only. More older adults are choosing to stay at home than ever before and this is only going to increase. According to the AARP, among older adults 90% expect to age within their homes. Private caregivers and family caregivers are the only ways to make aging in place possible, yet there are few opportunities for these caregivers to learn the skills necessary.

Our customers include: agencies that want to differentiate themselves, improve caregiver satisfication and thus improve retention, and improve clients satisfaction with their caregivers; formal caregivers who want to improve their skills and current job situation; and family caregivers. CareAcademy provide a simple way for them all to get the training and education that they need. Caregivers can pay $39-$49 for our classes and agencies pay up to $99 per caregiver for an annual license.

In the next 35 years, America’s older adults will make up 20% of the population. Let’s make sure that aging in their homes with dignity is possible, and ensure their caregivers are ready from day one.

### General Company Description

**What business will you be in? What will you do?**We provide online education for in-home non-medical private pay and family caregivers.

**Mission Statement:**   
We empower caregivers so they can provide excellent care for our loved ones.

**Company Goals:**

1. Become the world leader in online caregiver education

2. Provide excellent educational content that provides caregivers an unparalleled experience

3. Empower caregivers to feel prepared from day one

4. Keep caregivers so engaged that they come back for our educational content

5. Improve outcomes for older adults who live at home (eg. fewer falls and hospitalizations)

**Company Objectives:**   
We use following key performance indicators of success:  
- Revenue of over $500,000 by 2016 and $12 million by 2019  
- a high Net Promoter Score (eg. caregiver and family satisfaction)

**Business Philosophy:**   
We offer high quality training resources for formal (paid) and informal (family) caregivers to care for loved ones so families have confidence in their caregiver or as a caregiver themselves.

**Description of Customer:**We have two types of customers:

1. Agencies that employ private duty caregivers (e.g. Home Instead or the online company HomeHero). There are more than 60,000 of these agencies in the U.S.

2. Caregivers (formal and informal). There are over 40 million in the U.S.

**Industry Overview**By 2050, America’s aging will compose 20% of the overall population. Companies serving aging and caregiving will see a 9% annual growth rate: in fact, private pay caregivers represent the fastest growing labor segment in the US. The industry is highly fragmented with several hundred franchises (e.g. Home Instead) that may have on average 150-200 offices all over the country, and tens of thousands of smaller agencies (e.g. Iowa Comfort Care, one of our customers). There are few standards for in-home non-medical caregivers. The Affordable Care Act assisted the six states (including Massachusetts and Iowa, both states where CareAcademy is currently based) in developing pilot programs to train these caregivers. These efforts have not been able to meet the demand. CareAcademy sees the opportunity here to create a training resource.

**Competitive Summary**  
Ours is the only company solely focused on educating in-home non-medical caregivers. Our competitors focus on nursing, institutional care and core competencies our customers do not need. Our customers who want something more in-depth for what they are looking for rely on our content.

We are a company uniquely founded by caregivers, educators, and doctors. We are positioned to create content that in-home formal and family caregivers want.

**Legal Form of Ownership**CareAcademy.co, Inc. is a registered C-Corp in Delaware. We have received investment money from angel investors and we believe this was the best way to structure the company.

### Products and Services

We offer online classes that are self-paced. Customers can either purchase one of our five certificates (a group of classes) or individual classes. Caregivers pay $49 per class and up to $150 for an unlimited license to all of our classes. Agencies pay on average $75-$99 per caregiver for unlimited access. On average, a contract with an agency is $5,000.

**The cost of servicing an agency includes:**

* Cost of onboarding caregivers
* Certifying and badging caregivers
* Reporting class feedback to the agency regarding those that have completed

**Competitive Advantage**1. Our narrow focus on in-home non-medical caregivers helps us deliver relevant and quality classes.

2. Our classes rely on video rather than the standard PowerPoint only, and include interactive questions embedded into the class experience. For example, in our Falls class, caregivers practice finding places where a senior is at risk for falling within our model interactive home.

3. We keep the classes short so that caregivers that are pressed for time can access our classes anywhere and anytime.

**What are the pricing, fee, or leasing structures of your products or services?**We currently serve up classes a la carte and through a subscription program:

|  |  |
| --- | --- |
| **Individual Classes (a la carte)** | $ 49/class |
| **Subscription** | $ 150/class |
| **Agency License** | $ 99/caregiver |

### Marketing Plan

##### Market research:

* The latest employment estimate for the private pay caregivers surpasses 3.3 million and projected demand calls for an additional 1.6 million new positions by 2020[[1]](#footnote-0).
* Combined revenues of industries providing home care and personal assistance for seniors totaled over $84 billion[[2]](#footnote-1) (2009 Service Annual Survey Data of the U.S. Census Bureau).
* Discrepancies in training are vary widely between and within states and affects quality of care.
* 12 states mandate: family caregivers are provided training upon patient’s hospital discharge[[3]](#footnote-2).
* Consumer‐directed caregivers usually require even less training than agency-hired caregivers.

##### Economics

Facts about the Industry:

* the size of the market includes 67 million family formal and informal caregivers of elders.
* There are over 60,000 agencies that provide private duty care, and over a million caregivers working within these agencies.
* The home care industry has seen a 9.4% annual increase even during the most recent recession, and report 34% increase in placements of non-medical caregivers.

**Barriers to Entry**

* The barriers to entry for CareAcademy classes include the following:
* High production costs for creating materials: CareAcademy owns its own IP (we create our own classes).
* Consumer acceptance and brand recognition: CareAcademy is working on building trust with caregivers and their employers.
* Training and skills: the majority of elder caregivers are over 45 years old and have a variety of different experiences in technology.
* Labor/Unions: There are 2 prevalent agency models - those that hire caregivers as full employees and 1099 contractors. Legally, agencies with 1099 contractors cannot pay for or mandate trainings.

**Overcoming Barriers**

* + High production costs for creating materials: CareAcademy will address this by creating similar classes and sharing several aspects those classes have in common to reduce or eliminate costs.
  + Consumer acceptance and brand recognition: CareAcademy uses customers as a distribution channel. Companies and agencies using our training let their clients know that they are a CareAcademy company.
  + Training and skills: We adopt and create technology and UI that aligns with the needs of our users.
  + Labor/Unions: We are already working with 1099 based agencies and looking for ways to help them creatively screen and offer opportunities to train caregivers.

**How could the following change CareAcademy:**

* Change in technology: caregivers increasingly access our classes on mobile devices. Our classes are already mobile responsive but in the near future we may integrate a native apps for phones.
* Change in government regulations: this could positively affect our business. In California, changing legislation set to take effect in January 2016 mandates that private pay caregivers take a mandated number of trainings that we will offer. There are several states that are considering similar training. 12 other states including Tennessee and Massachusetts require mandated family caregiver training.
* Change in the economy: Caregiving is actually needed more in poor economic times so wage earners in the family can work.
* Change within industry: The biggest change in our industry is legislation. As agencies become more regulated, we will be able to assist them in being compliant with any new mandates.

##### Product

**Features and Benefits**

These are the basic certificates that CareAcademy offers. Within each of these there are 5-10 classes caregivers complete to earn the certificates:   
CareAcademy™ for in-home non-medical private pay

CareAcademy™ Essentials (10 hrs)

CareAcademy™ SuperCaregiver (20 hrs, in addition to CareAcademy Caregiver Essentials)

CareAcademy™ Professionalism (10 hrs)  
CareAcademy™ Caregiver Update (10 hrs)

CareAcademy™ Family Caregiver Basics (10 hrs)

Here are a sample of our classes:   
Being a Caregiver  
Communications: Communication Skills with Elders  
Communications: Communication Skills with an Elder’s Family  
Activities of Daily Living  
Independent Activities of Daily Living  
Infection Control  
Use of Adaptive Equipment  
Safety and Prevention  
Confidentiality and HIPAA  
Elder Abuse and Prevention

Features:

* Short 2-hour class or less
* Expert created videos
* Interactive Assignments
* Video playback and start
* Pre-test and Post-test to see how your knowledge has increased
* Printables for you to use wherever
* One year access anytime

Benefits:

* Prolonged learning time for caregivers to go back and review
* Digital certificates so caregivers can promote themselves to employers
* Caregivers are able to talk and connect to other caregivers
* Caregivers can communicate and build on their learning at their own pace

**Follow-up:**

* CareAcademy sends monthly report to agency
* Badges and caregivers sent to caregivers and families
* Quarterly follow up with CareAcademy agencies
* There are personal coaches that are responsible for individuals within the accounts and encouraging them to successfully complete. This has resulted in an average 52% completion rate, above the 13% average seen in online class completions.

##### Customers

**Individual paid caregivers according to industry reports would be in the following demographic:**

* 47 years old
* Female
* Major cities
* $26,000
* High School Degree, GED, Associates Degree, Nursing
* 51% White, 49% Person of Color

**For family caregivers the demographics tend to be:**

* 43 Million caring for adult 50+[[4]](#footnote-3)
* 48 years old
* Female
* Unpaid
* High school- Graduate degree (range)

**For home care agencies:**

* Major metropolitan areas and places with aging populations
* 20-75 caregivers
* Will typically pay for services directly related to finding caregivers
* 1099 classification or w-2 direct employees

##### Competition

In the final column, estimate the importance of each competitive factor to the customer.   
1 = critical; 5 = not very important.

**Table 1: Competitive Analysis**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **FACTOR** | **CareAcademy** | **Strength** | **Weakness** | **IPCED** | **Red Cross** | **Importance to Customer** |
| **Products** | interactive video | X |  |  |  | 2 |
| **Price** | We have been working on pricing – we are a bit expensive right now |  | X |  |  | 1 |
| **Quality** | Of utmost importance | X |  |  |  | 2 |
| **Selection** | Not a large selection yet |  | X |  |  | 1 |
| **Service** | Great service | X |  |  |  | 1 |
| **Reliability** | Making sure that caregivers can access training and there is no down time on servers | X |  |  |  | 3 |
| **Stability** | The platform is readily accessible | X |  |  |  | 4 |
| **Expertise** | The content is created by legitimate content experts | X |  |  |  | 1 |
| **Company Reputation** | We are relatively unknown |  | X |  |  | 2 |
| **Location** | N/A |  |  |  |  | 5 |
| **Appearance** | The homepage of our site is the appearance of the site | X |  |  |  | 3 |
| **Sales Method** | direct sales, emails, calls, Facebook ads, webinars & informational | X |  |  |  | 1 |
| **Credit Policies** | Not necessary typically pay within net 30 days | N/A |  |  |  | 4 |
| **Advertising** | Use direct mail and more social media because of the age range of owners of agencies | X |  |  |  | 2 |
| **Image** | Not very well known or established |  | X |  |  | 2 |

CareAcademy.co has classes that are interactive, and equals or surpasses online content quality based on our customer discovery interviews and our first customers. While the pricing is higher than our competitors, our classes are of better quality, and we are self-funding through revenues from customers. While our competitors may have *more* content, CareAcademy has more *specific* content of interest to in-home non-medical caregivers.

##### Niche

Our niche is education for in-home formal and informal caregivers. Our classes are pragmatic and provide caregivers the ability to access the classes when and where they need them.

##### Strategy

**Promotion**

In order to promote to private pay caregivers and family caregivers, we work with agencies and caregiver associations to make them all aware of the training opportunities we offer. The best means of finding caregivers and training opportunities is through employers.

Advertising would be a mix of social media and traditional media. The demographic that we are targeting has a median age of 45 years old and we are trying out direct mail and Facebook as a way of communicating with caregivers.

Based on our budget, we have allotted using Facebook: both organically through Facebook caregiver groups, as well as ad space.

The other means of engaging caregivers and agencies that we would utilize would be trade shows (eg. Private Duty Care Agency Conference) and in person smaller events (eg. support groups for family caregivers). Word of mouth is also incredibly important and we want to ensure that because caregivers speak to each other, they’re able to attest to how the classes that we provide help them. At CareAcademy we want to project an image of dependability, supportive, practicality, and engaging. We want caregivers to feel empowered in their roles. Our classes and online community are a way of doing that.

For agencies, we use a CRM to engage them continuously in the sales process.

**Pricing**

We have been told to have our pricing strategy at a premium to highlight our quality. In contrast with this, the feedback we have is that pricing may be too high, so we are considering a monthly pricing feature for our customers, rather than pricing too low. We continue to model ways to make this work.

Price is definitely a consideration for our customers. Agencies see a 40-50% margin for profits and we must consider value as well as quality. Caregivers are often unpaid or paid low wages, so we must price competitively for volume, and possibly discount for them.

**Distribution Channels**

The distribution channels for our company through direct, our own sales force and referral partnerships. For instance, our company uses distribution network through UrbanSitter.com

**Direct Sales:**Caregivers and agencies can access our classes directly and purchase a subscription to our classes.

**Sales Force:**We have two sales people: our CEO and a contractor (Dan Glickman). We are generating sales through using a list of 60,000 agencies in the US and a seven touch sales process that allows us to convert agencies within 2-3 meetings.

**Referral Partnerships:**There are some agencies and caregivers that we are not able to work with because of labor regulations, they cannot mandate that caregivers take training as employees. These referral agencies are looking to connect with CareAcademy to create new opportunities for caregivers to connect to learning such as a referral partnership for taking our online classes. The agencies will direct caregivers to our site and we can then share the referral amount on a percentage basis. For instance, we have a referral partnership with UrbanSitter that guarantees a 30% discount for the caregivers and a 5% give back for UrbanSitter in any revenue made.

##### Sales Forecast

##### In November 2015 we anticipate $26,999 in sales. We are setting the goal of having 8-10% month over month growth for CareAcademy in 2016 with the following as monthly targets.

### Operational Plan

##### Production

Our videos are produced and directed by a production company based in Boston, MA and Cedar Rapids, IA. They oversee all aspects of producing video and maintain quality control and continuity in the classes that we create. Our instructional designer, Adia Wallace is responsible for overseeing class production and project manager of contractors.

Explain your methods of:

* The cost of production for our classes is roughly $2,500 to $3,000.
* Our customers are serviced by our number 1-866-273-3895 and customer service representatives that include myself and several other staff members.
* We create classes in quarterly intervals and based on the priorities of our caregivers.

##### Legal Environment

* There are no industry regulations in teaching online classes for private duty caregivers thus we have decided to follow the path outlined by many of our competitors.

##### Personnel

* We have 3 employees.
* We have advanced degrees in medicine, technology and/or education.
* As we scale in users and revenue we will grow our support and sales staff in 2016.
* We need additional support staff and accountants to help with onboarding agencies and caregivers.
* Adia Wallace is the Instructional Designer; Helen Adeosun is the CEO and Sales Director; and Madhuri Reddy MD is the Chief Medical Officer and the content writer for CareAcademy. We currently have work procedures but after we approach 7 employees we realize that we need procedures for our staff.
* In addition to employers, we use contract workers to complete technical and support help with employers. For instance design and design is taken care of by a consultant. Most of our classes and success coaches are 1099 employees.

##### Credit Policies

* Generally, we do not let customers purchase on credit but as we face with new customer segments we may consider letting them purchase on credit.

**Managing Your Accounts Receivable**

* After 30 overdue I will make a call that the payment is overdue.
* After 90 overdue we will send a letter to the client.
* After 120 days we will have the lawyer call.

### Management, Organization, and Financials

On a day to day basis, Helen Adeosun, CEO will run the company and the contractors. As Chief Medical Officer, Madhuri Reddy MD is responsible for creating and planning content.

##### Professional and Advisory Support

* Our advisory board includes Sara Bingham, Nicco Mele, Barbara Clarke, Stephanie Goodell, Tara Edelman, and Tara Greco.
* Prithvi Tanwar a lawyer at Foley Hoag.
* We’re in the midst of finding our accountant and rely on Quickbooks to maintain our books.
* Adia Wallace is a graduate of the Harvard Graduate School of Education, Instructional Design and Dan Glickman, formerly Director of Sales at Care.com the largest provider of care services in the world.
* Eric Engelmann, CEO of Geonetric one of the largest content servicer in the US is a key strategist and advisory.

**Personal Financial Statement**

Helen Adeosun has spent a total of $20,000 to initially finance the company and raised over $150,000 in funding. Helen Adeosun has an annual salary of $18,000 that is included in the expenses.

Madhuri Reddy MD has added $10,000 and sweat equity into building the company.

##### 12-Month Profit and Loss Projection and Projected Cash Flow

We currently have a net payment of 30 days for our customers to purchase CareAcademy classes and a license. We have attached a balance sheet for your reference of that projected cash flow and pro-forma.

##### Break-Even Analysis Based on our cashflow analysis we predict a break even by April 2016 of over $250,000 of initial debt and loans for CareAcademy.co.

1. Occupational Projections for Direct-Care Workers 2010–2020. (2013, February 1). Retrieved November 25, 2015, from http://phinational.org/sites/phinational.org/files/phi\_factsheet1update\_singles\_2.pdf [↑](#footnote-ref-0)
2. Caring In America. (n.d.). Retrieved November 25, 2015, from http://phinational.org/sites/phinational.org/files/clearinghouse/caringinamerica-20111212.pdf [↑](#footnote-ref-1)
3. Bondioli, S. (n.d.). Training For Family Caregivers Is A New Focus In Some States. Retrieved November 25, 2015, from http://www.huffingtonpost.com/2015/06/22/family-caregivers\_n\_7637260.html [↑](#footnote-ref-2)
4. Selected Caregiver Statistics. (n.d.). Retrieved November 26, 2015, from https://www.caregiver.org/selected-caregiver-statistics [↑](#footnote-ref-3)