



**FRANCHISE BUSINESS PLAN (EFB)**

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## I. EXECUTIVE SUMMARY

*Home Instead Senior Care* offers a unique and individualized approach to help seniors stay safe and sound at home, giving them the option to stay “home instead”.

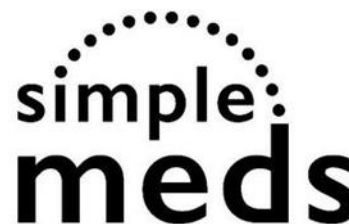
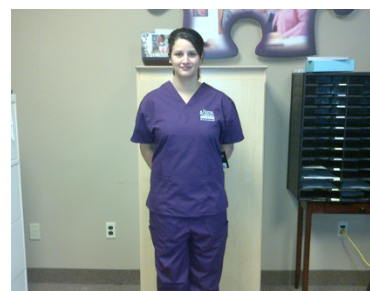
At its core, *Home Instead* runs on a franchise business model, selling a proven business model to prospecting franchisees. This proven business model runs on a recurring revenue model, also known as a subscription model, that sells caretaking services to clients through a personalized schedule with the appropriate rates.

As a company, *Home Instead* has received worldwide recognition and created a powerful sense of social responsibility in creating “a future where all people could age with greater hope and success.” It is clear that *Home Instead* has developed a strong reputation and position in the senior in-home care industry.

This plan serves as a proposal to buy into the *Home Instead* franchise as a franchisee with venture funding. The new franchise location office will be in the exclusive York territory outlined by *Home Instead Senior Care*.

The primary service offered by *Home Instead* is non-medical in-home care service for any fraction of the week. *Home Instead* offers a competitive advantage in their service through their unrivaled home support and innovative care

solutions such as *CAREGivers* or *Simple Meds*. It also builds trust and satisfaction from clients through an extensive training and quality control program that ensures that clients receive the best service possible. Clients are charged at approximately double the total hourly pay of the caretakers (around \$15.00/hour), multiplied by the total number of hours of service given.



**Figure 1-1:**  
**Top – CAREGiver in uniform**  
**Bottom – Simple Meds logo**

The target market for our business consists solely of seniors and their supporting relatives living in the York region. Specifically, members of this target market will be responsible for the support of a senior in need of in-home care. Seniors in need of in-home care primarily include those who are 65 years of age or older and who wish to stay at home and be taken care of by another person for any reason. This type of group is growing at an extremely fast pace, with a massive adult population approaching seniority, rising desires for staying home, and increasing recognition for risks associated with taking care of relatives.

Management and organization for our business will stay minimal at launch to reduce start-up costs, consisting of two co-owners handling the majority of the administration work, aided by a marketing manager, caretaker coordinator, and financial manager. All other personnel and staff will consist of caretakers to accommodate clients. We are projecting to employ 20 people including the two co-owners.

This proposal presents a general outline of the associated costs in buying into the franchise and beginning standard business operations. Start-up costs primarily consist of franchise fees, office fees, necessary supplies, and initial hiring expenses. In total, the first quarter has total operating expenses totaling about \$276,000. This initial start-up cost will be funded by a personal investment of \$100,000, a bank loan of \$86,000 to be repaid over 5 years, and venture capital of \$90,000 for a 33% stake. We are projecting to break even and make a 100% return on investment in the first year, paying off \$20,000 in loans and ending with about \$530,000.

In conclusion, *Home Instead* offers a valuable opportunity for investment with a proven business model, auspicious timing, and suitable return on investment. With the aid of your venture capital, this proposal will ensure a successful creation of a new profitable and reputable *Home Instead* franchise location in the York region.

## II. BUSINESS HISTORY, BACKGROUND, AND OBJECTIVES

### A. Description of the company

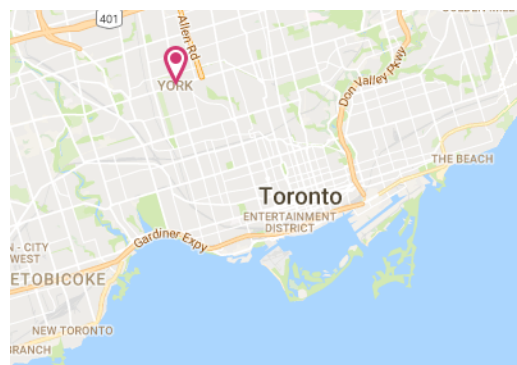
*Home Instead Senior Care* is a leading franchise in the non-medical companionship and home care service industry. From its foundation in 1994 by Paul and Lori Hogan in Omaha, Nebraska, the franchise has expanded its network to 1011 independently owned and operated franchise locations around in world across North America, South America, the Caribbean, Australia, Asia, Africa, and Western Europe. Now, the company earns more than \$1 billion in annual revenue.

In the interest of social responsibility, the company seeks “to enhance the lives of aging adults and their families” and to create “a future where all people could age with greater hope and success.” As such, the company as launched several initiatives to fulfill their vision, work towards their mission statement, and give back to the community. The *Home Instead Senior Care Foundation* is a charity that serves to both provide community grants to support nonprofit organizations committed to enhancing the lives of older adults and provide disaster relief within the *Home Instead Senior Care* franchise network. Two community service programs are run by the company; *Hilarity for Charity* awards grants for Alzheimer’s in-home care services to families and works in partnership with the *Alzheimer’s Association*, and *Be a Santa to a Senior®* spreads holiday cheer through a community gift-donation program. As a leader in senior care, the company also sends delegates to participate in organizations and conferences to make positive change in the lives of seniors and caregivers around the world. Members of the executive team have participated in the *World Economic Forum Global Agenda Council on Aging*, the *Global Coalition on Ageing*, the *Global CEO Initiative on Alzheimer’s Disease*, the *Milken Institute Global Conference*, and the *G8 Dementia Summit*. Lastly, *Home Instead* provides a plethora of resources for family caregivers, including *HelpforAlzheimersFamilies.com* a resource for training, support, books, tips, live chats, and information relating to caregiving;

*CaregiverStress.com*®, a resource filled with articles, videos, and blogs on managing difficulties in caring; public education programs, including articles, videos, and downloadable resources; *Stages of Senior Care*, a guide in making senior care decisions; and *Strength for the Moment*, a caregiver devotional written by Lori Hogan. Overall, *Home Instead*, as an in-home care franchise, is booming and involved in the community and well-being of seniors.

## B. Short-term and long-term objectives

In the short-term, we are seeking to successfully start as a franchisee of *Home Instead*. So, first, we seek to fulfill all requirements requested by the franchisor as a franchisee. This includes an interview, paying the franchise fees, and choosing a location. Our location of choice will be in the York region that the company has outlined. Second, we need to sort out legalities, including



**Figure 2-1: Position of Home Instead York location on Maps**

building permits and tax agreements. Thirdly, we will be building our franchise location and hiring staff to support the franchise. Staff will include caregivers and management and will need to be trained accordingly, as per the franchise's requirements. Lastly, a marketing plan will be put into action and once the franchise location is ready, it can be opened and begin operations.

In the long-term, we are seeking to achieve a stable position in the in-home care industry. This includes acquiring a customer base, developing brand loyalty, and breaking even on our budget. Acquiring a customer base will require extensive marketing and outreach. Developing brand loyalty will put an emphasis on quality service, which makes quality control procedures imperative to success. Lastly, turning in profits and breaking even on the budget will be difficult, as customer acquisition is very costly, and will require us to consider other revenue streams.

### **C. Major successes and achievements of company**

From its initial founding in 1994 by Paul and Lori Hogan in Omaha, Nebraska, *Home Instead* has grown to a flourishing business. The company now earns over \$1 billion in client level revenue and employs more than 5000 administrative jobs and 65 000 caregiver jobs. Serving more than 800 000 clients, the company provides 45 million hours of service annually.

The company has been recognized numerous times by organizations around the world. It has been named as #1 in franchisee satisfaction for the fourth year in a row in 2013 by *Franchise Business Review*, and is one of the top 25 performing franchises in the United States as per *The Wall Street Journal*. It is #1 in the senior care category of *Entrepreneur's Franchise 500*, 2016. It has won the *Canadian Franchise Association's* Franchisee's Choice award for the 6th time in a row in 2016. The *French Franchise Association* has awarded it a Business Award, and the company has received recognition from the Portuguese Franchise Association.

As mentioned previously in the description of the company, *Home Instead* has made a significant impact in its community, through organizing and founding charities, providing a wide range of resources, and participating in international conferences and organizations.

### **D. Challenges and obstacles of company**

In its early years, the founders Paul and Lori Hogan faced many difficulties and uncertainties in starting the company. Starting a company would mean abandoning stable job, and the need to take care of a family of 3 did not make that any better. The founders only had \$18 000 in personal savings as capital to start the company, and by the end of the year, they had acquired zero franchisees, only had 26 clients, and earned \$30 000 a month in revenue.



**E. Structure, management, and ownership**

As of 2017, there have been no changes in structure, management, and ownership within the past year. However, there has been a major change in structure and job positions in 2012.

Previously Vice President of Franchise Development, Jeff Huber was promoted to President and Chief Executive Officer; Dave Banark went from Vice President of Franchise Support to Chief Operating Officer; Jessie Brumbach changed position from Vice President of Marketing to Chief Brand Officer; Corey Watton switched from Director of Finance to Chief Financial Officer; and the former CEO Roger Baumgart retired from his position.

### III. BUSINESS ENVIRONMENT

Environmental factors are always in flux, and like any other company, have a strong influence on business operations. Changes in demographics, laws, politics, technology, and society all can have a profound impact on the company and our franchise.

#### Demographics

Demographics include the wide range of statistics to describe a population. The most influential demographic would be the age distribution. More seniors would mean more potential clients, expanding the market and driving demand. As the size of senior dependents decreases as many become unable to live at home with only non-medical services, potential clients will decrease, and if such a trend were to continue, finding a proper exit time would be very important. Socioeconomic and economic changes would also be influential in business operations. Income and price changes are important factors to look out for. Increased working income would increase prices, potentially rendering many clients unable to afford in-home care services, as they would be retired and earning a fixed income. This does change depending on the ability of our clients' relatives to support a change in price for them. On the other hand, decreases in income are unlikely to affect our clients' abilities to continue to pay for our services. However, their relatives may become unemployed and they may opt to have them take care of them over our services. Our service is inflexible, and the few alternatives to in-home care would include living in a retirement home or asking a friend or relative.

#### Laws and Politics

Changes in laws will change regulations and taxes on the company and our franchise location, and politics will be the driving factors behind changes in laws. A wide range of possible changes can be made with laws, but there are a few dominant ones. For one, changes in minimum wages eventually end up affecting all salaries and wages, and our service-oriented business

model will be most affected by such a change. For another, a change in minimum caretaking requirements would require new services to be added, changing how employees would be trained and the pricing model. Such changes have the most impact on our business model, which will require consultation with the franchisor.

### Technology and Society

Changes in society are often tied closely with changes in technology and can impact our business in many ways. The most notable impact will be on marketing. Today, advertising and outreach is mostly done via television, the internet, and social media, but if a new medium of communication were to rise any time in the near future, taking advantage of such an opportunity would be extremely beneficial towards our business. Another effect may take place in how caretakers will take care of clients. New technology will affect how homes work, and caretakers will need to know how to operate such new technology. For example, some clients may have smart home technology and need assistance in using it. Technological and societal changes will have a major impact on the front-end of our business; the front-end concerns what clients see and how we deal with them.

## IV. PRODUCTS AND/OR SERVICES

### A. Services offered

*Home Instead*, “A Total Home Care Solution”, provides non-medical in-home care to seniors with trained *CAREGivers*. In-home care services include personal, companionship and home helper, Alzheimer’s or other dementias care, transitional care, and hospice support services. *CAREGivers* that provide personal services can help with bathing, dressing, incontinence care, and mobility assistance. Companionship and home helper services cover meal preparation, medication reminders, accompaniment to doctor visits, grocery shopping, laundry and linens, light housekeeping, and socialization. Alzheimer’s or other dementias care include management of behavioral symptoms, encouraging engagement, help with daily living activities, and safety from potential threats. Transitional care services assist with transportation, prescription pick-up, and hospital discharge assistance. Lastly, hospice support includes supplemental support and respite for family caregivers. Medical in-home care is performed by a licensed health professional and requires a doctor’s order, but caretakers can help to facilitate this.

The length of care varies depending on the client, and can range from 3 consecutive hours a day to 24-hour support. 24-hour support is provided in two ways. Shift services involves four *CAREGivers* helping in 12 hour increments, while live-in services involve two *CAREGivers* sleeping in the home and waking up to assist at night.

### B. Planned changes or additions

*Home Instead* is planning a new service and is adopting in minor change because of new government policies. The *Missing Senior Network* is a website that helps caretakers and families deal with seniors who wander, specifically those who suffer from Alzheimer’s or dementia. It is a mobile-ready platform that will be free of charge, and only requires a sign up. Specifically, all registered users collaborate to find missing seniors. A user can report someone

as missing and tag a photo, and other users can try to look for the missing person. It is estimated to be connected to more than 270 000 followers and will help attract new clients. In terms of a new government policy that provides subsidies to families, clients who have the Home Care Package are now able to choose who, what, when, and where their service is provided, and how their government subsidy is being spent. Overall, a new powerful service, and a minor change in response to new policies.

## V. PRESENT MARKET

### A. Description of present market

As a franchisor, *Home Instead* draws boundaries for exclusive boundaries in the placement of the franchisee's location. Under *Home Instead*, we are planning to base our franchise location in the York region. The geographic location of our potential customers will be in the Greater Toronto Area (GTA), specifically Toronto and Mississauga.

The business model of Home Instead is geared towards providing non-medical in-home care services for the elderly. It is then provided that the target market for the service will be seniors, defined as people who are 65 years of age or older. However, it is important to note that some seniors are unable to independently support themselves financially, and it is often the responsibility of their children, now adults, to handle their care. In-home care is year round and not seasonal, meaning that Home Instead will not need to adjust to seasonal factors.

To add, not all seniors are in need of in-home care. 65 is still a young age for many, and many adults who have recently retired are still able to live independently and freely. The seniors that will be in need of in-home care will be those unable to complete essential tasks, those that seek companionship, those that suffer from illnesses or diseases such as arthritis, diabetes, or Alzheimer's, and those that wish to have supervision and safety from potential threats (unexpected heart attack, stroke, home break-in, etc.).

### B. Growth potential in market

Positive factors for growth in the market would come primarily from an increased size in the market, increasing potential clients. On one hand, we have a shifting population pyramid with the baby boomer generation moving into retirement. The fraction of the global population being 65 and older is ever increasing, especially within the GTA, expanding our market through sheer numbers. In fact, by 2050, there will be double the number of people over the age of 65

compared to today, meaning that seniors will become 21% of the global population. That would mean 2 billion seniors compared to the 841 million we have today. On another hand, many families are beginning to realize the value of in-home care over a retirement home, and many young adults find stress from doing caretaking. Market research reports that 90% of seniors want to stay in their homes for as long as possible, and that 69% of family caregivers reported that it was their #1 cause of stress. With these two changing factors working together, there lies major growth potential in the market, making it one of the fastest growing sectors in the franchise industry.

### **C. Current pricing policy**

The current pricing policy is based on the amount of time that the service is provided to the clients. The amount is determined from the number of man-hours of service that are provided to the client. The number of man-hours may vary depending on the needs and wants of the client, from a few hours a day to help with some housework to 24/7 round-the-clock care. It can also vary depending on the number of caretakers that are present, such as 2 dedicated caretakers who together to provide extensive support at the same time, effectively doubling the number of man-hours provided.

The general rule of thumb on pricing is to charge double the total hourly pay of the employees. The total hourly pay is calculated by multiplying the total number of hours of service provided by the hourly rate of the caretakers, which is \$15.00/h. For example, if the service is provided by one caretaker for 8 h each weekday, then the monthly charge will be around \$2600, which is under the national average of around \$3250.

## VI. COMPETITION

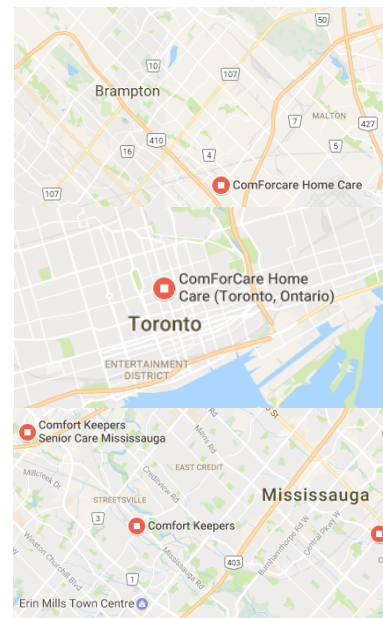
### A. Description of primary competition

As mentioned earlier, our franchise location will be in York, attracting clients from the Greater Toronto Area (GTA), specifically Mississauga and Toronto. While this location has no other *Home Instead* franchise locations near it, other franchises have located offices within this area.

The two competing in-home care providers are *ComForcare Home Care* and *Comfort Keepers*.

*ComForcare Home Care*, like *Home Instead*, provides non-medical in-home care service. They have numerous offices located in the GTA, including Brampton and Toronto. With many strengths, *ComForcare Home Care* retains an excellent reputation, offers a highly scalable and recession-resistant business model, outlines exclusive territories for their franchisees, uses highly effective and proven marketing, and selects their caregivers with care. On the other hand, the company does not necessarily handle clients on an individual basis very well. Administration is unresponsive, and employee engagement is poorly managed. Employees/caregivers are not compensated effectively and quality control fails often.

*Comfort Keepers*, like the others, also provides non-medical in-home care service through a franchise business model. They have many offices located around Mississauga, and North York, also covering the GTA. The strengths of *Comfort Keepers* lies in their ability to provide field support from specialists, tools to reduce costs and drive revenues, and extensive support services and training programs. However, just like *ComForcare*, their administration is unresponsive to clients and their quality control fails often with unhappy employees. To add, many clients are distrustful of the company with its money practices.



**Figure 6-1: Positions of competitor locations in GTA**  
**Top: ComForcare Brampton**  
**Middle: ComForcare Toronto**  
**Bottom: Comfort Keepers Mississauga**



## B. Advantages over primary competitors

Over its primary competitors, *Home Instead* overall possesses the same kind of advantages, as its competitors share some similar strengths and all similar weaknesses. For one, *Home Instead* is the one most recognized and respected brand in the industry, providing unrivaled home



**Figure 6-2 and 6-3: Logos of the primary competitors of *Home Instead*;**

**Top: *ComForcare***

**Bottom: *Comfort Keepers***

support and innovative care solutions such as *Simple Meds*. It also ensures quality through extensive training and a quality control program, and it is far more experienced in the industry over its competitors, with 22 years of business and over 1000 franchise locations in 14 countries. For another, *Home Instead* maintains a strong internet and social presence through their website and social media activity, as well as their outreach and public education programs.

## C. Disadvantages over primary competitors

While *Home Instead* is very strong in its quality of service and public relations, it presents less appealing offers to its franchisees compared to its competitors. With a higher start-up/franchise fee, having a fixed difference of about \$10 000 in franchise fees, and a fixed royalty at 5%, franchisees earn less and spend more upfront. However, it can be noted that *Home Instead* has ranked #1 under franchisee satisfaction. Its major advantages may in fact outweigh the disadvantages, through more socially responsible business operations and especially with its higher appeal to customers, which should lead to more revenue over competitors.

## VII. MARKETING PLAN

### A. Target market

*Home Instead Senior Care* provides senior care to ageing adults who want to stay in their current homes for as long as possible. Throughout this business plan we will refer to seniors as adults of the age of 65 or older. We want to provide this service to people with aging loved ones 65 or older, who want to care for their loved ones but for differing reasons just don't have the time or resources to care for them themselves. They would rather hire others to do the caretaking themselves, and this is where we step in providing this desired service.

Since we are going to be based in York region of Toronto, we are planning on targeting people in the region and surrounding area. York region is a rapidly growing area with a current population of around 1 million people and set to rise to a population of 1.5 million people by 2031. This rapid growth will also affect the senior population, causing it to increase from its current population of 210 000 to grow to 310 000 in a matter of 14 years, a 148% increase. This will ensure that there will be a growing market for which the franchise can provide services to, and provides strong evidence that the franchise can sustainably keep growing into the foreseeable future.

### B. Existing techniques, strategies and tools

There are currently already several marketing techniques, strategies and tools being implemented within the *Home Instead* franchise network. For example, there is a marketing fund in place that in addition to the current professional media management provided by *Home Instead Senior Care* helps increase national media coverage of the franchise, bringing awareness to the brand and helps to find potential clients and *CAREGivers*.

In addition to the professional media management there are also quarterly public education programs for owners and marketing employees that help increase awareness in local media

sources. They do this by providing material such as customizable press releases to the marketing teams which in turn may provide information to the media to spread to the public. These press releases help inform the public about the brand and the different programs that they support, such as the Answering the Call program which helps people and their loved ones' plan for unexpected emergencies and the 40-70 Rule program which helps families plan for future issues such as their loved one's finances, health and living choices.

There are also other marketing strategies currently being implemented. We have local franchise websites which help with increasing awareness about the brand and to provide information to potential customers. Franchise management are also provided with the option to develop monthly e-letters which can allow them to connect with caregivers, referral providers and their own *CAREGiver* teams.

On a national level, there are networks and contacts which are provided to help establish connections with referral providers, potentially bolstering the interest in the franchise. Access is also provided to national web marketing initiatives that will help increase engagement with potential clients and to develop the brand image.

### **C. Future techniques, strategies and tools**

In addition to the pre-existing marketing techniques, strategies and tools, we plan on implementing additional services to help increase the increase engagement between potential clients and the brand. We plan on creating a new website called the Missing Senior Network which will help manage seniors who wander due to them suffering from diseases such as Alzheimer's or dementia. We plan on making it an online program where it is free to sign up and provide support for a wide range of devices such as desktops and mobile devices.

## VIII. MANAGEMENT AND ORGANIZATION

### A. Strengths and weaknesses of management team

It is important to identify the strengths and weaknesses of the management team in order to determine what can be done to help turn the weaknesses into strengths and how to develop the strengths into advantages that can be used in the market.

We as the owners have numerous strengths and weaknesses. For example, we are very motivated and diligent, and have the will and initiative to get things done. This helps us meet tight deadlines and drives us to grow our business. We are also very friendly and approachable people who are constantly striving to help others with their problems of concerns and to ensure that they can succeed in whatever they are doing. We also have common weaknesses. Our interpersonal skills are not the best that they can be, so this can be a potential area for later improvement. Improving this skill will help us improve our relationships with coworkers and business partners, helping us in the future.

### B. Future development of management team

In the future, we plan on continuously developing and improving the skills of our management team. This will help our management team's interpersonal collaboration skills, which can help them develop stronger relationships with their coworkers, clients and business partners.

To achieve this goal, we plan on implementing several strategies. For example, we plan on organizing teambuilding activities throughout the year, which will help increase the chemistry and collaboration between key employees and team members. These activities might include simple games like blindfold activities which will help develop listening and communication skills, to more advanced activities such as escape rooms which also allows employees develop listening and communication skills while they attempt to escape a locked room by using various clues that are hidden throughout the room.

### **C. Management succession plan**

There is a need for a strong management succession plan in a case where something may happen to someone in the management team that causes them to be unable to work.

There are a variety of questions that need to be asked such as:

- Should we look for a new candidate from within the franchise or hire from outside?
- Do we have anyone within the franchise that is qualified?
- Do we know what exactly the person was doing?
- What impact will the change have on the relationships with our clients and employees?

In addition to asking those questions, we should identify the replacement in collaboration with upper management, and ensure that the replacement has a will and initiative to perform well in the new job. We can then formulate a strong management succession plan.

First, we should identify key positions within the franchise that are key to its operation, and without them the business will not function. These may include positions such as owners, marketing manager and caretaker coordinator.

Second, we should identify and list the franchise's current and future needs that need to be covered by the job position, such as the marketing aspect of the franchise or management of the franchise's assets and liabilities

Third, we should identify what positions are at risk of needing replacement in the near future, so that proper preparations can be made in order to mitigate the effects when the changes are required to be made. We can identify some of these positions by identifying employees that are reaching retirement age, employees that have critical health problems, or employees who are showing desires of leaving the franchise for other personal reasons.

Finally, we should identify job candidates or preexisting employees that meet the job requirements of replacing key people. This is to ensure that the best possible match for the position is put into the right place, helping ensure a smoother transition from one person to the other. These people might include those that are second-in-command and assistants.

#### **D. Acquiring management personnel**

There will always be a need for more personnel as the franchise inevitably expands and grows. This is because as we serve more and more clients there will be a need for more caretakers, and in turn as the number of caretakers grows there will be a need for more management staff to provide the assistance and support needed by the caretakers.

To acquire new management personnel, we will implement two main strategies to seek new personnel; Online job offerings and print ads.

With online job offerings, we can post online ads on job-offering websites such as indeed.com and workopolis.com. This medium has the benefit of being fast and can reach a relatively large audience for a relatively low cost.

Print ads would be found in a variety of print media such as newspapers, flyers, magazines and other types of similar media. This medium has the benefit of reliability, and it offers better targeting towards specific demographics who would have skills or personalities that could be beneficial to our franchise

## IX. BUSINESS RESOURCES

### A. Major operating equipment

There will be a relatively small amount of critical operating equipment that will be needed for the operation of our franchise location. This is due mostly because *Home Instead* is a service-based franchise, eliminating most of the need for manufacturing equipment and other machines that product-based businesses would need. We can divide the critical operating equipment into two main categories; office equipment and home equipment.

Office equipment can be further divided into three main subcategories; office furniture, office supplies and electronics. As the name implies, office furniture is consisted of furniture that would be used in an office environment, such as large desks and chairs for the employees to work at. Office supplies is consisted of supplies that would be consumed during day-to-day operations, such as paper, writing utensils, erasers, etc. Finally, electronics include all the electronic devices that are required to run a business in this information-saturated market. These electronics include computer workstations, phones, printers, peripherals and other electronic devices that are involved in business operations.

Home equipment is used to aid in the services provided within the client's home. It will include equipment such as first aid kits which when coupled with the caretaker's knowledge in handling emergency situations will help ensure the health and safety of the client. Home equipment also includes miscellaneous health care supplies that are provided depending on the specific needs of the client, helping improve their experience.

### B. Major suppliers, location, and payment terms

To obtain all the equipment that is needed by the business it is necessary to identify equipment suppliers who can provide the equipment at an economical cost and in a timely fashion.

We have identified a handful of suppliers within the GTA region who can provide the needed equipment. The equipment will be paid for on a cash with order basis, meaning that the payment will be made at the time that the order is placed.

The following two charts display the equipment that is purchased, the amount purchased, and the price at which the equipment was purchased at.

Office Equipment				
Item	Supplier	Cost (CAD)	Quantity	Total Cost (CAD)
<b>Office furniture</b>				
Tables	Staples	300	5	1500
Desk Chairs	Staples	175	5	875
Other Chairs	Staples	75	10	750
<b>Office Supplies</b>				
Paper (1000)	Staples	10	25	250
Writing	Staples	2.50	10	25
Other	NA	750	1	750
<b>Electronics</b>				
Computers	CDW Canada	750	5	3750
Phones	CDW Canada	200	5	1000
Printers	CDW Canada	300	2	600
Other	CDW Canada	1000	1	1000
<b>Total Cost</b>	<b>10500</b>			

**Figure 9-1: Office Equipment – This table displays the necessary equipment needed to be purchased for the office location. It shows the item, supplier, cost per unit (in Canadian Dollars), quantity, and total cost for each entry.**



Caretaker Equipment				
Item	Supplier	Cost (CAD)	Quantity	Total Cost (CAD)
<b>Health Care Supplies</b>				
First Aid Kits	Uline	23	15	345
Other Supplies	(Varied)	2500	1	2500
<b>Total Cost:</b>	<b>2845</b>			

**Figure 9-2: Caretaker Equipment – This table displays the necessary equipment needed to be purchased for caretakers to use during their jobs. It shows the item, supplier, cost per unit (in Canadian Dollars), quantity, and total cost for each entry.**

### **C. Outside resources used or needed**

There will be relatively little outside resources that will be needed to help start and run the franchise. One of these few resources will include obtaining the capital that will be needed to help cover the startup costs of the franchise. This will be further elaborated on in the section for financial plan and data. We will also collaborate with *Home Instead Senior Care's* marketing team help develop ways to market the franchise and reach a larger audience. This was elaborated on in the marketing plan section.

### **D. Quality control procedures**

As an in-home care service the quality of the care provided is crucial to the operation of the franchise. There should be numerous ways to ensure that the best possible care is being provided. Some of these ways may be to conduct random drop-in checks to client's homes to check on the care that is being provided by their caretakers. Clients may also be given online questionnaires which ask for reviews on the performance of the caretakers and what

improvements can be made to make the experience more enjoyable. With this information, we can apply it to our practices and make the experience more enjoyable for our clients.

#### **E. Availability of skilled labor**

The franchise will be located in York region within Toronto. This is an urban area with a very high density population, with a current population of around 490 000 and an estimated population of 1.5 million by the year 2031. York region is a highly diverse region, with people of all ages, ethnicities and professions. This abundance of people will ensure that there will be an ample supply of specialized labor from which we can hire should the need arise.

#### **F. Necessary training required**

Although by law and by the business model there is no need for the caretakers to have a medical background, it is highly recommended that they have training in various programs in order to gain various benefits. These benefits may include teaching skills that can help maintain the health and safety of the client, and knowledge on how to ensure that the client's experience with *Home Instead* is as good as I can be.

These programs may include training in CPR (Cardiopulmonary Resuscitation) and first aid, which may be of tremendous use in case of a medical emergency. They may also include training in senior care professionalism, which can help improve the vital relationship between the client and the caretaker.

During the hiring process, candidates with pre-existing certifications in one or more of these types of programs should be sought for, as they already have some of the skills and training for the job. If the caretaker does not already have or is missing some of these certifications, they can take widely available classes to get these certifications. These certifications are relatively inexpensive and can be obtained by attending classes provided by various non-profits such as the Canadian Red Cross, the National Lifeguard Society and St. John Ambulance.

**G. Projected number of employees**

To run a business, it is essential that you have employees that are dedicated and are a good fit for the business. Prior to starting business operations, we plan on having hired in total 20 full-time employees. These 20 employees will be divided into two groups; 5 as full time office employees and 15 as full-time caretakers.

The 5 full-time office employees will consist of us as joint owners of the franchise location, 1 marketing manager, 1 caretaker coordinator and 1 financial manager.

The marketing manager will oversee the management of the marketing aspect of our local franchise. This will include tasks such as organizing outreach events within the community, carrying out advertising and developing the brand name and image.

The caretaker coordinator will help tend to the needs of the caretakers. This will include tasks such as gathering feedback from the caretakers on what can be done to make the experience of the caretaker and the clients better and managing the roles and responsibilities of the caretakers within their client's homes.

The financial manager will help handle the day-to-day responsibilities of the franchise. This will include tasks such as taking inventory of franchise assets and liabilities, help with the general responsibilities of other employees, and with the collaboration of the owners formulate and deploy budgets and financial plans.

## H. Organizational Chart

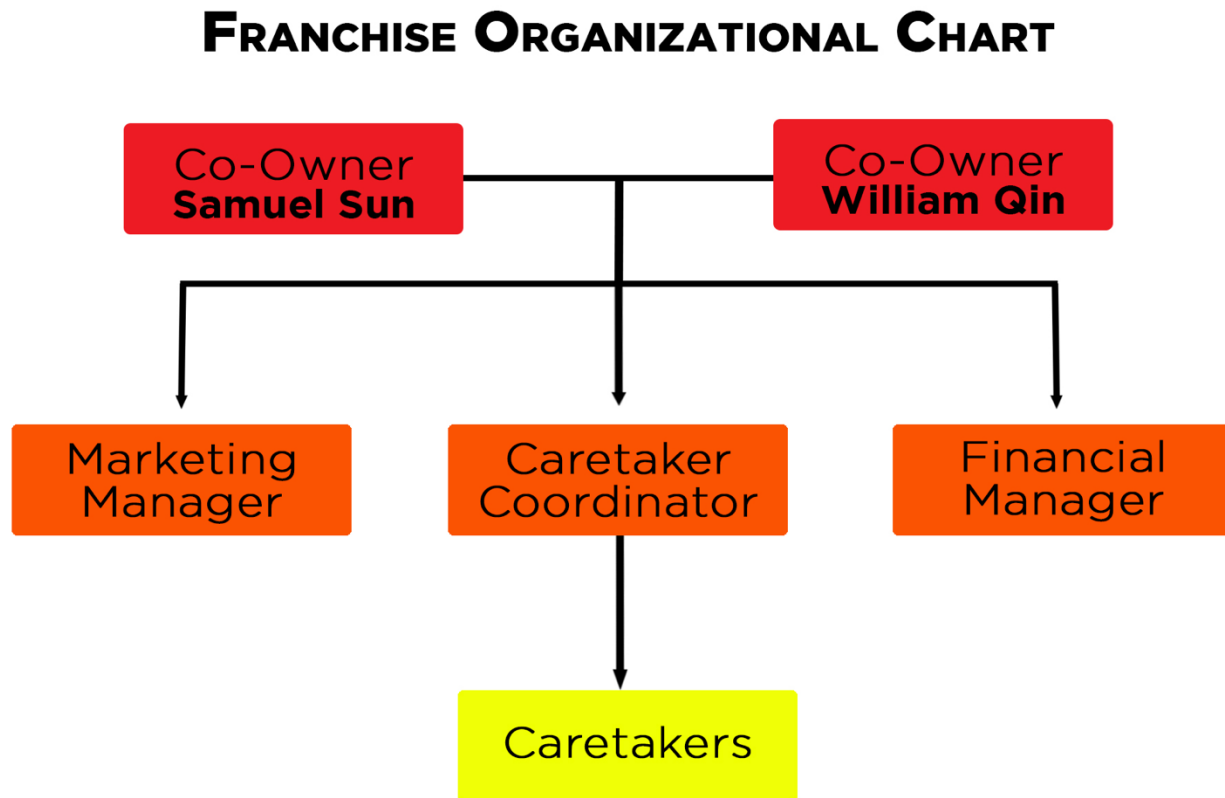


Figure 9-3: Organizational Chart – This chart shows the organizational hierarchy of the staff that will be employed at the planned franchise location at York.

## X. FINANCIAL PLAN AND DATA

### A. Sales and profit trends

Sales will inevitably grow as the business expands the number of customers it serves and the increases the number of caretakers at our disposal. This growth will result in a larger capacity to serve a larger customer base. This is sustainable because it will be growing in a market with an ever-increasing senior population. The senior population in York region is expected to grow from its current population of 210 000 people to a population of 310 000 by 2031. This means that over the course of only 14 years the senior population will grow 148%, or by around 100 000 seniors. This means that there will be a substantial market that we could potentially tap into. Also, this trend has no signs of slowing as the general population of York region and Canada progressively gets older. This provides strong evidence that the franchise can sustainably keep on growing well into the foreseeable future.

### B. Obtaining capital

Most franchises use financial funding even though they might already have enough capital to start the franchise. *Home Instead Senior Care* does not directly provide financing for qualified candidates, but can instead provide them referrals to several reputable lenders. Most franchises use SBA (Small Business Administration) loans which can provide capital for a starting franchise. To help, *Home Instead Senior Care* is a SBA preferred network. This means that Home Instead Senior Care can help speed up filing the loan application, making the whole process go by faster and easier.

### C. Two-year projected operating statement

Home Instead Senior Care Services								
	2018			2019				2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Revenue</b>								
Revenue from services	\$281,880	\$313,200	\$344,520	\$375,840	\$407,160	\$438,480	\$469,800	\$501,120
Additional revenue	\$750	\$775	\$800	\$825	\$850	\$875	\$900	\$925
<b>Total revenue</b>	<b>\$282,630</b>	<b>\$313,975</b>	<b>\$345,320</b>	<b>\$376,665</b>	<b>\$408,010</b>	<b>\$439,355</b>	<b>\$470,700</b>	<b>\$502,045</b>
<b>Expenses</b>								
Advertising	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700
Compensation and Benefits	\$140,940	\$156,600	\$172,260	\$187,920	\$203,580	\$219,240	\$234,900	\$250,560
Insurance	\$26,316	\$29,240	\$32,164	\$35,088	\$38,012	\$40,936	\$43,860	\$46,784
Rent	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750
Legal	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700
Maintenance	\$1,000	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700
Misc.	\$72,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Utilities	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Royalties	\$14,132	\$15,699	\$17,266	\$18,833	\$20,401	\$21,968	\$23,535	\$25,102
<b>Total operating expenses</b>	<b>\$275,888</b>	<b>\$230,339</b>	<b>\$250,790</b>	<b>\$271,241</b>	<b>\$291,693</b>	<b>\$312,144</b>	<b>\$332,595</b>	<b>\$353,046</b>
<b><u>Gross Profit</u></b>	<b>\$6,743</b>	<b>\$83,636</b>	<b>\$94,530</b>	<b>\$105,424</b>	<b>\$116,318</b>	<b>\$127,211</b>	<b>\$138,105</b>	<b>\$148,999</b>

**D. One-year projected cash flow statement**

<b>Home Instead Senior Care Services</b>	
<u>For the Year Ending 2018-12-31</u>	
Cash at Beginning of Year	275,000.00
<b>Cash flow from Operating Activities</b>	
Net income	\$3,150.00
Depreciation expense	(5,000.00)
Increase in accounts receivable	1,318,590.00
Increase in accounts payable	(973,257.00)
Royalties	(66,087.50)
<u>Net Cash Flow from Operations</u>	274,245.50
<b>Cash flow from investing activities</b>	
Capital expenditures	0.00
<u>Net Cash Flow from Investing Activities</u>	0.00
<b>Cash flow from financing activities</b>	
Borrowings of long-term debt	(20,000.00)
Cash Dividends	0.00
<u>Net Cash Flow from Financing Activities</u>	(20,000.00)
<b>Net Increase in Cash</b>	254,245.50
<b>Cash at end of year</b>	529,245.50

## XI. CONCLUSION

*Home Instead Senior Care* offers a unique and individualized approach to help seniors stay safe and sound at home, and to provide rest and solace for others who might not have the necessary time or resources to care for their loved ones themselves.

We are requesting venture funding of \$90,000 to help cover the associated costs of buying into the franchise and beginning standard business operations. In return, you will be given 33% equity in our business. This starting capital will help cover the costs of various fees such as franchise fees, office fees and initial hiring expenses, and supplies that will be needed to run the business operations. The start-up costs and operating expenses in the first quarter will total about \$276,000 in the first quarter.

*Home Instead* offers flexible non-medical in-home care for any amount of time. With the help of dedicated caretakers and our top-class home support, we can provide the most competitive in-home care to aging seniors while building bonds with our clients and our community.

We are focusing on providing in-home care to seniors and their relatives who are living in the York region of Toronto. This market is growing at a rapid pace and will greatly expand sales and revenue in the foreseeable future.

Overall, through a conservative revenue estimate for a very profitable business, we are projecting to break even and make a 100% return on investment in the first year, paying off \$20,000 in loans and ending with about \$530,000.



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