

INDUSTRY ANALYSIS: ELDERLY HOME CARE SERVICES

ZENITH GROWTH PARTNERS CASE STUDY
CHARVI KHANDELWAL



TABLE OF CONTENTS

- Industry Introduction
- Industry Overview
- Market Drivers
- Market Risks
- Industry Analysis

INDUSTRY INTRODUCTION

The elderly care industry is a broad and complex sector that provides care for the elderly and people with disabilities in their homes and communities. The industry is expected to grow due to an aging population and the need for chronic disease management.

DIFFERENT SERVICES

- Personal care - Help with daily tasks like bathing, dressing, and grooming; companionship and support
- Hospice care - End-of-life care that provides comfort and support to patients and their families. Medical, emotional, and spiritual support for the critically ill and dying.
- Home health care - Wound care, IV therapy, medication dispensing, nursing care, physical, occupational, and speech therapy

FOCUS AREA

- I will be focusing on the home healthcare sector of the elderly care industry. Given the increasing aging population and increasing costs of formal (hospital) healthcare, I believe that elderly patient home care will be a profitable industry to investigate. Moreover, due to the fragmented nature of this industry, I believe that this industry allows a greater scope for success.

INDUSTRY OVERVIEW – ELDERLY HOME HEALTHCARE

OVERVIEW

- Established but Growing Market:** A mature industry experiencing steady growth, driven by an aging population, increasing life expectancy, and rising demand for home-based care solutions.
- U.S. Dominates Market:** The U.S. accounts for a significant share of the global elderly home care industry, with a growing emphasis on in-home support services rather than institutionalized care.
- Strong Demand Drivers:** The market is expanding due to demographic shifts, advancements in healthcare technology, and a preference for aging in place among seniors.
- Innovation and Personalization:** The industry is witnessing rapid innovation in telehealth, remote monitoring, and AI-driven caregiver support to enhance personalized care solutions.

PORTER'S FIVE FORCES ANALYSIS

New Entrants	Substitutes	Supplier Bargaining	Buyer Bargaining	Industry Rivalry
MEDIUM	VERY LOW	MEDIUM-HIGH	HIGH	HIGH
Moderate entry barriers exist due to licensing, insurance, and regulations, but low capital needs allow new providers to enter. Established firms benefit from brand reputation and caregiver networks.	Few substitutes exist. Assisted living and nursing homes are costly and less preferred by seniors. Family caregiving is an option but often unsustainable long-term.	Caregiver shortages and rising labor costs give workers leverage. Training and regulations limit supply, but non-medical home care has lower skill barriers, easing hiring.	Clients have many provider options, increasing their bargaining power. Price sensitivity is high, with Medicaid, Medicare, and private insurance influencing costs and coverage.	The market is fragmented, with many small providers. Differentiation in quality, cost, and specialized care is key, while larger firms gain an edge with branding and tech.

MARKET DRIVERS

KEY OPERATIONAL DRIVERS

- **Aging Population** 📈🧓🧓

(Increasing elderly population worldwide)

- **Rising Chronic Diseases** 🏥🩺

(More demand for in-home medical care)

- **Technological Advancements** 🚧📱

(Smart healthcare & telemedicine)

- **Government Support & Policies** 💰💰

(Funding & regulatory benefits)

- **Growing Preference for Home Care** 🏠💊

(Seniors opting for home over facilities)

- **Shortage of Healthcare Workers** 🚫🆘

(Rising demand for caregivers)



MARKET RISKS

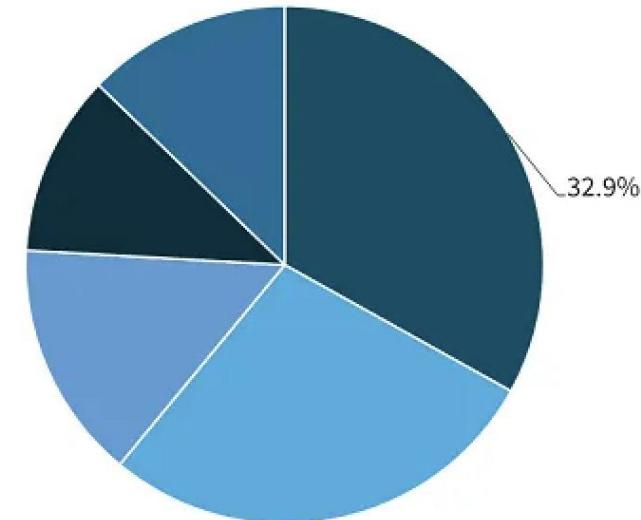
OVERVIEW

- High labor costs due to staff shortages
- Strict healthcare laws and changing policies
- Risk of lawsuits due to negligence, malpractice, or abuse claims
- Long operating cycles (due to reliance on reimbursements)
- Low barrier to entry → high competition

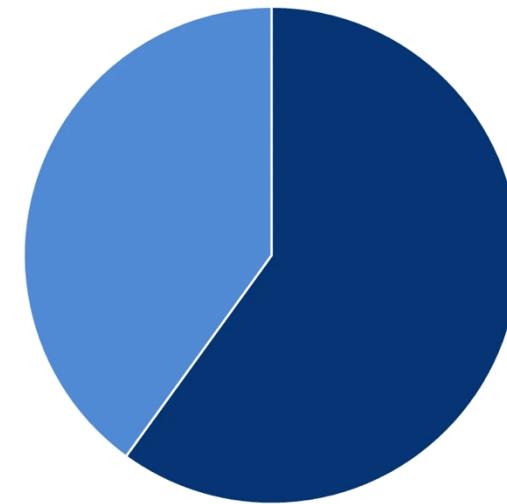
STRATEGY TO MITIGATE RISKS

- Implement employee wellness programs to reduce burnout and lower labor costs
- Hire a compliance officer to ensure legal adherence
- In the second pie chart, it can be seen that short-term care is more commonly demanded than long-term care. By tapping into the short-term segment more, we can hopefully obtain cash faster. Moreover, by breaking long-term care payments into shorter installments, the operating cycle can further be shortened.
- From the second pie chart, the different segments in elderly care can be seen. As elderly home care is such a fragmented and sectored industry, there are many opportunities to succeed and combat the high competition/low entry barrier.

Geriatric Care Services Market, By Application (2023)



■ High Blood Pressure ■ Alzheimer's/Dementias ■ Depression ■ Diabetes ■ Others



■ Short Term ■ Long Term

INDUSTRY ANALYSIS: ELDERLY HOME CARE SERVICES

CAGR = 6.3%

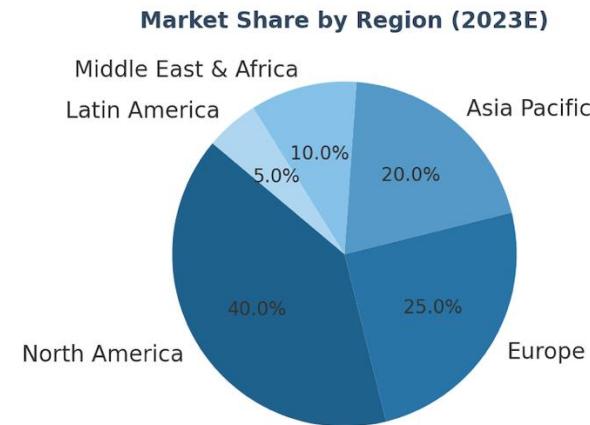
Rising prevalence of chronic diseases and preference for aging at home is surging the market growth. Other factors driving demand include personalized care and government support.

Market Size (2023)	\$455.49B
Revenue Stability	Recurring, steady stream
EBIDTA Margin	10-30%
ROE	65.9%
Cyclicalty	Recession-resistant
Major Risk	Low barrier to entry

Market Risks



Market Share by Region



Market Growth

