



AY BEST CARE SERVICES

BY

LIYI ZHANG

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION (INTERNATIONAL PROGRAM)

SOUTHEAST ASIA UNIVERSITY

ACADEMIC YEAR 2022

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**Advisor(s)** Asst..Prof. Xiang Xiao, Ph.D.

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
  
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### **Abstract**

The purpose of this business plan is to describe the development of AY Bestcare South Florida, Ltd. in the field of nursing facilities. As the global aging problem increases, so does the senior population in the U.S. The California Regional Senior Communities Report clearly states that the number of people over 60 has increased by 3.32% annually since 2010. AY BestCare, on the other hand, is a partnership-based company. The company has been committed to the home care side of the business. This company was founded by two partners in 1980. AY Bestcare has three care homes with a capacity of up to 15 older adults AY Bestcare has three care homes with a total of up to 15 older adults at a time. In addition to the partners, the company has six caregivers to meet the demand for 24-hour care. Thanks to the company's excellent management and the growing market for the elderly, the company has remained profitable even during the last three years of the epidemic. The company has maintained a Full Holding share, and its several significant partners hold its considerable shares. Best care plans to develop two new care homes to cope with the increasing demand. This business plan is a detailed description of this plan. First, the current status of the company is described here. The market outlook, capital requirements, and potential competitors are then explained, and the company's strengths and weaknesses are analyzed. The company's payback period is 2.95 years, although the formula's NPV is 4.95. and IRR is 58.45%. As an investment objective, the company's ROI is 93.7%, and the breakeven point is 758,533, which means that the company's goals are excellent.

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

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Liyi Zhang

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## Section 1

### Executive Summary

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

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

The company is administratively located at 208 South 28th Avenue, Hollywood; 1031 Ives Dairy Road, #228, Miami; 2385 NW Executive Center Dr. Suite 100, Boca Raton; And 7951 Ron Beatty Blvd, Micco. the home of Jennifer Lopez, R.N., one of two partners. In addition to attending to the administration and accounting duties, Ms. Lopez oversees medical services for elderly residents. Her partner, Henry Johnson, oversees the maintenance of the homes and does all of the shopping for food, furniture, patient supplies, etc.

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

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

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

This report will contain 12 main parts

## Section 2

### Company Description

#### 2.1 Company description.

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

#### 2.2 Company history.

The company was founded in 1980.

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

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

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

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

Best Care Nurses Registry Joined in Twitter in February 2010

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

#### 2.3 Mission statement

Best Care's mission is to recommend the highest quality home health caregivers who provide comprehensive, holistic Care for seniors in their own homes. The

company aims to match caregivers with each senior. Registered Nurses, Nurse Practitioners, Certified Nursing Assistants, Home Health Aides, and Companions at Best Care work hard to provide a therapeutic environment for patients and families to learn to care for themselves after they have contracted with a client.

## 2.4 Products and services

### 1. *caretaker*

CNA/HHA nurses work under supervision. As they have extensive contact with each patient, they play an essential role in keeping the nurse updated with important information about the patient's condition. In addition, they work 24 hours a day and provide the appropriate primary nursing care.

### 2. *the registered nurse (RN)*

With a greater emphasis on helping patients achieve healthy home care, RNs coordinate patient care, educate patients about various health conditions, and provide advice and emotional support to patients and families. And to help individuals and families achieve wellness and prevent disease.

Registered nurses help individuals, families, and groups to achieve wellness and prevent illness. They care for the sick and injured in hospitals, other healthcare facilities, doctors' offices, private homes, public health institutions, schools, camps, and industry.

### 3. *the nurse practitioner*

Licensed practical nurses perform various tasks under registered nurses' supervision. They administer medications and injections and take vital signs. Practice nurses provide primary bedside care and measure and record patients' vital signs such as weight, height, temperature, blood pressure, pulse, and respiratory rate. They also prepare and administer injections and enemas, monitor catheters, dress wounds, and provide alcohol rubs and massage.

Nurse Practitioners collect samples for testing, perform routine laboratory tests, and record food and fluid intake and output. In addition, they clean and monitor medical equipment. Sometimes they help doctors and registered nurses with

examinations and procedures. Nurse Practitioners also monitor their patients and report adverse reactions to medicines or treatments. In addition, nurse Practitioners gather information from patients, including their health history and how they are currently feeling.

#### *4. Infant Nurse*

An infant nurse is an experienced babysitter with extensive training in newborn care skills; they will organize the nursery and be familiar with apnea monitors, feeding systems, and other medical equipment.

#### *5. post-surgical Care*

Best Care caregivers with skills related to post-operative cosmetic Care. Can provide short or long-term post-operative Care.

#### *6. Sitters*

Sitters are committed and focused on 100% visual and auditory observation of patients to ensure the safety and Care of each patient and to help meet all compliance expectations.

#### *7. Veteran's Pension*

This plan allows for a monthly pension that pays for a certain amount of home health care costs. In addition, funds may be available to you or both of you under the VA Assistant and Attendance Plan.

## **2.5 Current status**

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

## **2.6 Legal status and ownership**

### *2.6.1 Legal status*

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

Partnerships have a different nature in Florida. Rights and proof of identity and

income tax-related requirements.

*1. Under Florida's Law 620.1104, the "nature, purpose and duration of the entity" of a partnership is*

1) A limited partnership is a different entity from its partners. A limited partnership is the same entity whether or not its certificate indicates that the limited partnership is a limited liability limited partnership.

(2) A limited partnership may be organized under this Act for lawful purposes.

(3) A limited partnership has a perpetual duration.

*2. The "power" of a partnership under 620.1105 is*

A limited partnership has the right to do all things necessary or convenient to carry on its activities, including the right to sue, be sued, and defend in its name and the right to sue a partner for damages caused to the limited partnership for breach of the partnership agreement or breach of an obligation to the league.

*3. "Proof of identity" of a partnership under 620.1209*

(1) If the records on file with the Department of State show that the Department of State has filed a certificate of the limited partnership, the Department of State shall require and pay the necessary fee for a certificate of identification of the limited partnership.

(2) If the records on file with the Department of State indicate that the Department of State has filed a certificate of authority, the Department of State shall, upon request and payment of the necessary fee, provide a certificate of identity of the foreign limited partnership. The certificate of identity must state that

3) Subject to any qualifications specified in the certificate, a certificate of identity issued by the Department of State may be conclusive evidence that the limited partnership or foreign limited partnership exists or is authorized to do business in this state.

## 2.6.2 Ownership

Best Care company was built by Jennifer and Johnson, but current major shareholder is the CEO, "Marc". The director of business development named Cristina Possas.

## 2.6. Taxable for partnership company

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

## 2.7 Key partnerships

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

The Cloudflare CDN

CDN is a content delivery network with enterprise-grade speed and reliability.

Facebook Workplace

Workplace is an enterprise collaboration platform designed by Facebook.

PHP: Hypertext Preprocessor

PHP is a server scripting language, and a powerful tool for making dynamic and interactive Web pages.

reCAPTCHA

reCAPTCHA is a free service that protects your site from spam and abuse. It uses advanced risk analysis techniques to tell humans and bots apart.

AE Technology Group

The largest IT support company in New York, based on Long Island. 50+ managed IT service professionals providing 24/7 support

## Section 3

### Industry Analysis

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

##### 3.1.1 SWOT Analysis

###### 1. *Strength analysis*

Both the federal and state governments have maintained high levels of assistance that continue to increase. For example, in 2022, Florida's Medicaid payments for the care of the elderly and disabled in need increased by hundreds of millions of dollars. Furthermore, care homes in the US have maintained a high local production level, which has significantly reduced import costs. In addition, the industry has maintained high margins and high industry averages. There is also a low concentration of customer categories and low capital requirements.

###### 2. *Weakness*

The industry is redundant due to past lax regulations and the fact that profits have remained high. In addition, there is a high concentration of product services. In the past, it was difficult for care facilities to develop independently. As a result, multiple care homes were often grouped, which significantly increased the level of competition. And the upper and lower limits are less demanding for the industry. As a result, it is difficult for companies to ensure that the income of each employee is maintained at a reasonable level.

###### 3. *Opportunities*

Despite the apparent advantages and disadvantages, there are still significant opportunities. For example, high-income growth has been maintained at a steady level of development. Moreover, the industry's high-income growth for highly qualified people has remained high over the next five years. In addition, and central to this, the number of adults aged 65 and over has maintained a high growth rate.

###### 4. *Threats*

The more excellent the opportunity, the higher the risk is likely to be. Federal government spending on disability benefits for spiders has fallen by 3.2% between

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

### *3.1.2 Total Factors Analysis Summary*

Despite uncertain regulatory conditions, the care facility industry has remained resilient and profitable over the five years to 2022. The aging population is beneficial in sustaining revenue growth as baby boomers have reached retirement age. As the Baby Boomer generation has reached retirement age, an aging population, in particular, is helping to sustain revenue growth. Despite this favorable demographic trend, fluctuating Medicare and Medicaid reimbursements at the state level continue to pose operator challenges. As a result, many companies in the industry have adopted incremental acquisition strategies and utilized various cost-reduction techniques to improve efficiency and occupancy. By moving towards for-profit facilities, many operators have also taken advantage of the increase in disposable income per capita in the US.

However, the COVID-19 (coronavirus) pandemic has caused more than 40.0% of all related deaths in nursing facilities in the US. In addition, nursing homes in at least 18 states accounted for more than 50.0% of all coronavirus deaths statewide. As a result, occupancy rates have declined significantly. Fortunately, \$4.9 billion in direct relief funding for skilled nursing facilities was released in May 2020. This eased the challenges for the sector, with revenue declining by 3.6% in real terms for the year. However, the industry could not avoid contraction altogether, with revenues contracting by 3.9% in 2021.

In spite of uncertain regulatory conditions, the care facility industry has remained resilient and profitable over the five years to 2022. The aging population is beneficial in sustaining revenue growth as baby boomers have reached retirement age. As the Baby Boomer generation has reached retirement age, an aging population, in particular, is helping to sustain revenue growth. Despite this favorable demographic trend, fluctuating Medicare and Medicaid reimbursements at the state level continue to pose operator challenges. As a result, many companies in the

industry have adopted incremental acquisition strategies and utilized various cost-reduction techniques to improve efficiency and occupancy. By moving towards for-profit facilities, many operators have also taken advantage of the increase in disposable income per capital in the US.

### **3.2 Five force model**

#### *1. Competition in the Industry*

Across the United States, nursing facilities are an extensive industry. Florida alone has 1,819 establishments and employs 105,061 people. The industry is highly fragmented and has little industry concentration, providing room for small and medium-sized businesses to survive. However, over the past five years, some of the larger chains in the sector have been trying to acquire or suppress some small and medium-sized businesses. In addition, many chains have become established due to the high cost of liability in some states.

Therefore, here is a brief list of the top 3 companies in the US in terms of size:

1) St. Augustine Health Ministries, which had total revenues of \$7.3 billion. 5.2% of total revenues in the nursing facility industry

2) Hcr Manorcare Inc. is a publicly traded company. The company now has total revenues of US\$2.9 billion, representing 2.23% of the total market share.

3) Ensign Group, Inc. has similar information to a previous company. Total revenues are also US\$2.9 billion. Approximately 2.1% of total industry revenue

#### *2. Potential of New Entrants into an Industry*

The entry barrier to the nursing facility industry is moderate, especially in states without certificate of need (CON) regulations. CON is a legal document required by many states before allowing a proposed acquisition, expansion, or facility creation. CON is necessary for the construction of healthcare facilities in 36 states. However, Florida has eliminated the con law requirement for 2019.

Aside from regulation, the industry has a low barrier to entry. The capital cost per bed for nursing facilities is lower than for hospitals, and new operators can enter the market with little personal assets and high debt. In addition, nursing homes do not

require highly specialized equipment and have a less skilled workforce than hospitals.

### *3. Power of Suppliers*

The care facility industry has a low level of industry globalization, as US institutions primarily provide services to US citizens. In addition, as many operators are not-for-profit and rely on government and public funding, they must comply with regulations and maintain relationships with local governments and the public. There is, therefore, no reliance on international providers. However, there is still a need for a stable, inexpensive supplier for the internal procurement of resources and the supply of daily supplies.

### *4. Power of Customers*

This industry as well depends on medium to long-term customers. Operators must attract large numbers of patients to survive, and new entrants may need help raising awareness of their facilities in the local community and establishing referral relationships with doctors, insurers, and hospitals. And the industry needs to develop trust with customers, enhance its reputation in the community, and require long-term, stable, lasting advocacy among its customer areas.

### *5. Threat of Substitutes*

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

Specialty-related hospitals or specialty hospitals can provide more specialist financial knowledge, as well as post-operative diagnosis. Regarding price, retirement communities and home care providers are strong competitors, and headset homes are even more challenging to maintain at high prices. Internationally, inpatient care in the UK, Ireland, and other European countries can offer similar inpatient care services and elderly care. It continues to be a good option for some people with the financial means to do so.

### **3.3 Industry size, growth rate, and sales projections**

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

### **3.4 industry structure**

Despite recent mergers and consolidation within the care facilities industry, the sector remains highly fragmented and is characterized by multiple local and regional suppliers. Census data shows that the top four companies in the sector generate less than a quarter of the industry's total revenue. In addition, the majority of firms in the sector are single-facility and privately owned. According to the Centers for Medicare and Medicaid Services, for-profit operators of nursing home facilities account for an estimated 65.0% of nursing homes, with 30.0% operating as voluntary non-profit facilities and the remaining 5.0% going to the government and other agency-owned facilities.

The industry is characterized by a low density of industry, a high level of resource assistance, a low level of technological change requiring investment, and a low impact of globalization on the industry. The industry life cycle is relatively mature, and revenue fluctuations are low. The industry is entering a period of impairment and is relatively stable. However, as regulation improves, laws and policies across the United States pressure the industry, and competition between peers continues to grow.

### **3.5 Nature of participants.**

The nature of the participants in this sector is mostly individual companies or partnerships. However, the more successful ones are still chains or listed companies. The main reason for this is that it reduces the cost of advertising information, increases publicity and attracts more customers.

### **3.6 Key success factors.**

The core success factor of the industry is the ability to gain a larger source of customers, so it is vital to promote to attract more customers, as well as to maintain existing ones. In addition, maintaining a reasonably stable occupancy rate is also a factor in ensuring success in this sector.

### **3.7 Industry trends.**

The aging market is broadly defined, and we will analyze it only for the Florida retirement community sector and Nursing Care Facilities. This market is \$4.9 billion in size in the Florida region and has 3,573 related businesses. There are approximately 73,624 employees involved. The main markets are Miami-Dade, Broward County, and Hillsborough County. However, the highest aging rates are in Charlotte County, Escambia County, and Hendry County. The projected % Change in Median Age Through 2030 is 4.7%.

## Section 4

### Market Analysis and Marketing Plan

#### 4.1 Market segmentation and target market selection.

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

##### 4.1.1 The political dimension

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

##### 4.1.2 The economy

It is true that there is some uncertainty and that the epidemic from 2020 onwards will prevent most people from traveling to crowded areas, which will, in part, affect the growth of care homes. However, the prominent figures tell us that despite the decline in 2020, personal consumption expenditure figures have nearly doubled between 2010 and 2022. Furthermore, according to Chen and Dennis in their 2004 article on the economics of scale in nursing home care, there are economies of scale in medicare post-acute care.

##### 4.1.3 Technical aspects

The sector needs more room for growth. Especially during the epidemic since 2020, the industry has remained flat. However, the industry has made progress in treating and caring for newly crowned patients in relation to the epidemic.

##### 4.1.4 Environmental aspects

For the nursing facility industry, the environmental element is essential, as a particular type of waste from medical facilities has always required special treatment. Waste Management Inc, which is one of the core partners of the healthcare facilities, is the current waste disposal company in Florida.

#### **4.1.5 Demographic and social aspects.**

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

#### **4.1.6 Buyer behavior.**

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

## **4.2 Competitor analysis.**

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

### **1) For internal competition:**

The nursing facility industry competes with other facilities and similar healthcare providers in terms of quality of care, reputation, location, appearance, and price of services.

2) For external competition:

Industry operators need to deal with competition from large tertiary care centers, specialty hospitals, and surgery centers.

### 4.3 The economics of the business

*Most of the 15,600 nursing homes in the United States (about 70 percent) are for-profit. Although their organizational structures may vary, most of them are privately owned, with some owned by private equity firms, explains R. Tamara Konetzka, professor of public health sciences at the University of Chicago. Many companies are part of a chain. It is now very rare for a small company to own just one nursing home. According to a cost-of-care survey by Genworth, which sells long-term care insurance, the average cost of a private room in a U.S. nursing home is \$8,821 a month, while a semi-private room costs about \$7,756.*

*Konetzka stated that at any given time, about two-thirds of nursing home residents are on Medicaid. "It's hard for facilities to survive entirely on privately paid income," Konetzka said. "The vast majority of them are dependent on Medicaid and Medicare revenue. Medicare revenue comes from short-term residents in the post-acute period, and Medicaid revenue comes from most long-term residents."*

*It's common for people to pay privately for nursing home care until they can't afford it, at which point they can participate in the program. "It's not until basically you fall into poverty yourself that Medicaid starts," Konetzka observed. "Most states allow you to keep about \$2,000 in assets, and a resident's home usually doesn't count toward that amount."*

### 4.4 Marketing Plan

Market plan.

A marketing plan is an operational document outlining the advertising strategies the organization will implement to generate leads and reach its target market. The marketing plan details the outreach and PR activities that will be undertaken over a while, including how the company will measure the effectiveness of these initiatives. This report will use the marketing strategy approach to design the marketing plan. Marketing 7 Ps How to Apply All Elements of the Marketing Mix.

## Product

The products are mainly the company's seven under its umbrella, previously described in detail in the company listing. They are caretakers, registered nurses, Licensed practical nurses, post-surgical Care, Sitters, and Veteran's Pension.

The new product is a new care home designed to meet the neighborhood's needs. The new nursing home, in addition to the seven categories of products mentioned previously, will add a section on the treatment of newly crowned patients

## Price

According to the 2021 Cost of Care Survey, private rooms in nursing homes cost \$297 per day or \$9,034 per month for a half-cent, and rooms are more favorable at an average of \$260 per day or \$7,908 per month. These are only the current (June 2021) costs of care. However, the cost of nursing home care is increasing every year. In Florida, prices go up (on average) 10-11% per year.

Nursing Home Median Daily Rates (Semi-Private Room)	
Daytona Beach	\$262
Gainesville	\$215
Jacksonville	\$252
Miami	\$270
Sarasota	\$236
Orlando	\$243
Pensacola	\$228
Tallahassee	\$225
Tampa/St Pete	\$245

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### Promotion

The existing marketing promotion methods are mainly through. Traditional media, TV media, social media main live chat, online events, web pages. Offline marketing methods are in-store promotions, direct marketing ads, flyers, posters, etc. However, for traditional industries like care facilities, especially for the elderly population over 65 years old, new media communication methods make it more difficult for them to accept. Therefore, it makes sense to attract the elderly in the community through community-based communication and community-based activities, so that they can participate in community home care programs or stay in care homes

### Place

The whole industry needs to find a proper position. The care facility industry is more interested in the distance to the community.

In the past, best care had a total of four nursing homes. They are located in Hollywood, Miami-Dade, Palm Beach, and Melbourne. Hollywood care home is located about 400 meters away from Hollywood City Hall. As the first home of the best care, it helps promote its reputation. The care facility in Miami-Dade is in a financial group building. Several medical and nursing care facilities in the vicinity can provide more comprehensive and coordinated care services.

### People

Like the product I mentioned before, its main target group is middle-aged and elderly people. The first few caregiving-related projects are designed for elderly care and technical care needs. In addition, there are other caregiving needs. For example, those that are only for post-surgical care, or post-cosmetic surgery care. We also provide care for infants and children, as well as for military personnel.

People prefer people who seek to be ethical. A facility where doctors and nurses have a constant presence around patients. Therefore, the skills of the personnel, attentiveness, speed, courtesy, respect, and some good behavior of the personnel working with the skills are critical. These are one of the ways to help attract the crowd and make the company of choice.

### Process

Workflow is extremely important and a more proficient and professional workflow makes patients more willing to accept and adopt in order to choose the company. Therefore, speed of completion of personnel, time of presence of personnel streamlines the service process, adherence to the company's platform and provision of precise services. Processes allow patients to ultimately choose the company and are part of the marketing process as is needed to promote the company.

### Physical Evidence

Physical marketing is an essential part of the marketing, not only for physical businesses, but also for service-oriented businesses. Especially for the service industry, some visual publicity often reflects the trust. In the care facility industry, excellent reviews from past residents and care recipients make people more inclined to trust and want to choose the company. Likewise, awards and achievements of the company will increase the company's public image, increase the marketing reach, reduce the marketing difficulty and help the company to recruit more customers.

## 4.5 The way to develop marketing plan

Anticipating customer needs by determining what consumers want in a product or service will help us customize the services our organization offers as well as help us tailor our marketing plan. The marketing plan and materials should highlight the benefits and quality of our services. It is an important part of the business plan and can help us communicate the attributes of our program and establish distribution channels. People who are looking for a nursing home usually need good health care from qualified personnel and are looking for a pleasant environment.

1. Identify the services your organization provides. When creating a list of what your organization must offer, also consider what your competitors offer that are not offered. Think about what services the organization offers that would make seniors and their caregivers want to go to another location. This could be location, specialty, or activity.

2. Predicting client needs. When a caregiver decides that the best place for a loved one is a nursing home, the caregiver wants to know that he is sending his loved one to a reliable and safe place to live. In addition, the client is looking for a clean environment and a home-like atmosphere. Staff members who are friendly and encourage residents to actively participate in the program may also be seen as more conducive to showing compassion and providing a comfortable environment. Keep client needs in mind throughout the process, as this will help to market the program as client centered.

3. Matching client needs to the services and benefits of the organization. Since nursing homes often have a reputation for poor care, it will benefit the company to outline how it matches the quality of its policies and practices to the needs of the clients who reside there. Nursing homes with special certifications, qualified staff or unique extracurricular activities, treatment programs or pets allowed may be more attractive than others that do not offer these amenities.

4. Create ads for a defined target group. This can be in the form of TV commercials, newspaper ads, one-page handouts and flyers. Obtain success stories from family members of clients living in the facility to share and use in developing marketing materials. Marketing materials should communicate how the nursing home meets the needs of the client through pictures and words. The best thing a company can do to attract clients is to provide excellent service. The mouth remains one of the most effective forms of customer attraction.

5. Implement and distribute marketing ads. Talk to your current network contacts, such as local departmental welfare offices, local hospitals, and other places where seniors go and may need these services. Ask them to hang these flyers and provide brochures to clients who may need these services. Continue to build relationships with community and local business partners to enhance your customer base.

## Section 5

### Operation and Production plan

#### 5.1 Development plan

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

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

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

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

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

#### 5.2 General approach to operations.

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

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

### **5.3 Business Location**

#### *5.3.1 Current business location:*

Southwest Florida (Fort Myers, Cape Coral, Naples, Punta Gorda)

Northwest Florida (Tallahassee, Pensacola, Fort Walton Beach)

Northeast Florida (Jacksonville, St. Augustine, Ferdinand Beach)

Central Florida (Orlando, The Villages, Ocala)

#### *5.3.2 Current business location Analysis*

The entire current commercial address is located in commercial buildings or near the affluent areas of the Marina. This is partly to attract more quality customers, but also because of the proximity to other excellent medical facilities resources. The

core of the choice of commercial buildings is the ability to reach out to the surrounding business community and facilitate publicity. The care center on the waterfront was to provide an option to facilitate long-term stable retreats for some clients.

### *5.3.3 Future business location plan*

The choice for future care centers will also be a choice between the options of ease of promotion or being away from the hustle and bustle. In Florida today, the first option is estimated to be more than 300 centers, located in various commercial areas around the city center. The second option has even fewer options, with only 10 or so expected to be located in wealthy coastal areas.

## **5.4 Facilities and equipment**

### 1) Safety Supplies

Nursing home residents may fall, wander, or have mobility impairments. To keep them safe, stock plenty of these: Walkers, Wheelchairs, Crutches, Braces, Bed alarms, Shower seats, Patient call systems.

### 2) First-Aid Items

Many minor injuries are safe to treat in nursing homes and do not require transporting patients. Make sure the community has a large first aid kit filled with antiseptics, gloves, bandages, burn medication, and basic medications for pain and other adverse symptoms.

### 3) Medical supplies for patients

The patient population should inform the nursing home of the specific medical supplies they are investing in. Most will need catheters, urine bags, potties and similar items. If you treat patients with special needs, other items may be needed, such as sensory blankets for patients with dementia. The facility should also have a supply of prescription medications for each patient. Most facilities will also need an emergency defibrillator.

### 4) Diagnostic tools

Every nursing home must be prepared to assess its residents for signs of common illnesses and to monitor changes in patient status, including Stethoscope,

Otoscope, Pulse oximeter, Thermometer, blood pressure meter, Scales

#### 5) Infection Prevention

Infection prevention is a must, especially in times of epidemics. Nursing care facilities should have disinfectant wipes, personal protective equipment including surgical masks, N95 masks, goggles, face masks and aprons, hand sanitizer and hand sanitizer

## 5.5 Production design

Such service offerings exist, in addition to those that are needed in order to cope with future developments. The second popular one is to achieve a higher acceptance of the product by increasing specialized training and adding specialized equipment as well as extensive publicity

### 5.5.1 *Principles of resident care.*

- Keep residents independent for as long as possible without jeopardizing their safety.
- Respect the dignity of each individual.
- Recognize each person's need for privacy and community.
- Provide individualized care that allows for flexible daily rhythms and patterns.
- Provide focus and appropriate stimulation to avoid sterile, monotonous and overly distracting environments.
- Create small group settings that support relationship building.
- Design a residential (non-institutional) environment in terms of layout, scale and architectural language.
- Encourage family and caregiver involvement.
- Support a holistic resident-centered approach to care - addressing physical, social, mental and spiritual aspects of health.
- Allows and encourages participation in activities of daily living and allows flexible schedules to accommodate individual needs.

### 5.5.2 *Priorities for staff needs*

- Support the occupational and organizational health, well-being and safety of staff
- Support innovative and alternative models of care that provide resident-centered care.
- Provide a pleasant workplace with areas for staff to rest.
- Support the guiding principles of effective operational long-term care through careful planning and research of functions

### 5.5.3 Small House Models Comparison to Institutional Personal Care Homes

Small House Models Comparison to Institutional Personal Care Homes		
Institutional Model		Small House Model
Size	<ul style="list-style-type: none"> <li>● 20-40 elders for operational group.</li> </ul>	<ul style="list-style-type: none"> <li>● 10-14 elders per household.</li> </ul>
Care	<ul style="list-style-type: none"> <li>● Based on operational efficiencies first, residents needs second.</li> </ul>	<ul style="list-style-type: none"> <li>● Resident focused care supports a daily rhythm of elders and responds to their needs first.</li> </ul>
Supervision + Communication	<ul style="list-style-type: none"> <li>● Relies on paging systems/walkie talkies. Disconnected from households due to physical area.</li> </ul>	<ul style="list-style-type: none"> <li>● Requires less distance paging, non auditory communications, more direct and efficient response.</li> </ul>
Philosophy	<ul style="list-style-type: none"> <li>● Medical model emphasizing provision of clinical services to patients (nourish, protect, shelter).</li> </ul>	<ul style="list-style-type: none"> <li>● Quality of Life Model emphasizing purpose, community, family extension and fulfillment.</li> </ul>

Organization	<ul style="list-style-type: none"> <li>● Traditional staffing Hierarchy dependant heavily on nursing control.</li> </ul>	<ul style="list-style-type: none"> <li>● Flattened bureaucracy - Empowerment of direct care staff; nurses visit the house to provide skilled services to meet Government Standards.</li> </ul>
Decision Making	<ul style="list-style-type: none"> <li>● Decisions made by the organizational leadership in a top down authority structure.</li> </ul>	<ul style="list-style-type: none"> <li>● Decisions made by elders or person closest to elders as often as feasible; Care staff plan menus, activities, and house routines.</li> </ul>
Outdoor Space	<ul style="list-style-type: none"> <li>● Most often challenging to get to and access is most often prevented due to locked doors.</li> </ul>	<ul style="list-style-type: none"> <li>● Outdoor secure fenced, shaded, easily located space remains accessible to all household residents.</li> </ul>
Living Areas	<ul style="list-style-type: none"> <li>● Lounges and dining rooms usually at the end of long corridors often designed to accommodate larger social densities greater than 12 elders (often 20-40).</li> </ul>	<ul style="list-style-type: none"> <li>● Central hearth with an adjacent open kitchen and dining area, short distance to bedrooms that follow a similar spatial relationship to one's own home.</li> </ul>
Kitchen	<ul style="list-style-type: none"> <li>● Central kitchen disconnected from elders. Food carts, uniformed servers, trays, cafeteria style dishes.</li> </ul>	<ul style="list-style-type: none"> <li>● Kitchen located in centre of household and plays important role in daily lives of elders through meal prep and activities or socialization.</li> </ul>
Nurses Station	<ul style="list-style-type: none"> <li>● Central control point in most buildings that</li> </ul>	<ul style="list-style-type: none"> <li>● Small charting and supervisors desk built into</li> </ul>

	<p>supervise 2 wards of 20 resident populations. Desk creates a physical barrier and confirms institutional structure of environment.</p>	<p>each household kitchen that acts more like a home desk than a large central control point.</p>
Staffing	<ul style="list-style-type: none"> <li>● Rigid hierarchy of staff with top down authority and decision making.</li> </ul>	<ul style="list-style-type: none"> <li>● Care aides in each house provide direct care, companionship, laundry, housekeeping activities, and meal preparation service.</li> </ul>
Visitors	<ul style="list-style-type: none"> <li>● Limited ability to participate, awkward family visitation, often shorter visits with less quality time, less privacy, fewer visitations.</li> </ul>	<ul style="list-style-type: none"> <li>● Participation in meals. “Stay for dinner” philosophy, more casual visitation experience in a home setting.</li> </ul>

## Section 6

### Management Team and Company Structure

#### 6.1 Management Team

This plan divides the company's core team into two; one part is mainly responsible for the company's departmental operations, i.e. Finance, Human Resources, Technology, Administration and Marketing; the other part is hired and is primarily responsible for the supply related to care services and is the primary main source of profit for the company's core team.

##### 1. Technical Department.

The technical department is responsible for all technical work related to the service content, including ad design insertion and video editing. They will cooperate with the marketing department for the promotion of the service goods and the promotion of new projects.

##### 2. Personnel Department.

The Personnel Department is responsible for hiring, job analysis, job descriptions, job specifications and performance evaluations, and other personnel work within the team and partners.

##### 3. Finance Department.

The role of the Finance Department target projects are divided into two parts: the pre-risk assessment and the financial management of the actual operational period. In the pre-project period, the Finance Department writes the risk investment assessment by analyzing the cost budget and strategic planning as a guide for the team's financial management, and forms the risk assessment and return plan to obtain angel investment and venture capital; during the actual operation period, the Finance Department is mainly responsible for the daily accounting of the team's income and expenses and other financial management.

##### 4. Administration Department.

Responsible for the administration of the company. It is mainly responsible for communication, coordination and control to ensure the normal operation of the business. Organize and manage the company's corporate culture building and brand building. The department is also responsible for legal-related basic work. This includes being responsible for contract drafting, revision and review, all professional work within the company, safeguarding the legal rights and interests of the company, protecting the safety of the company's assets, managing the company's comprehensive files and physical files, registering and changing the company as well as being responsible for the annual inspection of business licenses and organization codes. May also be responsible for procurement-related work, including essential basic nursing equipment, medical equipment, daily maintenance of facilities, etc.

#### 5. Marketing Department.

The marketing department will develop and change the advertising and promotion plan according to the communication company's market development strategy, and organize the implementation. They are also responsible for collecting, researching, organizing and analyzing market information and passing it to the purchasing department and other departments of the administration. In addition, the Marketing Department is also responsible for assisting in the management of service prices and ensuring the healthy operation of the company's service pricing system.

#### 6. Business Department

The business department mainly operates on 7 service items. It is mainly the practitioners related to each project, which is also the department with the largest number of people. In addition to long-term contract employees, this department is also responsible for recruiting temporary staff during peak seasons in cooperation with the HR department. In summary, These six divisions make up the current best care

### **6.2 Board of directors (Board of advisers).**

Best care Florida's management team now consists of six individuals. It will be

introduced below.

The current CEO is Marc Spector, ESQ. Marc joined Best Care in 2002 after leaving a prominent South Florida litigation firm, where he practiced insurance defense law for five years. He is the head of Best Care's legal, corporate development and accounts receivable departments. He is also the administrator of the firm's flagship office in Miami.

VICE PRESIDENT is Jacque Scherfer. Jacque brings 15 years of nursing and administrative experience to his role as vice president of Best Care Nurses Registry. In addition to overseeing and running the outpatient plastic surgery center, her top priority at Best Care is to serve each client and/or their family.

The Director of Operations is Bridget Dellaria. Bridget is responsible for the flagship office. She has extensive experience in the home care business having worked for some of the largest home care companies in the state. She brings a wealth of knowledge to the company and is in direct contact with all of our clients.

BILLING / ACCOUNTS PAYABLE MANAGER is George Bourov. George is responsible for Best Care's billing, collections and accounts payable. George has been with Best Care for over 10 years.

LEAD CLIENT SERVICES COORDINATOR is Sherie Stewart, whose job is to be the key matchmaker between clients and caregivers. It's her job to bring people together.

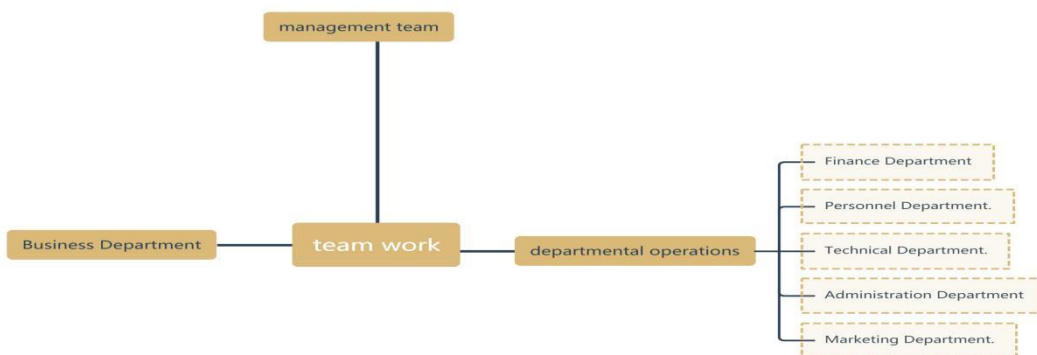
PAYROLL ADVANCE / ASSISTANT SERVICES COORDINATOR is Lucinda Garzon, who is responsible for advance payments for caregivers and serves as an assistant customer service coordinator and notary.

### **6.3 Company structure.**

Skilled nursing facilities fall into a range of organizational structures. Of the 15,690 nursing facilities accredited in 2011, the American Health Care Association reported that 6 percent were government-run, 25 percent were nonprofit organizations, and 68 percent were for-profit organizations. Skilled nursing services vary across organization types primarily in their reporting processes. Best Care, like other corporate structures, operates as a privately owned nursing home under management, with a manager or president for each facility in its portfolio.

Management's goal is to increase corporate profits by increasing occupancy and reducing the cost of services where appropriate. The house pays taxes and provides proprietary services provided by a licensed administrator. Other nonprofits typically report to faith-based organizations or fraternal groups through committees and boards of directors and are exempt through income and tax funding.

### 6.4 Organization chart



### 6.5 Overall schedule Section

Overall schedule Section

Initial operation planning of the project			
New project development steps			
Task list	Required supplies	Participating departments	Preparation period
Phase I Selection Period			

<p>Pre-market research by the business unit to understand the demographic needs of the Florida region and select a number of optional areas as options</p>	<p>Vehicles required for the survey, local population distribution information, distribution survey of the same industry</p>	<p>Sales Department and Marketing Department</p>	<p>3-week duration</p>
<p>Capital negotiation between Marketing and Finance and the owner of the selected location</p>	<p>Legal contract letter of intent contract, capital survey</p>	<p>Marketing and Finance Department</p>	<p>3-week duration</p>
<p>Estimates are made by the Finance Department to calculate the possible capital budget.</p>	<p>Financial statements, capital budgeting</p>	<p>Finance Department</p>	<p>1-week duration</p>
<p>discussion by the board of directors and management, review of selected target sites, and selection of results and planning of new products</p>	<p>Business Unit Survey Report, Finance Unit Capital Budget</p>	<p>Board of Directors or Management</p>	<p>1-week duration</p>

Phase II Preparation Period			
The Finance Department and Operations Department (legal related), in collaboration with the management, will visit the target location for the purchase or rental agreement.	Legal contracts, financial calculation sheets, pre-financing	Finance Department, Management	1-week duration
Market recruitment by HR Department to seek short-term company construction-related talents and set up a temporary construction department	Personnel contract letter	Human Resources Department	1-week duration
Material procurement by Operations Department and transfer to temporary construction department	Decoration Materials.	Operations Department, Temporary Renovation Department	1-week duration
Temporary renovation department for renovation	Decoration Materials. Capital calculation table	Temporary decoration department	Duration 1 year
The marketing department will do the promotion of the new location, and there is a technical department to promote it on the web	Promotional materials, web design, new media campaigns	Marketing Department, Technical Department	Duration: 3 months to 6 months

Phase-III Trial Operation Phase			
Personnel to carry out manpower transfer and re-recruitment for positions that are short of manpower	Manpower transfer letter, personnel contract letter	Human Resource Department	1-month duration
Business department conducts tests with operations to fix possible problems	Test statistics table	Business Department	1-month duration
Marketplace to advertise special offers to attract customers	Brochures, website, new media	Marketing Department	Long-term
Operations Department tries out new regulations for trial operation	Articles of Incorporation	Operations Department	Long-term

phase IV formal operation phase			
Signing a long-term contract with employees	Employee Long-Term Contract	Human Resource Department	Long-term
Contracted long-term suppliers	Long-term contracts with suppliers	Operations Department	Long-term
Agreements with local governments for care insurance	Care Insurance Agreement	Operations Department	Long-term
Long-term mutual aid agreements with neighboring medical companies	Long-term Mutual Aid Agreement	Operations Department	Long-term
Retirement benefit agreements with neighboring companies	Retirement Benefit Agreement	Marketing Department	Long-term
Regular corporate communication meetings	Corporate Brochure	Marketing Department	Long-term

## Section 7

### Financial Projections

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

#### **7.1 Sources and uses of funds statement**

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

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

#### **7.2 Assumptions sheet**

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

Industry Data Assumption					
Year	Revenue (\$ million)	Establishmen ts (Units)	Enterprises (Units)	Employment (People)	No.of senior adults - 65 years and older (Million)
2023	148368.4	37123.0	28677.0	1580731.0	60.7
2024	155136.5	38134.0	29422.0	1632403.0	62.4
2025	162644.8	39193.0	30202.0	1688394.0	64.3
2026	170217.5	40248.0	30982.0	1745229.0	66.0
2027	178009.6	41320.0	31788.0	1803555.0	67.6

### 2023-2027 Nursing Care Facilities assumption

The forecast tables are estimates based on the evolution of pre-existing data across the U.S. industry

### 2023-2027 sing Care Facilities Annual Change% assumption

Industry Data Change% Assumption					
Year	Revenue (%)	Establishments (%)	Enterprises (%)	Employment (%)	Number of senior adults - 65 years and older (%)
2023	4.6	2.6	2.5	3.3	3.1
2024	4.6	2.7	2.6	3.3	2.9
2025	4.8	2.8	2.7	3.4	3.0
2026	4.7	2.7	2.6	3.4	2.7
2027	4.6	2.7	2.6	3.3	2.5

### 7.3 Pro forma income statements.

income statements	2016	2017	2018	2019	2020	3Year	5-Year	10-Year
EBIT/Revenue	21.1	19.0	18.1	17.4	17.7	17.8	18.7	21.4
EBITDA/Revenue	25.3	23.2	22.3	21.2	21.3	21.6	22.7	27.0
Leverage Ratio	4.0	4.3	4.5	4.7	4.7	4.6	4.4	3.8
Taxes Paid/Revenue	3.7	3.9	4.1	4.1	4.1	4.1	4.0	4.0
Total Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Business receipts	72.1	74.7	76.7	78.0	79.1	77.9	76.1	74.5
Cost of goods	15.5	19.0	21.0	23.1	25.8	23.3	20.9	17.2
Gross Profit	84.5	81.0	79.0	76.9	74.2	76.7	79.1	82.8
Salaries and wages	18.9	18.4	17.5	16.0	14.8	16.1	17.1	18.1
Advertising	5.0	4.6	4.5	4.4	4.2	4.4	4.6	5.0
Depreciation	0.6	0.8	1.0	1.2	1.4	1.2	1.0	1.9
Depletion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	3.6	3.5	3.2	2.6	2.1	2.6	3.0	3.7
Rent paid	3.8	3.6	3.6	3.6	3.4	3.6	3.6	3.9
Repairs	0.8	0.3	0.2	0.3	0.4	0.3	0.4	0.9
Bad debts	4.9	4.3	3.6	3.2	2.9	3.3	3.8	5.0
Employee benefit programs	1.1	1.2	1.4	1.5	1.6	1.5	1.3	0.8
Compensation of officers	0.3	0.5	1.0	1.2	1.4	1.2	0.9	0.9
Taxes paid	3.7	3.9	4.1	4.1	4.1	4.1	4.0	4.0
Interest Income	1.2	0.7	0.5	0.5	0.5	0.5	0.7	1.3
Royalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rent Income	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Net Income	13.8	11.4	10.5	9.8	10.1	10.1	11.1	13.7

#### 7.4 Pro forma balance sheets.

balance sheets	2016	2017	2018	2019	2020	3Year	5-Year	10-Year
Cash and Equivalents	4.6	5.4	6.1	6.7	7.3	6.7	6.0	5.4
Notes and accounts receivable	15.9	14.0	12.3	10.9	9.6	10.9	12.5	14.4
Allowance for bad debts	0.7	0.6	0.6	0.6	0.5	0.6	0.6	3.0
Inventories	0.7	0.6	0.4	0.2	0.1	0.2	0.4	0.3
Other current assets	3.2	3.6	3.9	4.1	4.3	4.1	3.8	4.5
Other investments	19.2	18.4	17.6	16.9	16.3	16.9	17.7	20.7
Property, Plant and Equipment	57.4	60.4	63.2	65.6	67.8	65.5	62.8	58.8
Accumulated depreciation	24.9	26.4	27.9	29.3	30.6	29.3	27.8	25.6
Intangible assets (Amortizable)	18.1	17.2	16.7	16.4	16.3	16.5	17.0	17.1
Accumulated amortization	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.1
Other assets	5.8	6.1	6.4	6.7	6.8	6.6	6.4	5.7
Total assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Accounts payable	3.4	3.3	3.2	3.0	2.9	3.0	3.2	3.7
Other current liabilities	7.2	7.9	8.4	8.8	9.2	8.8	8.3	8.9
Loans from shareholders	3.6	3.8	4.0	4.2	4.4	4.2	4.0	2.5
Mort, notes, bonds, 1 yr or more	49.3	47.4	45.9	44.7	43.7	44.7	46.2	52.4
Other liabilities	8.1	9.2	10.1	10.8	11.3	10.7	9.9	10.8
Total liabilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Capital stock	2.1	2.4	2.8	3.0	3.3	3.0	2.7	1.8
Additional paid-in capital	40.0	38.3	37.0	35.9	35.0	36.0	37.3	39.7
Retained earnings, appropriated	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Retained earnings-unappropriated	4.2	3.8	3.5	3.4	3.4	3.4	3.7	-12.3
Cost of treasury stock	11.9	11.3	10.8	10.5	10.2	10.5	10.9	6.6

### 7.5 Pro forma cash flows.

cash flows.	2016	2017	2018	2019	2020	3Year	5-Year	10-Year
Days' Payables	78.7	63.9	55.7	47.9	40.5	48.0	57.3	87.2
Sales/Receivables	6.3	7.1	8.1	9.2	10.4	9.2	8.2	7.2
Days' Receivables	58.0	51.2	45.1	39.8	35.1	40.0	45.8	52.7
Days' Inventory	16.4	11.9	7.0	3.3	1.0	3.8	7.9	5.5
Sales/Working Capital	5.2	6.3	7.6	9.0	10.7	9.1	7.8	6.0
Interest Coverage	586.3	519.2	504.6	495.0	511.0	503.5	523.2	577.5
EBITDA/Revenue	25.3	23.2	22.3	21.2	21.3	21.6	22.7	27.0
EBIT/Revenue	21.1	19.0	18.1	17.4	17.7	17.8	18.7	21.4
Cash from Trading	73.5	73.5	73.5	69.8	73.5	72.3	72.7	92.5
Cash after Operations	42.8	42.8	42.8	58.9	42.8	48.1	46.0	69.5
Net Cash after Operations	40.8	40.8	40.8	54.2	40.8	45.3	43.5	57.6
Debt Service P&I Coverage	44.7	44.7	44.7	39.5	44.7	43.0	43.7	29.8

### 7.6 Ratio analysis.

Ratio	2016	2017	2018	2019	2020	3-Year	5-Year	10-Year
Current Ratio	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.6
Quick Ratio	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.6
Fixed Assets/Net Worth	5.8	5.7	5.7	5.7	5.7	5.7	5.7	6.8
Debt/Net Worth	5.4	5.2	5.0	4.8	4.7	4.8	5.0	6.4
Tangible Net Worth	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Return on Net Worth, %	113.8	97.8	90.3	83.8	82.6	85.6	93.7	141.9
Return on Assets, %	21.1	18.9	18.1	17.4	17.7	17.7	18.6	21.4
Fixed Assets/Net Worth	5.8	5.7	5.7	5.7	5.7	5.7	5.7	6.8
Debt/Net Worth	5.4	5.2	5.0	4.8	4.7	4.8	5.0	6.4
Tangible Net Worth	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Return on Net Worth, %	113.8	97.8	90.3	83.8	82.6	85.6	93.7	141.9
Return on Assets, %	21.1	18.9	18.1	17.4	17.7	17.7	18.6	21.4

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. Theoretically, the higher the current ratio, the more a company can afford to pay its debts because it has a greater proportion of the value of its short-term assets relative to the value of its short-term liabilities. A healthy company should maintain a current ratio between 1.00 and 3.00

The quick ratio is an indicator of a company's short-term liquidity position and measures the ability of a company to meet its short-term obligations with its most

liquid assets. The quick ratio measures the dollar amount of available current assets to the dollar amount of a company's current liabilities. In general, a higher quick ratio is better.

### **7.7 Breakeven analysis.**

Break-even analysis entails calculating and examining the margin of safety of an entity based on the collected revenues and associated costs. The break-even point of a transaction or investment (break-even price) is determined by comparing the market price of an asset with its original cost; the break-even point is reached when the two prices are equal. Break-even analysis tells you how many units of product must be sold to cover fixed and variable production costs. The break-even point is considered to be a measure of the margin of safety.

### **8.10 Advanced data analysis**

The company's payback period is 2.95 years, although the formula's NPV is 4.95. and IRR is 58.45%. As an investment objective, the company's ROI is 93.7%, and the breakeven point is 758,533, which means that the company's goals are excellent.

### **7.8 Financial predict for best care company**

The company's main source of revenue is the development of the care home business between the last few years. According to the projection in the estimated 430,000 or so. This portion will be used as initial capital to increase the number of care homes and to maintain basic operations. It is estimated that the funds will be used to reduce and increase the income of the investors. Its main budget lies in the future revenue of the three care homes. At 80% occupancy, the operating scale is about \$129,600 per year. The expenses, in addition to the annual projections to. In addition to the cost of purchasing assets for two or three homes, there is also the cost of daily renovations. The fixed expenses are the annual expenses related to daily care and purchase, which should account for 65%-75% of the year. The cost of purchasing a new care home is \$300,000 to \$450,000, and the cost of renovation is \$30,000 to \$150,000. Therefore, the overall maintenance is between \$330,000 and \$600,000, which is in line with the original projected profit of \$430,000.

## 7.9 Summary

In summary, the industry as a whole maintains a situation of high competition, high revenue, and a barrier to entry that has become difficult. But for those who are already in the industry and the companies involved, the current situation is favorable. Whether it is the future support of the federal and state governments for the industry, or the growth of the elderly population caused by the global aging, it proves that the industry has a relatively broad future in the future.

The main problem for best care companies today is that, although it has grown, it is saturated. Despite the growth, the industry is saturated. Therefore, we need to expand the market and discover new areas of the elderly care market in order to maintain our costs in recent years. Until the next 3 years, the market for the aging population becomes broader and the threshold becomes more difficult. The best time for best care to grow will be that time.

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