



StewartBrown

Integrity + Quality + Clarity

Managing today to be ready for tomorrow



Aged & Community Services Association
of NSW & ACT Incorporated

State Conference

Grant Corderoy

Senior Partner

special ACPC
dementia
quality
cost consumer
funding fees directed needs home
accreditation subsidies means-test transitional
accommodation aged competition government
co-contributions ACFI deregulation myagedcare clients
integrated restorative
regulation validation
residential pricing
ACFA ACAR

Care



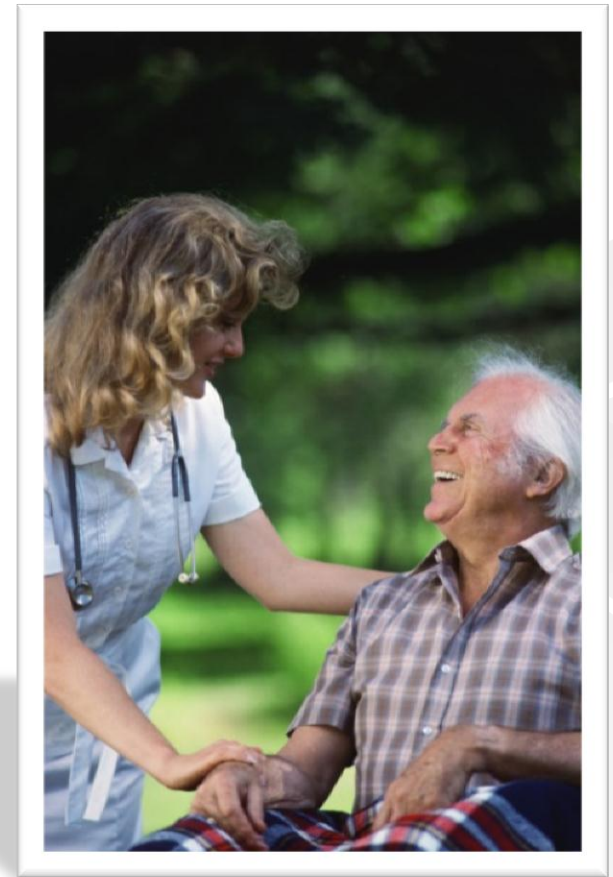
Aged Care Today

- Australians are living longer
- Changing mix between Home Care and Residential Care
- People are entering system at greater levels of need
- Majority of funding comes from government
- Highly regulated
- Greater expectations by those entering care



Aged Care Tomorrow

- Greater competition
- Higher proportion of funding from consumer
- Greater expectations from consumers
- Consumer directed care in home care
- Consumer directed care in residential care?
- New regulations (significant refurbishment & accommodation pricing)
- New reforms from 1 July
- Growing pressures on staffing pools



What should providers be doing?

➤ A number of fundamentals

- ✓ Culture
- ✓ Business review
- ✓ Strategies for the future
- ✓ Adapt
- ✓ Grow



Culture of success

Some common themes

- ✓ Good leadership
- ✓ Accountability at all levels
- ✓ Vibrant workforce
- ✓ Focused on service delivery and consumer needs
- ✓ Embracing change
- ✓ Planning ahead
- ✓ Strong marketing

Business Review

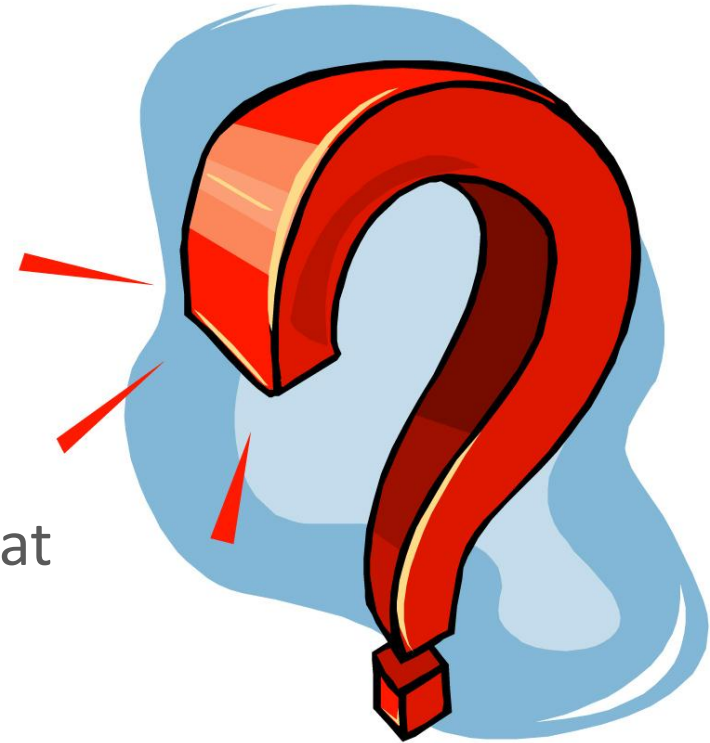
- ✓ Identify existing strengths and weaknesses
- ✓ Identify where your organisation is placed in the marketplace
- ✓ Who are your competitors and how do you compete?
- ✓ Do not restrict the review to strategic matters
- ✓ Examine systems and processes as well

Strategies for the future



Opportunities

- ❖ Keep abreast of what is happening
- ❖ Do some research
- ❖ Are my current strengths suited to reforms?
- ❖ Do I build?
- ❖ Do I sell?
- ❖ Do I have access to capital?
- ❖ Who can afford to pay for what?
- ❖ Is there a growing or niche market that I can service?
- ❖ Get the right advice
- ❖ Build partnerships?



Risks

- What are the risks to my existing business?
 - ✓ What if I have to refinance bonds?
 - ✓ Do I have access to capital?
 - ✓ What state is my building stock in?
 - ✓ Can I remain competitive?
 - ✓ Can I maintain or improve my profitability?
 - ✓ How do I attract staff?
 - ✓ How will cash flow be affected?
 - ✓ Can I afford to build?





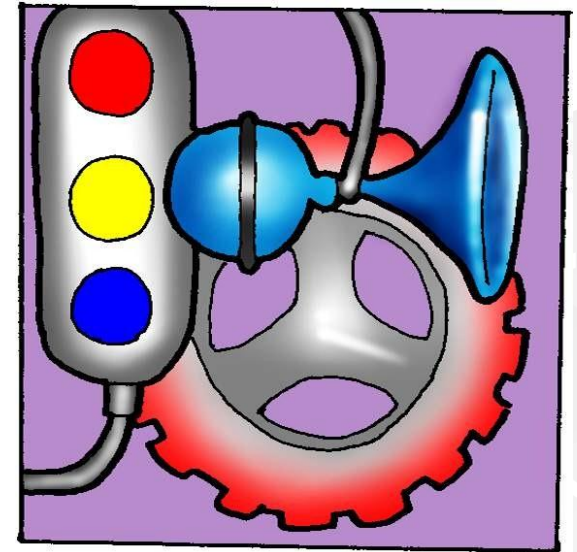
Adapt and Innovate

- The world is changing and managers must adapt and change with it
 - Use technology
 - Improve marketing skills
 - Embrace competition
 - Look at innovative ways of delivering services
 - Modify or adapt current service offerings to meet changing needs and expectations of consumers
 - Ask the consumer what they want



Modify Business Practices

- ❖ Business practices will also need to evolve
 - Greater acceptance of 3rd party debt finance (other than resident loans)
 - Business models will need to factor in cost of finance
 - Bad debts will need to be managed
 - Profitability will need to be balanced against cash flow





Information is king, and being able to use information is like being able to control the king's army

Use information to:

- ✓ Research markets
- ✓ Identify opportunities
- ✓ Sell services
- ✓ Drive improvements and changes in culture

Growth



Growth

- Growth can be achieved in a number of ways
 - ✓ Profitability
 - ✓ New service offerings
 - ✓ Workforce skills
 - ✓ Community involvement
 - ✓ New or increased access to capital
 - ✓ Cash flow

Take Action Now!

- ✓ If you have not started this process of internal review then you should
- ✓ Use the reforms as an impetus for change and renewal
- ✓ Have a good long look at viability and sustainability through financial modelling
- ✓ Embrace the changes and use competition to your advantage

Which Road?



Which Road?

The successful aged care provider of the future will not be all that different to those of today or the past...



- ✓ Embraces change
- ✓ Innovates
- ✓ Has access to capital
- ✓ Has a good staff culture
- ✓ Provides excellent standards of care
- ✓ Internally and externally accountable