

Hands of Hope Health Care

Hands of Hope Health Care
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1. Executive Summary

Hands of Hope Health Care is an alternative health care provider for the uninsured and underprivileged. Head Nurse Practitioner Cynthia Washington opened Hands of Hope Health Care with the mission to help serve the lower income community around the clinic's location in Chriton, AL. By offering a flat rate of \$30 for uninsured patients while maintaining funding from other sources, she provides a service that most mid-size to larger healthcare facilities cannot at that rate. This flat rate gives patients with health care needs that previously could not afford insurance or other out of pocket costs a place they can be attended to.

The yearly expected revenue in 2013 is \$125,800. This is derived by calculating the average number of patients that will potentially be seen in an hour and slowly adjusting through the year for growth in patient size and increased productivity by the company through more employees and longer hours of operation. The estimated yearly variable cost associated with the revenue estimates are \$51,733. By taking current estimates and figures for the company and adjusting them to account for growth by 2013, the yearly fixed costs result in a total of \$52,200. Lastly, the yearly allotted marketing expense is \$1,000.

The main focus of this marketing plan is to raise awareness within the target market while still maintain growth inside the organization to keep up with increasing demand. Because the company is currently still so small and is under non-profit status, the marketing objectives must be tailored to work with a relatively small budget designed to cater to a specific, lower income target market. The use of newspaper ads and brochures will be the two main forms of advertisement utilized because of the low cost involved and their ability to provide important, direct information related to Hands of Hope Health Care.

2. Situation Analysis

Founded in January 2012, Hands of Hope Health care is located on Beltline Park in Mobile, Alabama. Currently Dr. Cynthia Washington owns operates Hands of Hope Healthcare along with the help of her daughter, goddaughter and four volunteers. Services include diabetes/hypertension testing and management as well as, cold, flu, and minor illness treatment.

One goal is for Hands of Hope Health Care to develop a loyal base of 400 patients by the beginning of the summer by participating in different community activities and fundraisers. Dr. Washington has done television and radio interviews along with passing out flyers to different churches and neighborhoods in the area to promote the clinic and its services. The ultimate goal of Hands of Hope Healthcare is to generate

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enough revenue to hire full- time employees.

The staff at Hands of Hope Health Care focus on providing exceptional service at an unbeatable price. Each visit is \$30 or a copay is charged based on the patients insurance. Hands of Hope Health Care is targeted toward low income citizens and people without insurance. The purchase cycle includes: single visits, biweekly visits, quarterly visits, and semi-annual visits. Customers in this market usually make purchases based on price and health care needs.

Competitors of Hands of Hope Health Care include: Franklin Medical Clinic, Victory Clinic, and Board of Health Primary Clinic. The competition is better established and well known among the target population. However, Hands of Hope Health Care has been experiencing a steady increase in customers since its opening in late January. Because Hands of Hope Health Care is not in a financial position to spend a lot of money on advertising, repeat customers are extremely crucial.

2.1. Market Needs

Hands of Hope Health Care saves its clients money by providing health care services to low income citizens and those without insurance at a low price.

- Low income citizens and people without insurance needed health care before Hands of Hope Health Care opened its doors and offered its services.
- There are other health care facilities in the area that offer similar services to low income citizens and people without insurance.

However, Hands of Hope Health Care sets itself apart by providing excellent service.

2.2. The Market

According to the U.S. Census Bureau there is an estimated 47,208,222 people who are uninsured in the United States as of 2010 (Health Insurance Coverage Status, 2010). In Mobile, Alabama 24.1% of the population are persons under 18 years of age, and 13.7% of the population are persons 65 years and older. From 2006-2010, the per capita money income in past 12 months in Mobile, Alabama was \$22,401. Persons below the poverty level in Mobile, Alabama from 2006-2010 make up 21.5% of the population (Mobile, [City], Alabama, 2010). The 2010 Demographic Profile Data for the geographic area surrounding Hands of Hope Health care (zip code 36617) includes a total population of 13,967 people. 1,013 of those people are between the ages of 10 to 14, 1,161 of those people are between the ages of 15 to 19, and 1,070 of those people are between

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the ages of 50 to 54 (Profile of General Population and Housing Characteristics: 2010).

Hands of Hope Health Care focuses on providing exceptional health care services to low income citizens and those without insurance; primarily, patients seeking medical care for diabetes, hypertension, cold, flu, and other minor illnesses.

The most important customers are repeat customers who come in for treatment of a minor illness. These are patients who do not have insurance and seek reliable and exceptional medical care.

Hands of Hope Health Care primarily focuses on minors (under the age of 19) and elderly people (Over the age of 65).

2.2.1. Market Demographics

Hands of Hope Health Care primarily focuses on citizens who are uninsured or have low income. Therefore, many of the people who seek medical attention from Hands of Hope Healthcare live within the zip code 36617 or very close. Transportation is another factor to consider when identifying the market. Patients may rely on public transportation and must live close enough to where the initial bus route begins. The Wave Transit System, in Mobile, Alabama provides transportation to areas near Hands of Hope Health Care.

The market demographics for Hands of Hope Healthcare most likely include single mothers, children under the age of 19, and men and women over the age of 55. The target market is located within a 15-20 mile distance of Hands of Hope Health Care in the 36617 zip code region of Mobile, Alabama. All of the patients who visit Hands of Hope Health Care are low income citizens or have no insurance and probably rely on public transportation.

2.2.2. Market Trends

1. There is a major trend in the healthcare industry of rising costs: Low income citizens, such as those who visit Hands of Hope Health Care, are very much affected by the rising costs of health care. "While private insurance is the mainstay of coverage for most Americans, only 29% of low-income adults have private insurance. An additional 33% have Medicaid or other public coverage and the remaining 38% of low-income adults are uninsured" (How Trends in the Health Care System Affect Low-Income Adults, 2007).

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2. A second trend in healthcare is the changing industry structure: Patients are now more inclined to resort to specialty clinics for care. Rapid increase of technology also plays a role in the changing industry structure (Health Care Industry Trends, 2006).

3. Lastly, a third trend for the healthcare industry is the pressure to provide quality service: (Health Care Industry Trends, 2006). Hands of Hope Health Care places a large focus on providing exceptional service for all of the patients who are treated. It is extremely important for Hands of Hope Health Care to implement a system to measure the satisfaction of the patients. One way to measure the results is through surveys patients can fill out at the end of their visit.

2.2.3. Market Growth

There is a considerable amount of growth in the alternative health care market. According to IBIS World's article "Alternative Healthcare Providers in the US, December 2011," the recession greatly affected this market. Falling employment and income rates 2008 and 2009 contributed to significant amount of people lose health insurance coverage, which caused the formerly insured to seek out alternative health care, such as Hands of Hope Health Care. Because the economy has not yet taken an upward turn, this market continues to slowly grow.

2.2.4. Macroenvironment

The following text analyzes some of the external issues/forces that may affect Hands of Hope Health Care's ability to generate revenue.

Hands of Hope Health Care is one of 1,342 health care providers that offers outpatient care in the United States. Outpatient health care sector accounts for 50% of the total health care companies in the nation (MarketLine, 2012). Despite the level of competition in the field, health care providers are attracted to the market due to the revenue that it generates. The health care industry is expected to increase its revenue every year by 5%, an increase of over \$770 billion between 2011 and 2016 (MarketLine, 2012). The increase in revenue may be correlated with the slight decrease in the mortality rate in the country. Heart disease, a major cause of fatalities in America, is being detected in its earlier stages which lengthens patients' life expectancies if treated properly (Economist, 2011).

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The possible revenue to be earned has sparked a recent trend in the health care industry: the small clinic business model. Many companies are capitalizing on the convenience factor that small locations are able to offer. Popular retail stores such as Wal-Mart, Target, and Walgreens have established hundreds of in-store clinics, known as retail-based clinics, which are commonly operated by nurse practitioners and physician assistants (Krisberg, 2007). Most of these clinics are low-cost and target uninsured patients that would otherwise not see a physician until the symptoms required a visit to the emergency room (Alexander, 2010).

In recent years, the popularity and success of many independent clinics that offer quick, affordable services has steadily increased (Alexander, 2010). For example, MinuteClinic, a corporation made up of hundreds of small clinics, experienced a patient increase of 51% in 2009 throughout its various locations (Alexander, 2009). Likewise, individual nurse practitioner clinics have also experienced success in southern states. Faith Coleman, a Florida free clinic owner, operates successfully thanks to pharmaceutical donations and volunteer assistance (Clark, 2009). The examples provided illustrate that small clinics are in high demand and are capable of being successful in the current medical market; however, the speed at which these clinics are being established may also be an indication that the market might become saturated with small health care providers in years to follow.

2.3. The Company

Hands of Hope Health Care is a startup nurse practitioner clinic providing treatment through certified nurse practitioners in collaboration with physicians.

The newly developed clinic's goal is to provide medical treatment to low income patients. Hands of Hope Health Care provides lower prices compared to other clinics, but is limited by a lack of salaried employees and restricted hours of operation. Because the clinic is non-profit there is an opportunity to seek grants that will allow the clinic to expand.

2.3.1. Mission

To provide affordable, accessible, and high quality care to individuals of all age groups within low income communities.

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2.3.2.Service Offering

Hands of Hope Health Care provides primary care to patients of all ages at low prices. The clinic strives to focus on diabetes and hypertension testing and management; however, customers can also be treated for colds, flu, and other minor illnesses. Customers are given medicine samples to reduce their overall costs, and there is a maximum payment of \$30 per visit despite the level of their treatment. Customers with insurance only pay the co-pay determined by their insurance provider.

The clinic targets patients without insurance in low income families. A major goal of the clinic owner is to educate patients about health management because this target market is often not aware of the severity of their conditions. In addition, the clinic staff is also interested in participating in free health screenings in areas where people are less likely to receive treatment due to lack of time, income or education concerning health management. Due to the desire to provide most of the services at low prices, the company heavily relies on donations, grants, and insurance company reimbursements.

2.3.3.Positioning

Hands of Hope Health Care is positioned as a price leader while maintaining a high level of service quality. This nonprofit organization is attempting to attract patients who are willing to try a nurse-practitioner clinic. Hands of Hope Health Care is one of the few clinics in the area that provides low cost healthcare despite the patients' insurance type or coverage.

2.3.4.SWOT Summary

Being that Hands of Hope Health Care is a non-profit organization its SWOT analysis is tailored toward breaking even and serving customers rather than strictly making profits. Leading strengths behind this positioning are the value offered to the target market and the availability the company provides for them. Creating a flat rate for uninsured patients and being located close to the target market allows patients who could not previously afford or access care to now have a clinic they can be regularly seen. The downside of being a non-profit company is that Hands of Hope Health Care relies on volunteers for employees and supplements revenue with grants and other funding. Without having absolute control over these aspects problems could arise at any moment for the company. As a start-up

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business the company has a wide variety of options to maintain continued success. Something as basic as increasing employees and hours of operation would drastically increase revenue potential. The main threats facing Hands of Hope Healthcare are possible healthcare reform and reliance on state and federal funding. Because these situation directly affect Hands of Hope Health Care yet cannot be controlled by the company, there is a constant fear of government decisions causing negative consequences for the company.

2.3.4.1.Strengths

The following outlines key strengths of the organization:

Low cost, particularly for the uninsured: Hands of Hope Health Care is committed to helping its patients. Its determination to assist its target clientele is easily seen throughout the willingness of its staff to volunteer on a weekly basis.

Close proximity to target market allows patients quick visits (Sammer, 2011): The clinic's size is ideal for patients who are looking for quick health care services due to their school/work schedule or accessibility to transportation.

2.3.4.2.Weaknesses

The following outlines key weaknesses of the organization:

Lack of volunteers: Hands of Hope Health Care relies on volunteers to provide the lowest possible cost. Finding volunteers qualified is difficult and growth until more employees are available.

Marketing presence: As a start-up business, there has been an emphasis on establishing operation rather than currently worrying about marketing. This weakness is the easiest to address and will vanish when this marketing plan is enacted.

Limited hours of operation: The lack of availability of volunteers stunts the overall time the company can be open.

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Dependence on state and federal funding (Sammer 2011):

Constant budget cuts on the federal and state level could negatively influence smaller health clinics.

2.3.4.3. Opportunities

The following outlines key opportunities of the organization:

Healthcare reform could lead to more insured patients

(Sammer, 2011): New customers that could just now afford healthcare and repeat customers who receive new healthcare benefits would decrease the percentage of customers paying the uninsured rate.

Patients with chronic diseases could be provided proactive care at a low cost through healthcare reform increasing repeat business by seeing patients more often (Sammer, 2011):

Offering care at a lower cost per visit allows patients to receive more regular care.

Potential grants to support the clinic: In our interview with Miss. Washington our team was informed that there are multiple grant opportunities for clinics operating as non-profit and she is currently applying for as many as possible.

Additional volunteers: Even with the limited number of hours of operation there is still unutilized rooms because there is not enough people employed yet to have the entire building operational.

Expanded hours of operation: Once more volunteers are available and the customer base is more stable the hours of operation can then be expanded allowing more business.

2.3.4.4. Threats

The following outlines key potential threats of the organization:

Emergence of other similar health care clinics: Competition is always a threat, but with the non-profit, low cost model being used by Hands of Hope Health Care it would be difficult for competitors to take away from their target market.

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Lack of patient understanding of the services being offered:

Nurse Practitioner clinics are not widely understood by the general public. Misconceptions of the service stray customers away because they are not going to take their own health into risk to try an alternative unless they know they are going to get quality healthcare.

Some experts believe that federal funding for clinics will be reduced in the near future as the demand for their services increases (Sammer, 2011):

This is a threat and a weakness because it is out of the control of Hands of Hope Health Care in that not only are they dependent on the funding, but also the funding is at constant risk of being taken away.

Due to the current state of the U.S. economy, American patients are losing their ability to afford health insurance and are being forced to pay for their health care out-of-pocket (Sammer, 2011):

This affects Hands of Hope Health Care because it could mean that patients postpone their visits to the clinic longer than recommended due to financial issues.

2.4. Competition

Nurse practitioner operated clinics such as Hands of Hope Health Care are not plentiful; however, there is a lot of competition from other types of clinics and health care providers. Direct competition includes Victory Health Partners, Urgent Care and Immediate Care clinics in the area. Because Hands of Hope is targeted towards people without much to spend on health care, they are susceptible to many other kinds of indirect competition. Going to a drug store may not have the same benefit as going to a licensed nurse practitioner, but the products they offer are in the same price range.

2.4.1. Direct Competition

Dr. W. Lightfoot

Dr. Lightfoot's Victory Health Partners (VHP) is the most direct competition for Hands of Hope. For over 10 years, VHP has provided medical and dental care to more than 12,500 low income patients from working families. Dr. Lightfoot is not a nurse practitioner and his practice is geared towards working patients with low income. He accepts over fifteen kinds of insurance and patients without insurance are charged a fee

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based on income. Because VHP has been in place for over 10 years and has a sizeable patient load, the market share of VHP is much larger. Dr. Lightfoot also has better accessibility because his practice is open more days than Hands of Health and has a larger staff. The focus of VHP is slightly different in that only working patients are accepted.

Urgent Care

Urgent Care is another very large competitor for Hands of Health. There are three locations around the Mobile area and eight doctors circulating between them. Urgent Care is open often and available when a patient is unable to get an appointment at their regular family practice doctor's office. It accepts most commercial insurance carriers. The major weakness for Urgent Care is a patient's doctor may not be consistent. Some people prefer to have doctors who know their medical history.

Immediate Care

Immediate Care follows the basic format of Urgent Care, except that it is Alabama's first certified urgent care brand, which makes it popular. It is open every day of the week and does not require appointments. It also offers an online payment option, which might be easier for some patients. The same weakness for Urgent Care also applies to Immediate Care.

| <i>Growth and Share</i> | | | |
|----------------------------------|--------------|--------------------|---------------------|
| Competitor | Price | Growth Rate | Market Share |
| Hands of Hope Health Care | \$30 | 5% | 2% |
| Dr. Lightfoot | \$45 | 10% | 20% |
| Urgent Care | \$142 | 15% | 40% |
| Immediate Care | \$150 | 15% | 35% |
| Average | \$91.75 | 11.25% | 24.25% |
| Total | \$367.00 | 45.00% | 97.00% |

Competitive Analysis

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| Competitor | #1 Dr. Lightfoot | #2 Urgent Care | #3 Immediate Care |
|---|---------------------|-------------------|----------------------|
| Product and/or Service | | | |
| Quality | 8 | 7 | 6 |
| Selection | 7 | 7 | 5 |
| Price | 8 | 3 | 2 |
| Location and Physical Appearance | | | |
| Appearance | 7 | 7 | 8 |
| Visibility | 7 | 8 | 6 |
| Convenience Factors | 4 | 9 | 6 |
| Total | 46 | 49 | 40 |

2.4.2. Indirect Competition

There are many kinds of indirect competition for Hands of Hope. The first is any kind of drug store, such as Walgreens or Rite Aid. For simple illnesses, people may choose to medicate themselves instead of seeing a nurse practitioner. The pharmacist at a drug store can answer some of the questions these people might have and direct them to an over-the-counter medicine. Another way people might avoid going to see a doctor is looking up their symptoms on the Internet. WebMD is a very popular website which allows people to feel more comfortable self-diagnosing because there is so much information available. The problem with both of these options, the Internet and a drugstore, is that people might be getting the wrong information. The Internet is not a good substitute for medical school. People might use the wrong treatments to try to make themselves well or make their ailment worse.

3. Marketing Strategy

Hands of Hope Health Care's strategy is to communicate the value of its services to existing and new customers while providing high quality health care to those in low-income households.

The company provides value to its customers through its low prices and commitment to educate those who are at risk of developing a medical condition. Its major goals are to reach its 400 patient goal, maintain high customer satisfaction, attempt to break-even, and increase company awareness in the community.

3.1. Value Proposition

For Hands of Hope Health Care, providing valuable health care is critical to the community. The feature emphasized in this company is set prices for all available forms of health care. The benefit and value patients receive is not only monetary, but potentially lifesaving. Hands of Hope Health Care's overall value proposition to patients is to provide adequate and efficient health care at the highest value and quality at lower costs than every other health care alternative.

3.2. Critical Issues

Hands of Hope is considered to be in the "growth" category of its lifecycle. The non-profit nature of this health care clinic is its greatest strength as an upstart business. The low cost of the service for the customer is meant to be sustainable rather than immediately profitable. The weaknesses involved in getting a health care clinic off the ground, including limited hours of operation and a lack of salaried employees, are slowly being addressed while the core strengths are not altered. It has few major opportunities while keeping threats manageable, but there is still questionable potential for growth.

- Reaching the target patient number, currently set at 400 patients
- Increase awareness of the clinic, its location, and educate potential patient of the kinds of services offered.
- Customer satisfaction should be recorded to ensure the growth of clinic does not take priority over service quality
- Reduce the number of volunteers and increase salaried workers
- Maintain longer hours of operation to support more patients

- Implement marketing plan once complete

3.3. Financial Objectives

Sales revenue

Maximize sales revenue by utilizing all three patient rooms. There are two nurse practitioners and one registered nurse that volunteer during the week. The combined work of these three nurses should yield about 5 patients per hour. Since the clinic is only open 20 hours a week, the most patients that can be seen are 100 per week. If each patient pays the \$30 visitation fee, the clinic has the potential to generate \$3,000 a week. Therefore, the sales revenue goal for the year should be \$144,000 before insurance fees are collected.

Service sales revenue

Due to the nature of the business, all services are priced equally and therefore yield the same revenue. The company should focus on maximizing overall productivity in order to increase revenue. The physical and staff limitations of the clinic should allow for about 400 patients per month. The service sales revenue goal should be \$12,000 every month.

Break-even Analysis

The clinic is in its first year of business and only collects \$30 per patient, which results in low revenues. However, the clinic's balance sheet should yield a positive balance because all staff members are volunteers and the clinic is able to increase its total revenue by collecting partial reimbursements from patients who have health insurance. In addition, the clinic's owner is applying for financial support from the government and various private organizations which will increase funding. The clinic's expenses include rent, supplies, utilities, and miscellaneous fees; currently, the clinic does not have a large marketing budget and has relied on free forms of advertising and word of mouth referrals. The full break-even analysis can be found in section 5.1 of the marketing plan.

3.4. Marketing Objectives

- **To increase return customers:** A goal Dr. Washington has for Hands of Hope Health Care is to develop a customer base of 400 by the beginning of the summer. There is a huge emphasis on establishing returning patients.
- **To increase awareness of the services in the community:** The development and implementation of a website is a way to increase awareness among the community about Hands of Hope Health Care, the low cost it provides, and the exceptional service patients will receive.

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- **To establish a good reputation in the community:** Coordinating events in the community to introduce Hands of Hope Health Care is a way for Dr. Washington to build relationships with her target market. Providing follow up calls or postcards to patients who have received treatment at Hands of Hope Health Care is another way to become familiar to patients and establish a good reputation. It is very important to track the results of patients who were satisfied with their visit. These results can be obtained through simple methods such as asking the patients to fill out a survey before they leave.
- **To present Hands of Hope Health Care as a first choice in health care for the uninsured**

3.5. Target Market Strategy

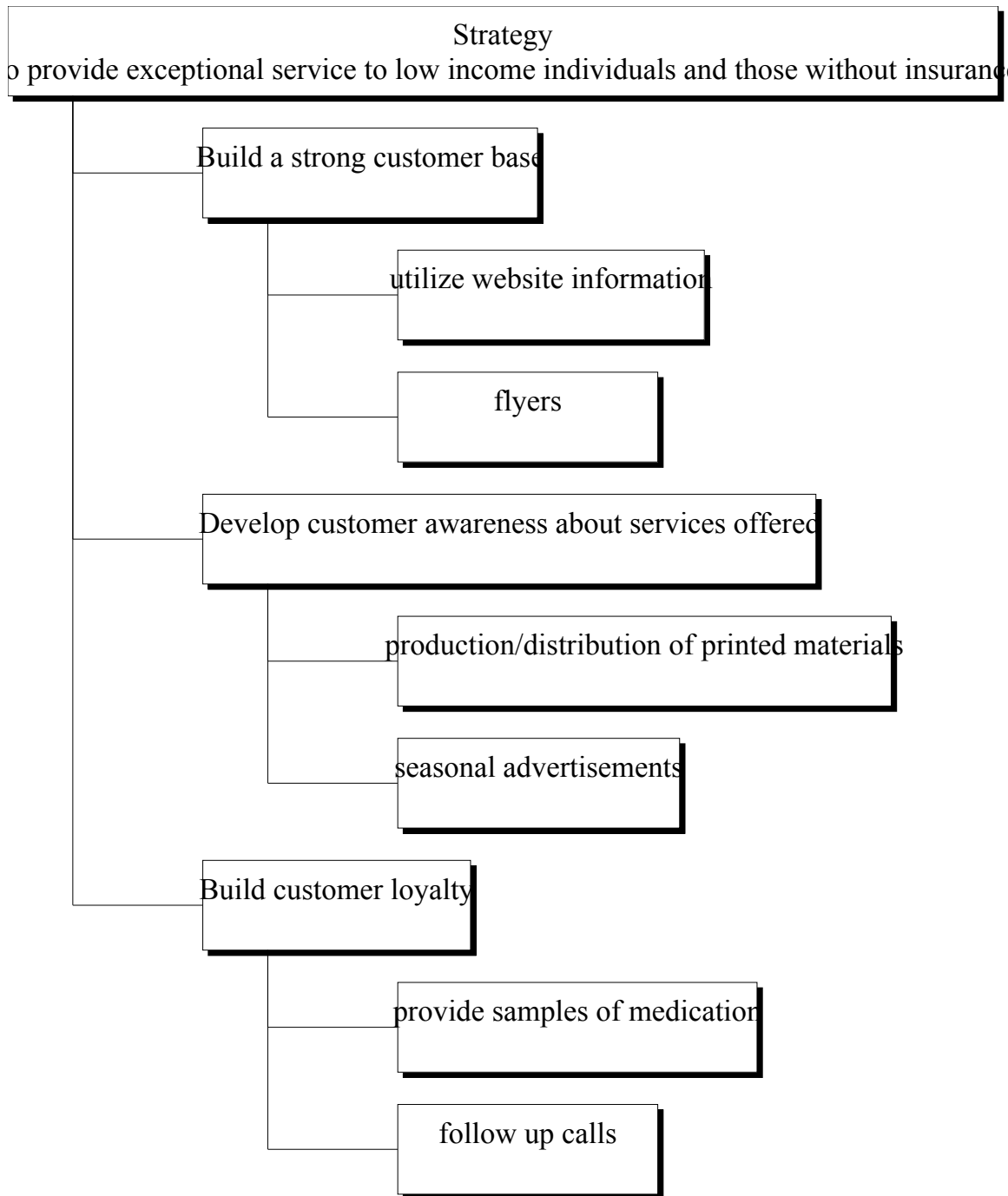
The target market of Hands of Hope Health Care is those of all ages in low-income communities, especially those without insurance. A top priority for the business is helping those in need. Reliable health care for the uninsured is difficult to come by and is therefore, the market Hands of Hope is trying to penetrate. The business is primarily for the uninsured, but is also open to those with limited income. An all-encompassing term for the target market of Hands of Hope Health Care would be "those in need, without the means."

3.6. Strategy Pyramid

Hands of Hope Health Care's number one objective is to offer quality health care service at an unbeatable price to low income individuals and those without insurance. To achieve this goal, Hands of Hope Health Care will focus on developing a strong customer base through use of a website to disseminate important information about the clinic and by posting flyers around the area and leaving them in local businesses. The second tactic is to develop customer awareness of the services offered at Hands of Hope Health Care clinic. This message will be achieved by the production and distribution of printed materials such as brochures, along with seasonal advertisements in the Mobile Press Register and times such as "flu season" or "spring/pollen allergies". Lastly, Hands of Hope Health Care focuses on building customer loyalty and making each patient a repeat patient. Hands of Hope Health Care will achieve this by providing samples of medicines when available to patients after their visit and follow up calls for each patient.

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Strategy Pyramid



4. Marketing Mix

Hands of Hope Health Care is a local clinic positioned as a high-quality, low-priced service provider. The clinic is a price-leader which is apparent when reviewing its pricing strategy: \$30 per patient, despite of the medical treatment necessary or insurance type. Due to its low revenue, the clinic depends on donations and partial

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insurance reimbursements; this directly affects the advertising budget, which currently only funds brochures and fliers. The clinic's main source of advertising is word-of-mouth referrals. However, follow-up phone calls and postcards may be added to its direct marketing strategy in the future. In addition, the clinic is in the process of developing a website, but its current web presence is limited to a Google "Place" and some third-party website listings. Overall, the clinic's marketing mix focuses on patient satisfaction and limited advertising due to financial constraints.

4.1. Product Marketing

Hands of Hope Health Care's service offerings relate directly to its marketing strategy. The strategy involves increasing return customers, increasing potential and current customer awareness about services provided, and building a strong sense of loyalty in all the customers. Helping those without insurance is one of Hands of Hope's top priorities, as stated in the Value Proposition. The market strategy is devised in order to try to accomplish that objective. Hands of Hope wishes to present itself as a first choice in health care for the uninsured. Because that is the main goal, the services (products) provided are very inexpensive for both those with and without health insurance.

4.2. Pricing

There are two choices when it comes to paying for health care at Hands of Hope. The first is for those who are uninsured. Helping those without health insurance is a top priority for Hands of Hope. As such, the payment required at each visit for the uninsured is \$30. Hands of Hope does not discriminate against those with health insurance, however. These people will be seen by the nurse practitioner and required to either pay their co-pay or \$30, whichever is lower. Hands of Hope is not just about helping the uninsured, but about helping all those in need.

| <i>Price List</i> | | |
|-------------------|--|-----------------------|
| Item | Description | Per Unit Price |
| Uninsured | Price per visit for those without health insurance | \$30 |
| Insured | Price per visit for those with health insurance | co-pay |
| Insured | Price per visit if co-pay is higher than \$30 | \$30 |

4.3. Promotion

Hands of Hope Health Care will focus promotional strategies primarily on creating awareness of the company and educating patients of the services offered. With limited room for growth and expansion promoting the business is a priority but only to the extent that the company can handle. Because of this and the fact the company is non-profit the overall marketing expense budget is relatively low at a rate of \$1,000 for the year.

4.3.1. Advertising

Dr. Washington already utilizes the use of brochures as a means of advertising. Along with passing out brochures and pamphlets in the local community, Dr. Washington has also done television and radio interviews as a means of advertising. Both of these strategies are very beneficial to spreading the word about Hands of Hope Health Care. However, in order to gain more awareness, seasonal advertisements in the local newspaper during peak sick times, such as flu and allergy season would be extremely beneficial as well.

Because there is not a large advertising budget, Hands of Hope Health Care will focus on more targeted campaigns, such as speaking with people in local churches and other organizations in the community.

The development and implementation of a website is also another useful tool Hands of Hope Health Care could use as an advertising strategy.

| <i>Milestones</i> | | | |
|---------------------------------|-------------------|-----------------|---------------|
| Advertising | Start Date | End Date | Budget |
| Newspaper ad (Winter) | 1/4/2013 | 1/4/2013 | \$55 |
| Newspaper ad (Spring) | 4/7/2013 | 4/7/2013 | \$55 |
| Newspaper ad (Summer) | 6/9/2013 | 6/9/2013 | \$55 |
| Newspaper ad (Fall) | 9/15/2013 | 9/15/2013 | \$55 |
| Total Advertising Budget | | | \$220 |

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4.3.2. Public Relations

Public relations is an extremely important part of the success of any organization. In particular, Hands of Hope Health Care should focus on building relationships with the community to gain positive media exposure. Organizing events within the community to educate people on health issues is one way Hands of Hope Health Care can gain awareness.

4.3.3. Direct Marketing

Hands of Hope Health Care will focus on utilizing direct marketing by providing follow up phone calls to patients who have received treatment from the facility. Dr. Washington already utilizes the use of brochures as a means of advertising. Distributing brochures to first time patients is another direct marketing strategy. Hands of Hope Health Care will continue to utilize to make each patient's visit a little more personal, resulting in repeat patients. The implementation of surveys for patients to fill out and express their satisfaction level with Hands of Hope Health Care is another beneficial direct marketing strategy.

Milestones

| Direct Marketing | Start Date | End Date | Budget |
|--------------------------------------|-------------------|-----------------|---------------|
| Brochures (Yearly) | 1/1/2013 | 12/31/2013 | \$780 |
| Total Direct Marketing Budget | | | \$780 |

4.4. Web Plan

Currently, Hands of Hope Health Care's Internet presence is limited to a "Place" that can be found through a Google search of the company name and basic listings on third party websites. However, Dr. Washington hopes to expand the company's web-based accessibility in the near future. In fact, Hands of Hope Health Care is currently developing and designing a company website that will serve as an informational medium that allows patients to gather information about the company. Basic information such as the company mission statement, hours of operation, and services available will be easily accessible on the website.

4.4.1. Website Goals

The Hands of Hope Health Care website has three specific goals:

1. Inform current and prospective patients about the company and the services it provides.
2. Provide company updates and educational material for patients.
3. Convey a positive clinic image by managing patient expectations through the use of a simple web servicescape that reassures patients about the affordable, high-quality healthcare services provided.

4.4.2. Website Marketing Strategy

Hands of Hope Health Care should promote its website in all future printed materials: business cards, fliers, signs, and banners. Due to the low financial status of our target market, extensive internet advertising would not yield high returns on investments because it is unlikely to reach patients in the proper market segment. Instead, the website should shape the patients' expectations about the clinic and be an informational source. The website will aid attract new patients in the area who may be comparing local healthcare organizations online. Finally, the website will also facilitate word of mouth referrals because it will allow patients to refer friends and family to the clinic's site in order to gather information about the clinic's services.

5. Financials

The constant growth and of Hands of Hope Health Care in this early development stage of the business makes forecasting future sales difficult, especially without a breadth of historical data to reference. Other alternative health care options researched were all too large to be able to compare to such a small operation such as Hands of Hope Health Care. Without industry comparisons and historical data: costs, revenues, and marketing expenses have been extrapolated by using current pricing data, hours of operation and manpower, and patient and sales estimates provided by Miss. Washington. Estimates for fixed costs, sales forecast, and marketing expenses will be broken down in their respective sections.

5.1. Break-even Analysis

The basic principle of a break-even point is to find the exact number of revenue it will take in order to cover both fixed and variable costs. As a non-profit organization focused on providing customers with the lowest possible cost of care, knowing and reaching the break-even point is vital to maintaining the company. Being that Hands of Hope Health Care is a service based, volunteer driven clinic, fixed costs associated with equipment and salaries have been excluded. The rest of the fixed costs are straight forward in what they stand for. The four remaining fixed costs are broken down into rent or lease, medical supplies, utilities and telephone, and non-discretionary marketing expenses. At the current break-even point of \$7,833 and the hours of operation being 20 hours per a week, it would take slightly more than three customers an hour to reach that mark every month. The estimate of three customers an hour does not factor in grants, donations, and insurance payments however. Once these additional incomes are included in monthly revenue the break-even point should be easily attained on a monthly basis throughout 2013.

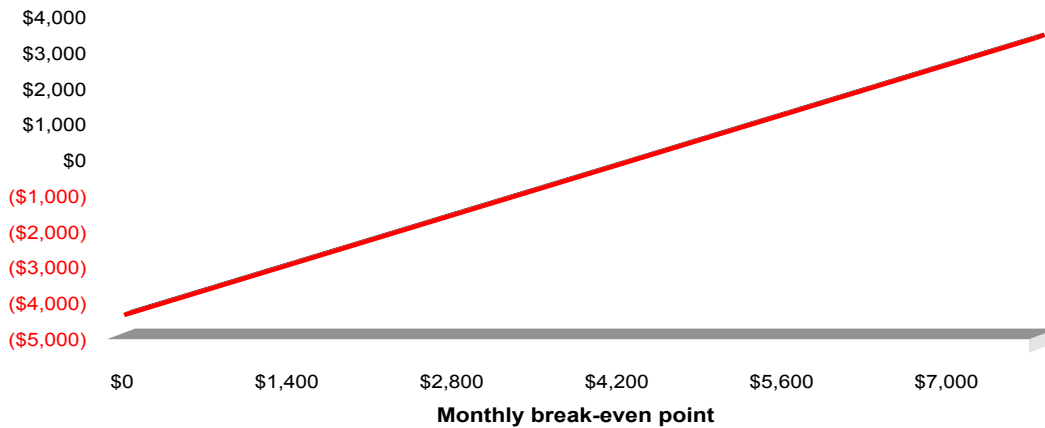
| <i>Fixed Costs</i> | |
|--------------------------------------|---------|
| Cost | |
| Rent or Lease | \$1,800 |
| Medical Supplies | \$1,817 |
| Utilities & Telephone | \$650 |
| Non-discretionary Marketing Expenses | \$83 |
| Total Fixed Costs | \$4,350 |

| <i>Break-even Analysis</i> | |
|-----------------------------------|---------|
| Monthly Revenue Break-even | \$4,350 |
| Assumptions: | |

Hands of Hope Health Care

| | |
|-------------------------------|---------|
| Average Percent Variable Cost | 41% |
| Estimated Monthly Fixed Cost | \$4,350 |

Break-even Analysis



Break-even point = where line intersects with 0

5.2. Sales Forecast

Hands of Hope Health Care is an upstart business that has only been operational for a few months. With that said and the nature of the business being hard to financially track with limited information systems our company was unable to provide us any historical financial data and could only provide limited estimates moving forward. The problem with Hands of Hope Health Care is that there is no other company accessibly researchable with a similar business model of being a small, non-profit health care clinic with only four volunteers as employees. Information provided to us through our company that we used to develop sales numbers include: price of services, estimated patient number by summer 2012, and hours of operation. The maximum number of patient visits the company can handle in a week is 180. Assuming by 2013 the company has increased its patient list between 500 to 600 patients the likelihood that a third of them would be seen every week is highly unlikely. The numbers reflected in the sale forecast are a reasonable expectation for Hands of Hope Health Care derived from an analytical view of the information we have and the expectations of Miss. Washington. The estimate starts in January with the assumption of four patient visits per every hour at the current rate of twenty hours of operation in a week. The growth stage of business ultimately has a patient cap, and once that is hit sales growth will plateau because the business will theoretically be operating at maximum capacity.

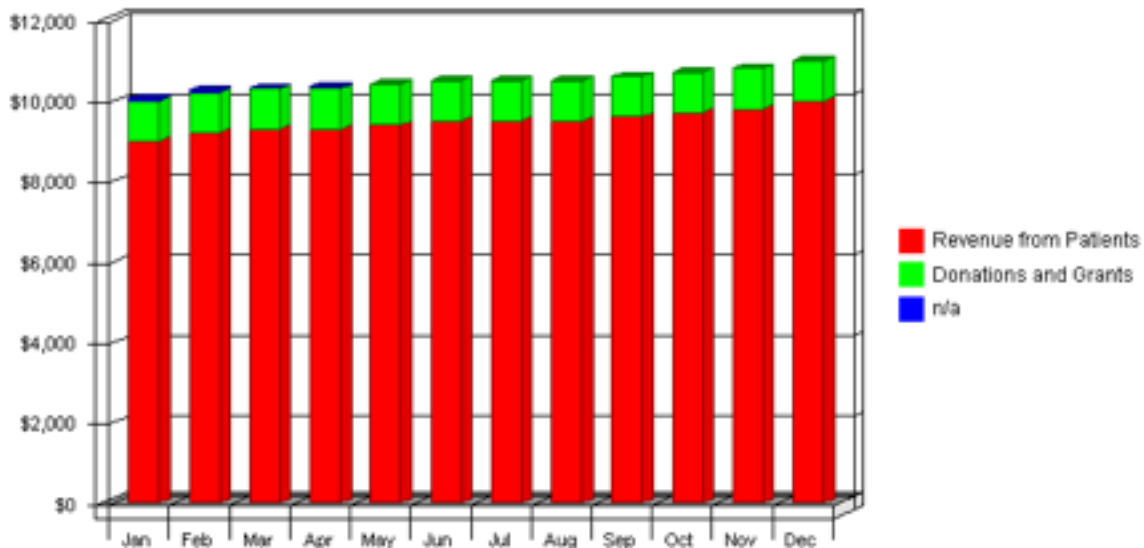
Hands of Hope Health Care

for the space and personnel involved. This plateau should take place sometime within 2012 thus leaving the growth rate in 2013 relatively low but stable. Grants and donations are another vital source of income for the company. Miss Washington was unable to provide our group with names and totals of the financial aid she is receiving. In order to reflect the income provided by these sources and estimate of \$12,000 per the year was broken down into twelve equal monthly sections. The direct costs of sale were found by adding up all monthly fixed costs and dividing them by 80 as this is the total number of operational hours in a given month. This number was then divided by four to represent the average cost per a patient seen within each of those hours. The average cost per patient is \$13.59; this number is then multiplied by the product of total monthly revenue divided by 30 to find how many patients are expected to be seen in that month.

Sales Forecast

| | 2013 |
|--------------------------------------|------------------|
| Sales | |
| Revenue from Patients | \$113,800 |
| Donations & Grants | \$12,000 |
| Total Sales | \$125,800 |
| | |
| Direct Cost of Sales | |
| Patient Costs | \$51,733 |
| Subtotal Direct Cost of Sales | \$51,733 |

Sales Monthly



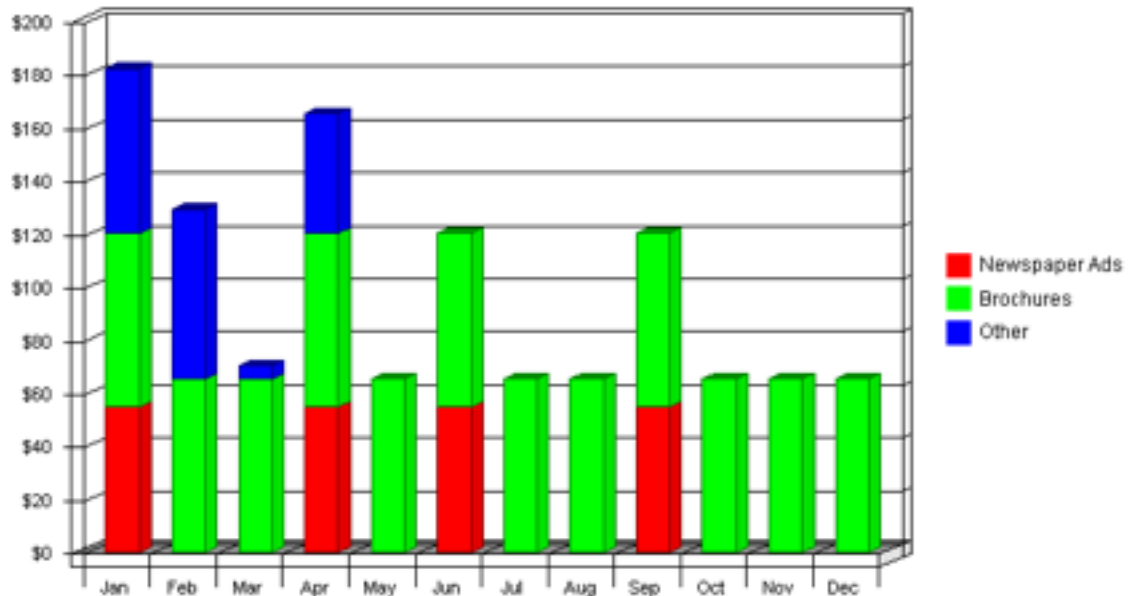
5.3. Expense Forecast

Hands of Hope Health Care has a limited number of monthly expenses because it is a service based industry. However, the nature of the service does require a plethora of supplies and equipment on a regular basis to maintain optimal, sanitary operation. The small nature of the business does not allow for an infinite amount of customers. Even with more employees and longer hours of operation there is still a plateau at which the company can no longer accept patients. Because the overall success of the business is based on patient visits and not the patients themselves, it is important to maintain a marketing presence throughout 2013. Because the target market is of lower income and there is a stronger emphasis on patient visits rather than the overall number of patients, marketing expenses are able to be kept relatively low. Assuming there is potential revenue to be gained, a marketing budget of \$1,000 for the year has been allotted. Because a basic internet presence is free to establish and television advertisements are excessive for the company's marketing needs, the \$1,000 dollars will be spent on newspaper and brochure forms of advertisement. There are plans to release seasonal newspaper advertisements in the Sunday edition of the Mobile Press Register at the non-profit rate of \$55 per advertisement. To limit costs this advertisement will run once in January, April, June, and September. The remaining portion of the advertisement budget will be equally dispersed throughout the months to develop and distribute brochures throughout the community.

Hands of Hope Health Care

| Marketing Expense Budget | |
|---|----------------|
| | 2013 |
| Newspaper Ads | \$220 |
| Brochures | \$780 |
| Total Sales and Marketing Expenses | \$1,000 |
| Percent of Sales | 0.79% |

Monthly Expense Budget



6. Controls

This marketing plan is the first one for Hands of Hope Health Care. As it is executed, the internal and external environments will be monitored, although drastic change is not expected. It is important to oversee progress as the marketing plan is implemented and to make changes if the plan fails anywhere.

6.1. Implementation

It is essential for this marketing plan to not only be implemented strongly in the beginning, but also throughout the entire year. In order to make sure this happens, progress meetings are suggested. At these meetings, current marketing strategy, patient numbers, hours of operation, and employee numbers need to be discussed. The number of patients will help Hands of Hope Health Care decide if the hours of operation and the number of employees need to be raised. Because the marketing plan is set up to increase business overall, it is important that these meetings be held monthly. If some parts of the plan are not working as well as they should, appropriate changes should be made.

6.2. Keys to Success

- Develop a symbiotic relationship with other health care providers
 - o Establishing relationships with other physicians and clinics provides patients with a larger breadth of care resulting in higher quality of service.
- Educating the target community of services and pricing offered
 - o As a company still in the growth phase the most vital objective to attain is getting information about the clinic to patients unaware of the clinic, its services provided, and the value offered by the clinic
- Establish a good reputation with patients
 - o As with most service based businesses, providing the customer with a positive experience promotes repeat business and increases word of mouth advertising naturally
- Location to target market
 - o With an emphasis on lower income customers it is important the clinic is located near its target market to make it easier for them to get to the clinic.

6.3. Market Research

Qualitative

- Focus Groups
 - o Gather information from consumers to get their point of view of the company and identify problems they may have.
- Individual depth interview
 - o Follow up interviews with certain members of the focus groups will allow the customer to continue in more depth about problems discovered in the focus group

Quantitative

- Patient surveys, interviews, and questionnaires
 - o The limited scope of the target market makes this research easier for the company. Instead of having to divide customers into multiple segments, Hands of Hope Health Care should use this research to gain further knowledge of its customer base outside of the basic information provided during a typical visit.

6.4. Contingency Planning

Hands of Hope Health Care is benefited both by its status as a healthcare clinic and as a non-profit company. These two factors greatly reduce the pressure involved with an upstart company because funding is available from other sources and the use of volunteers lowers the costs that must be covered. Since people are always going to get sick there is not a risk of running out of business, but the customers must become aware of the company in this time of growth in order to maintain a certain number of patients and visits. Hands of Hope Health Care is Miss. Washington's way of giving back to the community by using her skills and talents as a nurse practitioner. With that said, the business model is focused on breaking even and helping patients rather than making a profit. The biggest problem the company could face with this model is not retaining enough customer visits and operating costs would exceed revenues. If this were to happen there are many companies and organizations that could potentially donate money being that it is a non-profit clinic for a lower income community. If patient visits and donations both slump the company would then likely be no more. With all the employees being volunteers having to shut down would only be harmful to the patients who relied on the clinic for care while the employees would still be able to work elsewhere and find other ways to serve the community. It is hard to find many situations that would threaten Hands of Hope Health Care because the business model tackles both low cost and has a specific need to fulfill with its customer base. Hands of Hope Health Care's biggest concern right now is growth rather than competition. Because the clinic is located close to its low income target market, it provides both the convenience of being close and being more affordable. This allows Hands of Hope Health Care to focus more on gaining customers rather than being afraid of competitors.

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7.

Appendix

| Sales Forecast | | | | | | | | | | | | |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Sales | | | | | | | | | | | | |
| Revenue from Patients | \$9,000 | \$9,200 | \$9,300 | \$9,300 | \$9,400 | \$9,500 | \$9,500 | \$9,500 | \$9,600 | \$9,700 | \$9,800 | \$10,000 |
| Donations and Grants | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Total Sales | \$10,000 | \$10,200 | \$10,300 | \$10,300 | \$10,400 | \$10,500 | \$10,500 | \$10,500 | \$10,600 | \$10,700 | \$10,800 | \$11,000 |
| Direct Cost of Sales | | | | | | | | | | | | |
| Patient Costs | \$4,258 | \$4,168 | \$4,213 | \$4,213 | \$4,258 | \$4,304 | \$4,304 | \$4,304 | \$4,348 | \$4,394 | \$4,439 | \$4,530 |
| Subtotal Direct Cost of Sales | \$4,258 | \$4,168 | \$4,213 | \$4,213 | \$4,258 | \$4,304 | \$4,304 | \$4,304 | \$4,348 | \$4,394 | \$4,439 | \$4,530 |

Hands of Hope Health Care

Marketing Expense Budget

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Newspaper Ads | \$55 | \$0 | \$0 | \$55 | \$0 | \$55 | \$0 | \$0 | \$55 | \$0 | \$0 | \$0 |
| Brochures | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 |
| Total Sales and Marketing Expenses | \$120 | \$65 | \$65 | \$120 | \$65 | \$120 | \$65 | \$65 | \$120 | \$65 | \$65 | \$65 |
| Percent of Sales | 1.20% | 0.64% | 0.63% | 1.17% | 0.63% | 1.14% | 0.62% | 0.62% | 1.13% | 0.61% | 0.60% | 0.59% |

Hands of Hope Health Care

| | | | | | | | | | | | | |
|---|--------------|-------------|-------------|--------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|-------------|
| Total Sales and Marketing Expenses | \$120 | \$65 | \$65 | \$120 | \$65 | \$120 | \$65 | \$65 | \$120 | \$65 | \$65 | \$65 |
| Percent of Sales | 1.20 % | 0.64 % | 0.63 % | 1.17 % | 0.63 % | 1.14 % | 0.62 % | 0.62 % | 1.13 % | 0.61 % | 0.60 % | 0.59 % |
| | | | | | | | | | | | | |
| Contribution Margin | \$5,622 | \$5,967 | \$6,022 | \$5,967 | \$6,077 | \$6,077 | \$6,131 | \$6,131 | \$6,132 | \$6,241 | \$6,296 | \$6,405 |
| Contribution Margin / Sales | 56.2 % | 58.5 % | 58.4 % | 57.9 % | 58.4 % | 57.8 % | 58.3 % | 58.3 % | 57.8 % | 58.3 % | 58.2 % | 58.2 % |

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