HOME CARE PULSE® VANTAGE

- Quality Satisfaction Management
- Proof of Quality
- Performance Benchmarking
- Education & Tools

Special VANTAGE Workshop Webinar presented by
Aaron Marcum,
CEO of Home Care Pulse

Performance Benchmarking

Tap Into The Secrets of The Leaders

January 29, 2014

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Housekeeping

- Everyone is on mute.
- This presentation is being recorded and will be sent out to all registrants.
- IMPORTANT – For the best quality audio, try using your telephone and not your computer's microphone.
- Type your questions in the question box, and we will address them at the end of the webinar.
- Please "be present" today, pretend we are in a classroom together.
- Please take the one question survey upon exiting the presentation at the end.

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About The Presenter

Aaron Marcum
Founder and CEO of
Home Care Pulse®

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Quality Management

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Today's Agenda

- Discuss the benefits of performance benchmarking.
- Explore the types of performance benchmarking.
- Top Ten - When Motivational Benchmarking Goes Wrong.
- In-depth discussion of the "Top Five Benchmarking Strategies That Can Transform Your Business."
- Review a summary of The Executive Action Plan for January.
- Provide instructions on The Executive Success Tool for January.

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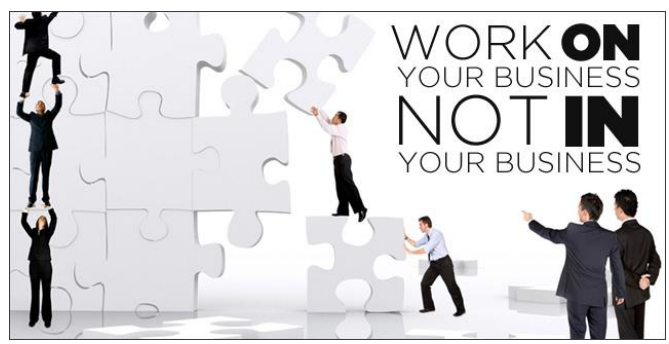
Performance Benchmarking = Working ON Your Business



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Performance Benchmarking vs. Measuring Performance

- **Measuring Performance –** When you measuring performance of a group or individual on their own.
- **Performance Benchmarking –** When you take the group or individual performance measurements and comparing them to other groups or individuals.

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Continuous Performance Benchmarking Can Help You . . .

- **Drive positive behavior** among team members.
- Keep the spotlight on the **measurements that matter most**.
- **Clarify company expectations** for team members.
- Foster the desire for **greater accountability** among your team members.
- Lay the foundation for **successful goal setting**.
- **Focus everyone's attention** on the most important activities.
- Manage and **lead by the facts**.
- Establish **consistent performance** among your team.
- Free up your time to **work more on the business and pursue personal interests.**

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Continuous Performance Benchmarking Can Help You . . .

- **Facilitate feedback** among your team and clients.
- **Empower great team work** and collaboration.
- **Be warned of problems** before they become a crisis.
- **Eliminate the causes** rather than just the symptoms.
- **Empower confidence** in your future success.
- **Wisely invest** in those areas that will bring you the greatest return.
- **Motivate your team** to dig deeper to reach the goals of the company.
- Adopt a **forward looking** and **pro-active leadership** style.

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Two Types of Benchmarking for Home Care

1. **Motivational Benchmarking –** Measurements used for incentives, rewards and consequences (e.g. benchmarks that allow you to set individual performance goals tied to rewards, such as sales quotas, collections, etc.).
2. **Informational Benchmarking –** Measurements used for gathering information useful for improving systems, enhancing management, and digging deeper into the details and the way things are performed or implemented (e.g., benchmark/compare how others are handling certain legislative issues, others' inquiry to assessment close ratios and client/caregiver satisfaction rates, and the benefits others provide).

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Top 10 - When Motivational Benchmarking Goes Wrong

1. **Linking rewards to the wrong performance benchmarks.**
   - **Wrong** – Bonus paid for the # of referral visits a sales rep makes in a week. Motivates them to be busy but not necessarily productive.
   - ✓ **Right** – Bonus paid for the monthly net increase in billable hours. Everyone benefits.
   - **Wrong** – Bonus paid to staffing coordinator(s) for receiving high caregiver satisfaction scores in "office staff communication." Could motivate them to pressure caregivers to give them high scores. This is an informational benchmark to help you improve how things are done.
   - ✓ **Right** – Bonus paid to staffing coordinator(s) for efforts that help decrease caregiver turnover by a certain %. This is the result you want!

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Top 10 - When Motivational Benchmarking Goes Wrong

2. **Measuring based on forced compliance.** Producing negative pressure to perform at a certain level…or else.
3. **Producing results on the wrong measures of success.**
   - **Wrong** – Field supervisors paid bonuses for the number of visits they make. Visits become short and less effective.
   - ✓ **Right** – Field supervisors paid bonuses when their team of caregivers reach certain training and certification goals.
4. **Inconsistent Measurements.**
   - **Wrong** – Measure client satisfaction bi-annually, which motivates the team to improve friendliness and customer service only during that brief period of time.
   - ✓ **Right** – Measure client satisfaction monthly so team is motivated to improve friendliness and customer service continuously.

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Top 10 - When Motivational Benchmarking Goes Wrong

5. **Measurements that make you look good but do not help with improvement.**
   - **Wrong** – Justifying the exclusion of some employees when calculating the caregiver turnover ratio.
6. **Contradictory measurements.** Designed to help one area but unintentionally damage another.
   - **Wrong** – One sales rep is measured by the % of inquiries they schedule for assessments, motivating them to schedule anything, while another is measured by the % of assessments that turn into clients.
   - ✓ **Right** – Team's performance is mostly judged on the inquiry to admission ratio, which measures the entire process.

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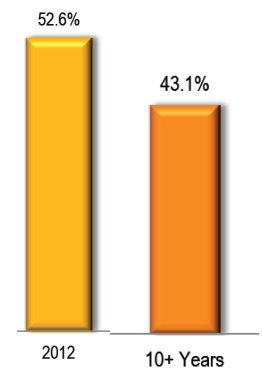
Top 10 - When Motivational Benchmarking Goes Wrong

7. **Deceptive benchmarks –** Placing benchmarks so low that team members are guaranteed a "win."
   - **Wrong** – A home care provider, who has been in business for 20 years, benchmarks their caregiver turnover against the entire industry and judges success from that.



Benchmarks from the 2013 Private Duty Benchmarking Study, produced by Home Care Pulse

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Top 10 - When Motivational Benchmarking Goes Wrong

8. **Measuring and rewarding too many things.**
   - **Wrong** – Sales performance is judged and rewarded for results in sales visits, number of inquiry calls, all close ratios, number of assessments, number of new clients, and the list goes on (all good informational benchmarks but not necessarily motivational benchmarks).
   - ✓ **Right** – Sales team is measured and rewarded based on inquiry to admission ratio and billable hours net increase. FOCUS ON WHAT YOU WANT THE RESULT TO BE!

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Top 10 - When Motivational Benchmarking Goes Wrong

9. **Measurements become too complicated to track.**
   - **Wrong** – Paying a sales commission based on 5+ different performance factors. Often the sales rep doesn't even understand.
   - ✓ **Right** – Paying a sales commission based on 1-2 key performance desired results.

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Top 10 - When Motivational Benchmarking Goes Wrong

10. **Team member distrust in the benchmarks.** This happens when:
    - Measurements typically are not followed-up on or enforced by executive management.
    - Fear is used to enforce the benchmarks.
    - All the goals tied to the measurements were decided by executive management, with no team input.
    - Efforts are made to remove cheating or manipulation of the performance benchmarks instead of removing the need/desire to cheat or manipulate.

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Top Five Benchmarking Strategies That Can Transform Your Business

1. Create an atmosphere that seeks after endless positive improvement.
2. Align your key performance benchmarks (KPB's) and goals with the results that matter most.
3. Establish the right motivational benchmarks.
4. Promote continuous collaboration among your team.
5. Take leadership of the entire performance benchmarking process.

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Strategy #1 – Create an Atmosphere That Seeks After Endless Positive Improvement

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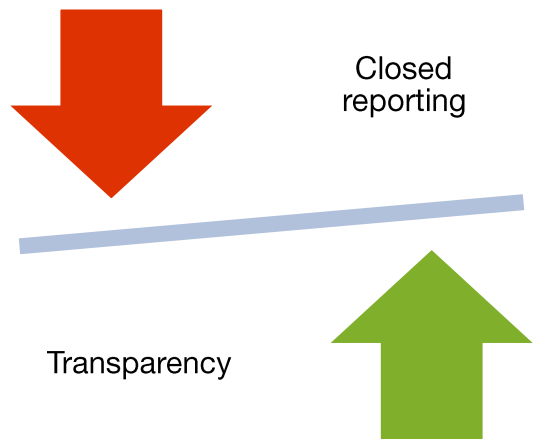
An Atmosphere of Consistent Improvement



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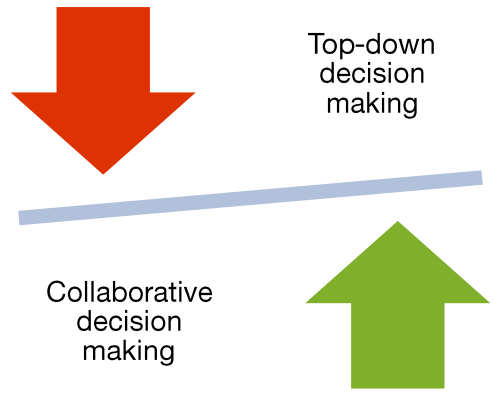
An Atmosphere of Consistent Improvement



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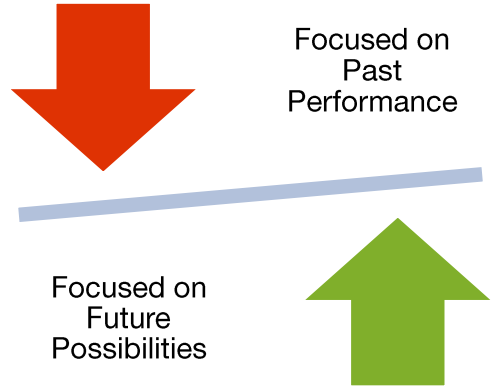

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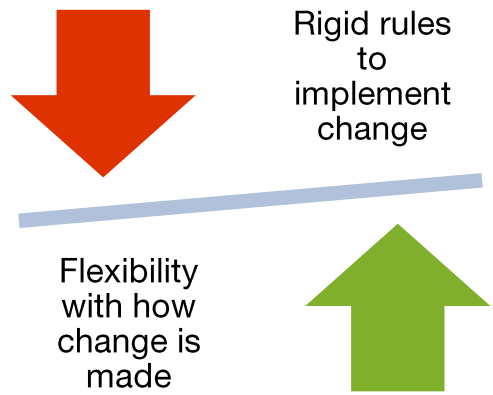

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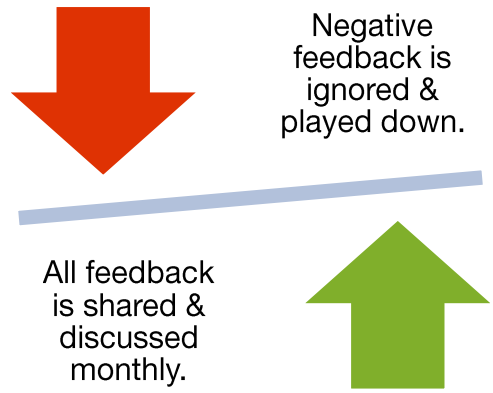

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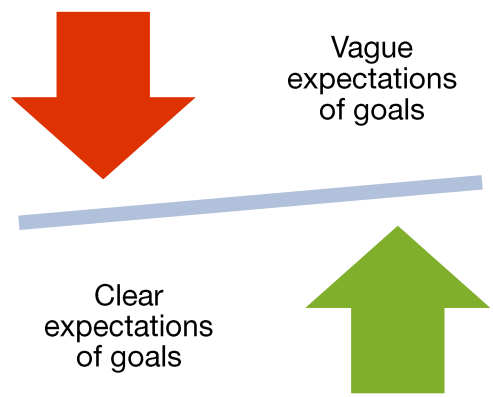

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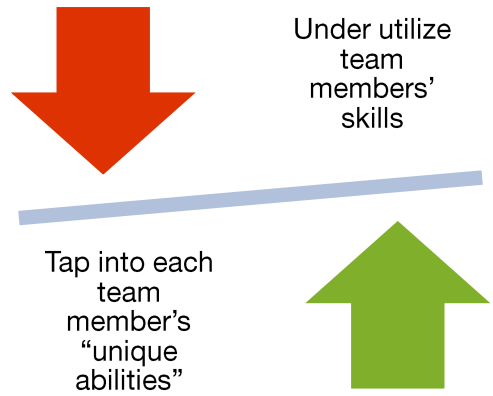

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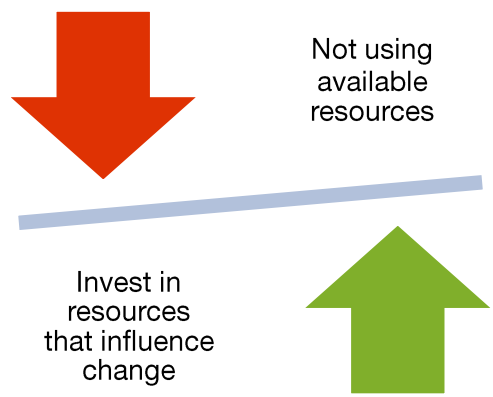

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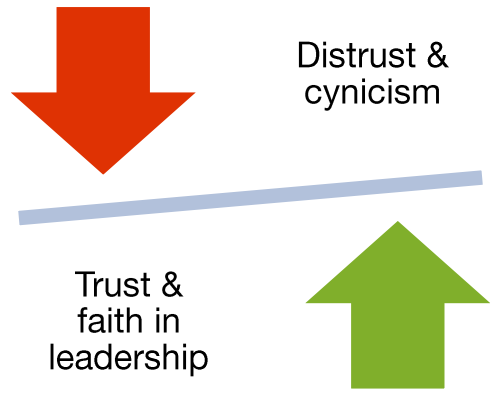

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Strategy #2: Align Benchmarks & Goals With Results That Matter Most

The Results Factor Question

The Strategic Coach®

If we were meeting here three years from today – and you were to look back over those three years to today – what has to have happened during that period, both personally and professionally, for you to feel happy about your progress?

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What will your company look like three years from now?

- **12-month trailing revenue?**
- **Number of active clients?**
- **Number of active caregivers?**
- **Total avg. weekly billable hours?**
- **Caregiver turnover ratio?**
- **Average Net Promoter Score?** (based on client satisfaction question: "How likely are you to recommend services to others?")
- **Total Best of Home Care® winning categories?**

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Laser Focus on the Right Results

- If everything becomes the priority, nothing becomes the priority.
- Differentiate between measurements that keep you running vs. benchmarks that help you climb to the next level.
- Identify measurements you are using as motivational benchmarks vs. informational benchmarks…understand the difference.
- Focusing on the right results will help drive the right behavior.
- Operational effectiveness comes before operational efficiency.
- Empower your team members to own their data and calculate their own benchmarks.
- Make sure reliable benchmarks (industry or similar) exist for every right result.

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The Right Monthly Results

Key Performance Benchmark (KPB)	Motivational Benchmark	Informational Benchmark
Majority of Client Satisfaction Ratings		✓
Net Promoter Question – How likely are you…	✓	✓
Inquiry to Assessment Close Ratio		✓
Assessment to Admission Close Ratio		✓
Inquiry to Admission Close Ratio	✓	✓
Number of Admissions		✓
Number of Discharges		✓
Monthly Net New Clients	✓	✓
Client Acquisition Costs		✓
Sales per Full-Time Employee		✓
Number of New Hires		✓
Caregiver Turnover Ratio	✓	✓
Total Billable Hours		✓
Monthly Net Increase in Billable Hours	✓	✓

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Strategy #3: Establish the Right Motivational Benchmarks

- **Interdependent –** Benchmarks must be mutually dependent upon each other.
- **Common goal –** Make sure all the motivational benchmarks, within each department, are working towards the same company vision – non-opposing.
- **Well-balanced –** Each motivational benchmark must not drive performance in one area while hindering it in another.
- **Drive the right behaviors –** Each motivational benchmark must inspire the right behaviors among your team.

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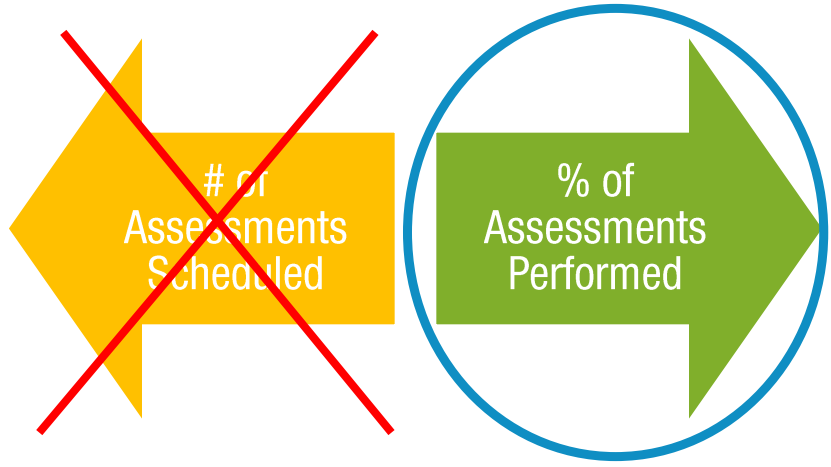
Opposing Motivational Benchmarks Example



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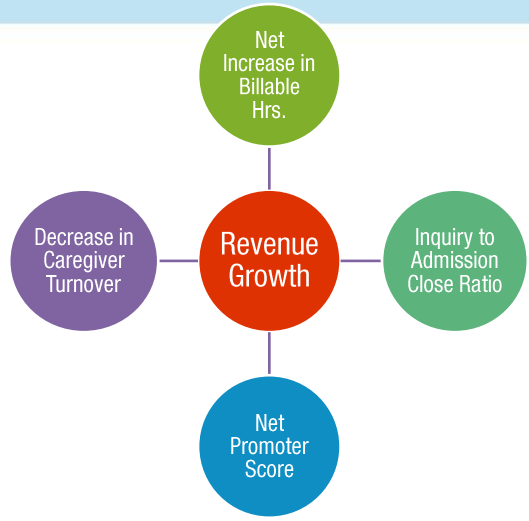
Motivational Benchmarks That Are Interdependent On Each Other



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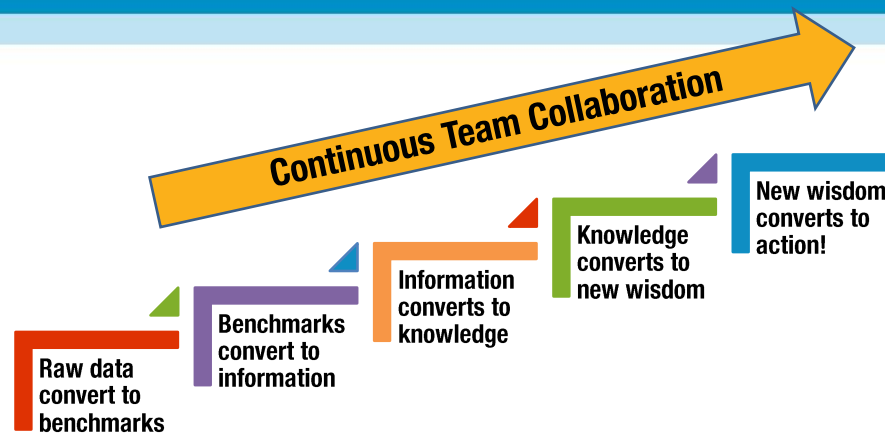
Strategy #4 – Promote Continuous Collaboration Among Your Team



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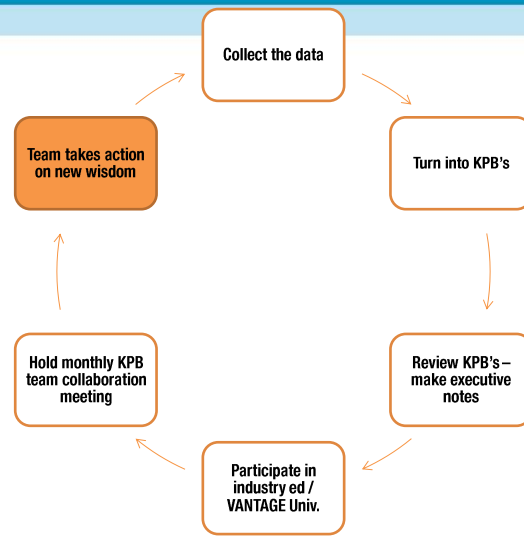
Continuous Team Collaboration



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Monthly KPB Team Collaboration Meeting

- **Purpose –** Review KPBs from the previous month and glean new wisdom that can be turned into actionable activities focused on achieving the right results.
- **How often –** Monthly
- **When –** Preferably the first week of the month.
- **Meeting layout –** Focus discussion on outcomes of your KPB's and seek out "new wisdom" as you look closely at your performance. From the "new wisdom," actions should be formed and new strategies/systems created.

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Strategy #5 – Take Leadership of The Entire Performance Benchmarking Process – OWN IT!

"He who thinks he leads, but has no followers, is only taking a walk."

--Leadership proverb, author unknown

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Seven Leadership Benchmarking Fallacies

1. Measuring performance is a technical activity.
2. Individuals are responsible for what they want to benchmark themselves against…as long as they perform.
3. Benchmarking is not a leadership task but should be delegated to the admin. staff.
4. I only need financial benchmarks. . . everything else can wait.
5. Benchmarking will interfere with an entrepreneur's ability to innovate and generate new ideas .
6. Benchmarking takes too much time away from other "important" tasks…like putting out fires. ☹
7. My company is well-run, and we have no need for foolish measurements.

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Performance Benchmarking is Easy… When You "Let Go" of False Beliefs

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Why You Must Take Ownership of the Benchmarking Process

- It instills confidence in the team.
- It is foundational to creating leadership strategy in all areas of your business.
- By taking responsibility for the overall performance, your team will become more accepting of accountability.
- The entire team will be more trusting in the "new wisdom" gleaned from the benchmarks.
- Continuous action follow-up, by their leader, will inspire the right behavior among team members.

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Benchmarking Leadership

When benchmarking, effective leaders must

- Understand the realities.
- Be able to mobilize needed responses and feedback.
- Find joy in any outcome.
- Have fierce resolve and commitment to benchmarking.
- Lead out by following through with their own actionable activities from the "new wisdom."
- Support and train their team on how to implement the "new wisdom."

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Benchmarking Leadership

When benchmarking, effective leaders must

- Emphasize the positive changes and outcomes continually.
- Welcome dysfunctions that will occur.
- Create a culture of truth seekers.
- Balance rewards and measurements.
- Connect the dots for all team members.

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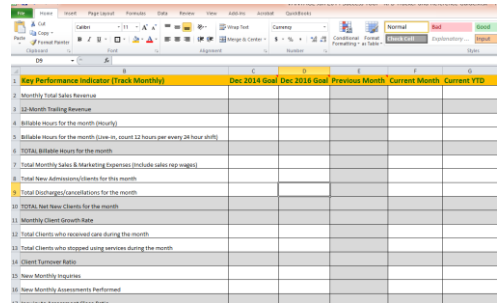
Executive Success Tool
KPB Tracker and Reference Guide



Key Performance Indicator (Track Monthly)	Dec 2014 Goal	Dec 2016 Goal	Previous Month	Current Month	Current YTD
Monthly Total Sales Revenue					
12-Month Trailing Revenue					
Billable Hours for the month (Hourly)					
Billable Hours for the month (Live-in, count 12 hours per every 24 hour shift)					
TOTAL Billable Hours for the month					
Total Monthly Sales & Marketing Expenses (include sales rep wages)					
Total New Admissions/clients for this month					
Total Discharges/cancellations for the month					
TOTAL Net New Clients for the month					
Monthly Client Growth Rate					
Total Clients who received care during the month					
Total Clients who stopped using services during the month					
Client Turnover Ratio					
New Monthly Inquiries					
New Monthly Assessments Performed					

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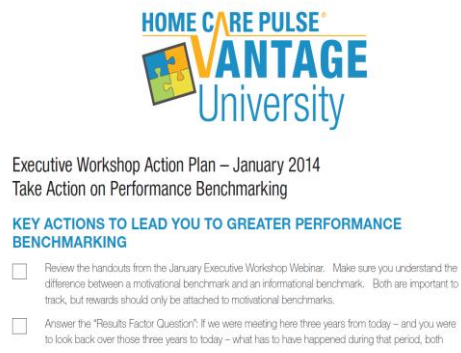
January 2014
Executive Action Plan

- Executive Action Plan will be available for download, along with the Success Tool and recording of this webinar, within 24 hours.



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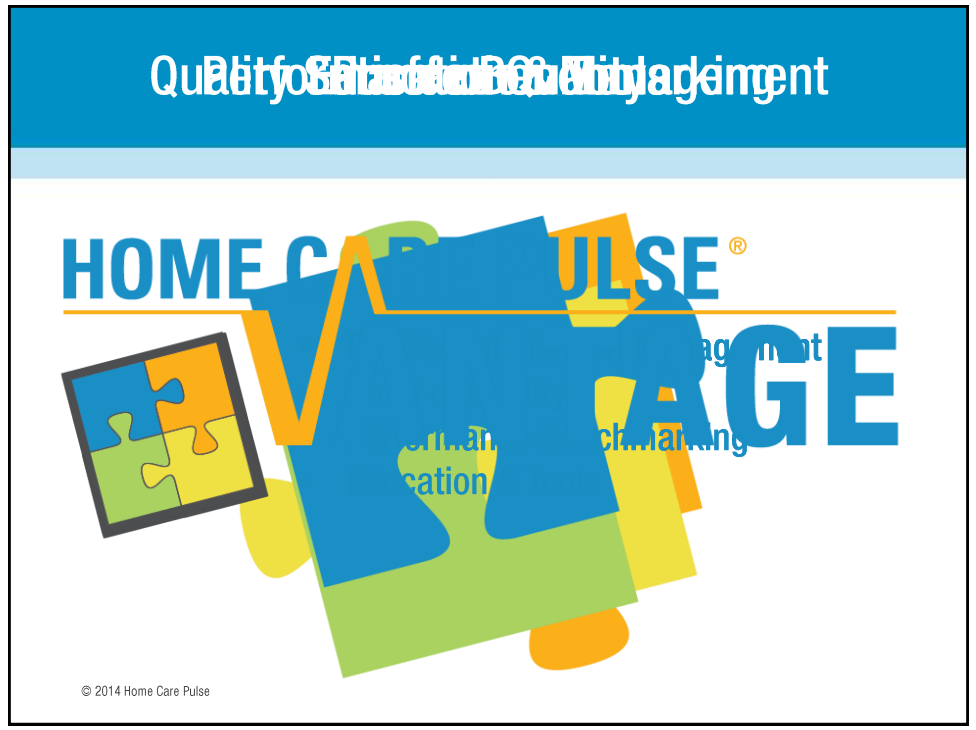

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VANTAGE Performance Benchmarking
Official Launch April 1, 2014

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6 Key Benefits to Enrolling in VANTAGE

1. Discover New Efficiencies.
2. Forces you to “Work on your business.”
3. Encourages Strategic Quality Improvement.
4. Promotes Continuous Innovation.
5. Drives Personal & Business Goals.
6. Discourages distractions and unfortunate situations.

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VANTAGE Early Bird Enrollment Begins Today

Early Bird Reward – Included At No Cost	Value	Pro	Exec
VANTAGE Online Executive Summit (May 7th-8th)	$399	✓	✓
VANTAGE Monthly Executive Workshops (Jan-Mar) *Includes 3 Executive webinars, 3 Executive Success Tools, and 3 Executive Action Plans*	$597		✓
2014 Private Duty Benchmarking Study (Digital Copy) – ***Special Note*** *– Must participate in the 2014 Study survey in order to receive this reward.*	$299		✓

- Reward Offers Deadline – Must Enroll in VANTAGE by Feb. 28th, 2014
- VANTAGE Monthly Executive Workshops will be emailed with a link to download items. Must sign up prior to live webinars, otherwise recording of webinar will be sent.
- Billing does not begin until April 1st!

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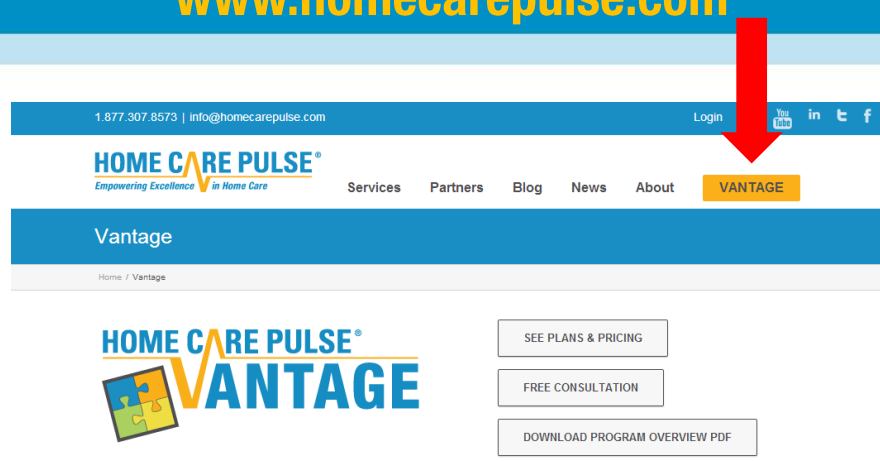
VANTAGE Info Online at www.homecarepulse.com



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Participate in the 2014 Private Duty Benchmarking Survey

- Opens Feb. 1-28th
- Go to benchmarking.homecarepulse.com.

14) % of Revenue by Service Offering - What % of your revenue came from the following services in 2013?

Bottom total must equal 100%. Please leave categories at 0% if these do not apply to services offered by your business.

2013	Example	
_____	25%	Hourly care (billed hourly)
_____	25%	Live-in care (billed daily, 24 hour/caregiver sleeps in the home)
_____	10%	Geriatric care management
_____	10%	Alert monitoring services
_____	10%	Private duty skilled nursing services
_____	10%	Healthcare staffing services
_____	10%	Other services not listed (Please specify: _____)
_____	100%	Total

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February's VANTAGE Executive Workshop Webinar

"Show Me The Money! -

Maximizing Your Financial Opportunities"

- **Wednesday, February 19th at 2pm ET, 1pm CT, 12pm MT, 11am PT**
- **Webinar Summary –** In-depth exploration of how to uncover hidden financial opportunities in your business. We will identify key financial strategies that can ensure you are always moving towards your financial goals and dreams.
- **Executive Success Tool –** Cash Flow Projection Plan
- **Executive Action Plan –** Keeps you focused on implementation of the ideas discussed in the webinar.
- **Who can attend? –** Those who enroll in VANTAGE prior to the webinar.

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HOME CARE PULSE®
The Leader in Research & Quality Management

Presented by Aaron Marcum, CEO & Founder of Home Care Pulse

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Private Duty Benchmarking Study:

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