Business Feasibility Report

Student’s Name

Institution

1. **Project description**

For a decade, the number of senior centers across the country has increased. The increase in the number is based on high demand in the market. Research indicates that in the last decade, the number of Assisted Living centers has increased by 15% and it continues to increase annually. Though these residences are known to be cold, the trend in the market has changed, and some of the newly constructed centers are built using some of the latest technologies. Therefore, the issues of cold and smelly which used to be associated with senior citizen centers have been addressed and no longer problem. RCC Assisted Living is working to change this stigma by constructing a cleaned and well-ventilated center for senior citizens. RCC Assisted Living plans to have a daycare in one wing of the property that would allow residents the opportunity to interact with the children while also having the option to keep to themselves; it is simply up to them. Easily crowd-pleasers: dogs and babies. We may not always be able to deliver on the dogs, but we plan to deliver on the babies (and other small children). Many studies have shown that incorporating intergenerational interactions into regular everyday activities have colossal impacts for everyone involved. Some of these benefits include, but are not limited to:

* Children become comfortable around people of different ages
* They combat loneliness and give the seniors a reason to get out of bed and socialize.
* Children bring joy into space
* The symptoms of dementia do not faze children
* Older people are more active if children are around
* You are combating ageism by keeping malleable minds around older people
* Peer to peer teaching

We recognize that there are risks involved with any endeavor, and no one wants to put their children or their grandparents in harm’s way. However, we like to think that the benefits outweigh the risks. Some of the risks include:

* Germs
* That’s probably it, and germs help you build a good immune system.

This senior living center will be one that cultivates joy and community. One way we will bring Exeter County and the surrounding communities together is through the community. We plan to partner with the Nurses Association of Pennsylvania, Albright College, and Reading Hospital to create a new sector in the nursing students’ clinical program.

ALT START

The world cannot go on without nurses. As we get older, we tend to need more care than in our younger years. Unfortunately, geriatric nursing is one of the less popular sectors of nursing. Nursing and the caretaking of elders is difficult, messy, work that tests your patience. As exhausting as any caretaking work can be, it is also some of the most fulfilling work. Since this work does not always pay the most, and there is often minimal accountability, there has been a history of elderly caretakers and medical aides taking advantage of their employers since. We plan to partner with Albright College to help train their nursing students through their clinical programs. We hope to show them the benefits and joys of working with geriatric patients to leave them with a positive outlook on the sector.

If there is anything people look forward to in retirement, one of the most popular answers would be golf. The current site of the Reading Country Club, which will soon be the *WE NEED TO NAME THIS PLACE*, already has a first-class golf course on this site. *FIND THE NAME* is one of the oldest and most challenging golf courses in the area. This course was designed by *WHATEVER HIS NAME,* who is known as the father of golf courses.

Benefits of having students come into student teaching

* 1. Nursing Program
     1. Talk to the PA State Nurses Association about continuing education and accreditation
     2. Call Albright about clinical
     3. See if anyone at the hospital teaches at Albright
     4. RCC Assisted Living have employees nurses
  2. Early Childhood Education Program
     1. Talk to PA board of education
     2. Look at research
     3. Look at laws that child care centers are required to follow
  3. We plan to have these multifaceted amenities

# **Benefits and Costs Analysis**

* 1. **Benefit Analysis**

The construction of RCC Assisted Living is an ideal decision that intends to benefit the senior citizens, state and federal government, and the entire community. Though some people have criticized the living conditions within the senior citizens housing, RCC Assisted Living is a unique housing program for senior citizens where essential services would be provided to the senior citizens and other willing people to make their lives better. One of the utmost benefits of the assisted living environment is it ensures that senior citizens who are physically challenged are living a fairly independent life. Within the plan, RCC Assisted Living will have onsite medical care with qualified and skilled nurses, and therefore, it would be able to provide medical support and care to all senior citizens and other people within living within the center. It shall also offer a full-time attention nursing home with meals, medication, and other essential activities. Due to dynamic changes that can occur within RCC Assisted Living, it offers a flexible living arrangement that can quickly fit the changing needs.

RCC Assisted Living intends to provide a home-like an environment for the senior citizens in society. Besides, it will offer a great sense of privacy and confidentiality to residents, and therefore, it would be one of the best residents for seniors and other citizens from the four constituencies. The listed below are some of the benefits of the RCC Assisted Living center to the community:

1. It will provide greater privacy and home-like settings suitable for senior citizens and any other person.
2. It offers services at a lower cost than the most nursing home in the country
3. It has well equipped physical center, and therefore, it provides a suitable facility for exercise and physical therapy.
4. It offers a place to socialize and network with various scheduled activities.
5. It offers nursing activities for residents.
6. It will help the state and the federal government to cut down the cost of senior citizens' maintenance since it provides medical and nursing care.
7. It will help the government to efficiently regulate the spending on insurance cover offered to senior citizens since most senior citizens will be in a central place.
8. It is likely to help to improve the living standard of senior citizens since the senior citizens will be well taken care of.
   1. **Cost Analysis**

The analysis of the living condition and the projected living condition established that the cost would be between $1500 and $2000 per month. RCC Assisted Living includes the cost of medications, nursing, exercise or physical therapy and food, shelter, and clothing. The cost is distributed to cover all the programs offered by the center. It is estimated that the cost of maintaining senior citizens in most senior citizen centers normally costs 40% of the total income for the family. It is estimated that on usual occasions, it cost $2000 to $3000 in several nursing homes and, therefore, RCC Assisted Living to provide the ideal cost, which is beneficial to the state and the community. The listed below is some of the estimated cost at RCC Assisted Living:

1. Food and beverages. $450
2. Shelter and accommodation $300
3. Medical and Nursing $280
4. Entertainment $60
5. Physical Exercise $145
6. Learning and education $120
7. Mobile phone charges $55
8. Sports Activities $100
9. Other services $250

**Total $1750**

Moreover, RCC Assisted Living provides the best cost charges for the provision of its services. It is, therefore, means that one of the benefits of using RCC Assisted Living is the lower cost it provides compared to other centers and the nursing homes.

# **Risk Analysis with Mitigates**

RCC Assisted Living, like any other Assisted Living center has duties and responsibilities which must be fulfilled. The import duty is to provide care and support to the residents who are the senior citizens and patients. It is also being established to provide a compassionate and comfortable environment for residents. However, there are several risks which are associated with the provision of these duties and responsibilities which RCC Assisted Living will have to address efficiently. Since the facility intends to accommodate many people from a different background within the four identified constituencies, there are chances of facing various challenges. The facilities will have highly qualified and trained staffs including nurses, for the efficient provision of services. Therefore, the risk of RCC Assisted Living is more likely to experience includes:

1. The outbreak of diseases.
2. Insecurity.
3. Slip and fall incidences
4. Improper medications
5. Wound issues
6. Abuse (sexual and physical)
7. Failure to supervise
8. Wrong deaths
9. Transportation incidents
   1. **Outbreak of diseases**

Most Assisted Living has experienced an outbreak of diseases within the center. It is projected that the proposed RCC Assisted Living will likely to experience an outbreak of diseases due to the number of people usually admitted at the center. However, the most common causes of an outbreak of diseases are poor ventilation system and congestion. RCC Assisted Living management intends to minimize the chances of an outbreak of diseases at all costs. The structural plan of RCC Assisted Living shows that the structure is well planned with a proper ventilation system and a good space. The windows and doors are well structured and large enough for air ventilation. The rooms are also large and spacious to prevent congestion, and therefore, it minimizes the outbreak of diseases. Therefore, proper structural plan, as indicated on the main plan of the building, would allow the facilities to minimize these risks and provide efficient services to the residents and the senior citizens.

* 1. **Residential Abuse**

Residential abuse is one of the unfortunate things which normally occur in most Assisted Living centers across the country. The abuses are related to sexual, physical assault and verbal assault among others. In order to prevent residential abuse, there will be CCTV cameras in various strategic locations within the center. The CCTV Camera will be installed at the entrance, nursing area, gym, and inside the rooms. The installation of the cameras would help in mitigating risks, which are usually being experienced within the center. With CCTV cameras, it would be easier for the management to monitor everything which happens at the facilities, and therefore, RCC Assisted Living would be able to solve problems related to abuse, which has been rampant in most Assisted Living in the country. The residential abuse is a common issue across the country, and it is projected that it is one of the risks which RCC Assisted Living will have to address. In order to ensure that there are minimal chances of residential abuse from staff, employees will be thoroughly searched before anyone is admitted or hired by the center. The staffing will be done very efficiently and competitively to minimize the risk of hiring individuals with bad characters. Therefore, RCC Assisted Living will conduct a background search on every person before being hired by the institution.

* 1. **Wrong deaths**

It has been established that wrong deaths are one of the common issues happens in most assisted living facilities in the country. It is caused by wrong medical administering and lack of proper supervision and healthcare from the staff. If not handled properly, it causes the death of several senior citizens and other residents within the center. RCC Assisted Living elaborate plan to prevent the prevalence of wrong deaths includes proper training of staff on how to handle disasters. The structure of RCC Assisted Living buildings are also well structured with the proper demarcation of emergency exit from every building. The emergency exit is well marked and can be easily operated by anyone including the senior citizens. The facility will be constructed using light and strong materials to minimize natural disasters. It has been established that the method used to construct a build determines its strength and ability to stand any disaster such as a hurricane. The buildings will be constructed using strong metals and lightweight materials, which can bring stability to the structure. It is also important to point out that after completion of the construction of the building, the facility will be inspected regularly. This is to ensure that the structures are sound and can be able to withstand any potential weather and other emergencies. The plan includes an emergency generator for back and food storage in case, and the natural disaster lasted for a longer duration. There is an adequate plan to train all employees on some of the essential methods which can be used to minimize deaths when a natural disaster occurs. The employees, therefore, would be trained on how to handle events when an emergency occurs and also to contact each other to ensure that the problem is efficiently addressed without much effect.

* 1. **Transportation**

Transportation is also one of the major issues which affect the service delivery of most assisted livings across the country. The transportation issues are related to the lack of means of transport. The transportation should never occur without the knowledge of RCC Assisted Living, and it should be done by one of the staff from RCC who is well trained in the transport sector. The staff should be trained on the transportation of fragile residents or residents with special needs to be transported with special equipment such as wheelchair and breathing support. There would be constant communication between the driver, facility and the destination and transport to make sure that rescheduled and other measures are taken in any case of weather risk, and other issues emerged.

# **Cash Flows, Budgets, and Capital Structure Analyses**

The section provides the budget, which includes the total finances used for the construction of RCC Assisted Living center and other costs to be incurred by the organization to ensure that the Assisted Living center is established and operational.

* 1. **Development Budget**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Land Acquisition and refinancing cost |  |  |
|  |  |  |
| Land | $0 | $1,050,000.00 |
|  |  |  |
| **Cost of Construction** |  |  |
| Constructor Price |  | $12,250.00 |
|  |  |  |
| Contingence | 5% | $612.50 |
| **Total** |  | **$12,862.50** |
|  |  |  |
| **Soft Cost** |  |  |
| Lender’ commitment fee |  | $1500.00 |
| Loan |  | $985,000.00 |
| Loan Annual F fee |  | $28,500.00 |
| Architect fee |  | $15,500.00 |
| Loan rate lock |  | $29000.00 |
| Borrower legal fee |  | $8200.00 |
| Lender legal fee |  | $3000.00 |
| Bank Engineering costs |  | $1000.00 |
| Appraisal |  | $3000.00 |
| Survey |  | $1500.00 |
| Environmental remediation Planning |  | $1000.00 |
| Environmental Phase I and phase II |  | $1000.00 |
| **Subtotal** |  | **$1,078,200.00** |
| Construction interest |  | $100,000 |
| Real Estate taxes |  | $ |
| Test Borings |  | $1200.00 |
| Water and Sewer |  | $1200.00 |
| Permits |  | $5000.00 |
| Furniture |  | $500.00 |
| Title Insurance |  | $1500.00 |
| Fire and Extended Liability |  | $1000.00 |
| Soft Cost Contingency |  | $75,500.00 |
| Marketing |  | $5000.00 |
| Working capital |  | $25,500.00 |
| Cost Certificate |  | $2500.00 |
| Capitalized Operating reserve |  | $45,000.00 |
| Capital Replacement reserve |  | $45,000.00 |
| **Subtotal** |  | **$308,900** |
|  |  |  |
| Development Fee |  | $110,000.00 |
| Social service Reserve |  | $0 |
|  |  |  |
| **Total Development Cost** |  | **$2,685,300.00** |

* 1. **Operating Pro Forma**

Operating Pro Forma regards as a budget that is conducted to change and affect the performance of a company. It is the anticipated result of the proposed change, which include the project cash flow, net revenue, and taxes and therefore, the listed below is RCC Assisted Living Operating Pro Forma Budget:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Projected Monthly income** |  |  |  |  |
|  |  |  |  |  |
| Financial Year 2019-2020 |  |  |  |  |
| **No/S** | **Description** | **Quantity** | **Unit price** | **Amount** |
|  | Senior Citizens | 150 | $ 17,550.00 | $ 2,632,500.00 |
|  | Patients | 50 | $ 1,500.00 | $ 75,000.00 |
|  | Disable | 20 | $ 1,500.00 | $ 30,000.00 |
|  | **Total Monthly Income** | |  | **$ 2,737,500.00** |

* 1. **RCC Assisted Living Annual Cash Flow**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Projected Annual income |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Financial Year 2020-2021 |  |  |  |  |  |  |  |  |  |  |  |  |
| **Description** | **May** | **June** | **July** | **August** | **Sept** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** | **April** |
| Senior Citizens | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.10 | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.00 | $ 2,632,500.00 |
| Patients | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 |
| Disable | 30000 | 30000 | 32000 | 35000 | 40000 | 42000 | 35000 | 42000 | 45000 | 48000 | 45800 | 45000 |
| **Total Monthly Income** | **$ 2,737,500.00** | **$ 2,737,500.00** | **$ 2,739,500.10** | **$ 2,742,500.00** | **$ 2,747,500.00** | **$ 2,749,500.00** | **$ 2,742,500.00** | **$ 2,749,500.00** | **$ 2,752,500.00** | **$ 2,755,500.00** | **$ 2,753,300.00** | **$ 2,752,500.00** |

* 1. **Capital Structure**

The capital structure is the combination of equity and debt which are used by a company to finance all its operations and growth. The debts which are usually used by companies come in the form of bonds or loans, and the equity is issued in the form of common stock. Therefore, the listed below is the capital structure of RCC Assisted Living.

**4.4.1. Pre-Acquisition**

The funding of the project will come from other nongovernmental organization and companies which support senior citizens. The finances will be issued in the form of investment with the intention to get a return of investment in the future.

* + 1. **Acquisition**

The funds for the acquisition will be obtained from the development firm.

* + 1. **Construction**

The finances for construction will be obtained from the bank in the form of long term loans to help in the establishment of RCC Assisted Living.

* + 1. **Stabilization**

The loans obtained will then be converted to a conventional loan, and this will allow RCC Assisted Living to have an efficient repayment period.

1. **Leasing (Sales) Plan**

#### RCC Assisted Living will be leased to senior citizens, disable, and patients are residing within the four constituencies. Some analysts have pointed out that the construction of senior housing or Assisted Living centers has been growing very fast. The aging population in the United States is growing huge, and this is leading to an increase demand for housing. Some analysts are having raised concerns that the supply of needed housing is growing very quickly. Therefore, increased competition means that new communities must be very smart on the kind of approach is used in the leasing up the process of the newly constructed houses. It is, therefore, important to the point that RCC Assisted Living must have a well-documented marketing plan, optimize your call-in inquiry process, Follow up on Internet leads, Focus on referrals, and Perform targeted outreach. These five strategic plans are utilized effectively by RCC Assisted Living, to increase its occupation and profitability of the company.

#### Have a marketing plan

The marketing plan is a tool that illustrates steps an organization takes to create awareness of its products and services. RCC Assisted Living will have to author a detailed and well-researched marketing plan. The method may not be fatal in the events when the demand is high. But when the supply is high a well-defined marketing strategy is needed, and therefore, RCC Assisted Living must have its well-defined marketing strategy, which can be rolled out any time to ensure that all the vacant rooms are leased. RCC Assisted Living must know exactly how it will market and lease its units, have a solid understanding of the market and competition, have the best team in place and also prepare accurate budget forecasts. In the budget plan, RCC Assisted Living to have to define its market segment and projected sales per month, which will be used as a benchmark by employees and other stakeholders to ensure that the company is kept working to obtain its objective and also become profitable. RCC Assisted Living marketing plan includes the use of social media to reach a market and create awareness in the market. It will also use magazine, both print and digital to create awareness and radio and TV will be used as well to ensure that it reaches many people and create a brand in the market to become a leading Assisted Living or senior citizens home in the country.

#### Optimize your call-in inquiry process

The optimization of calls is handling calls effectively to improve its performance. RCC Assisted Living will have a sales team and customer care departments working closely to enhance sales of the organization. It is, therefore, important to point out that when customers call, the call will go directly to customer care or sales desk, where all the questions will be answered appropriately. The customer care and sales desk should be able to provide valuable information to all the callers and potential customers. The follow up will also be done after every call made or received from potential clients to make sure that every call made is turned into customers and become a resident of RCC Assisted Living. RCC Assisted Living to consider establishing a call center and a follow-up team that can effectively look into every call and ensures that the right information is provided. The analysis of the community established that 25% of a resident of senior citizens have been reached through calls, and therefore, using a call system effectively would improve the number of people admitted to the RCC Assisted Living center. The use of call centers to communicate will help in improving the number of senior citizens and other people being admitted to the center.

* 1. **Follow up on the Internet leads**

The internet will be a useful platform for leasing or sales of the vacant houses at RCC Assisted Living. It will be important for the company to make follow up on the internet to increases sales and market outreach. It will be important to have a website where customers can be reached and reach the company as well. RCC will have a well developed and interactive web site which can help to increase sales volume. The vacant houses will be posted on the internet, and potential buyers will be invited as well.

* 1. **Focus on referrals**

Referrals are powerful tools for improving sales. RCC Assisted Living intends to convert referral opportunities into business. The referral by anyone would be followed to ensure that sales are increased. RCC Assisted Living will also provide incentives to increase its customers' slow so that it can fill the vacant faster.