



BENEVOLENT AGED CARE

Strategic Planning Workshop

SEPTEMBER 2016

1. KEY CONTACTS

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28 September 2016

Alison Moss
Benevolent Aged Care
60 West Street
Rockhampton, QLD 4700

Dear Alison,

Thank you for the opportunity to present a proposal to provide consulting services to Benevolent Aged Care.

Ansell Strategic has been established to provide aged care and retirement living industry leaders and their organisations access to the sector's most extensive network of the sector's professionals.

We have the skills and experience to meet the specific needs of your project, having undertaken a large number of operational reviews and assisted providers with capital development projects throughout Australia and New Zealand.

In the past year we have assisted in various elements of capital development projects for the following Australian organisations, including:

St Vincents Care Services

UnitingCare Australia

RSL Care

Mark Moran Vaucluse

Allity Group

Australian Unity

Presbyterian Care South Canterbury

We look forward to your feedback and hope that we are able to work with you on this project.

Yours sincerely,



Cam Ansell
Managing Director

3. PROJECT OVERVIEW AND SCOPE

3.1 BACKGROUND

Founded in 1866 The Rockhampton Benevolent Home Society was originally set up to support destitute women and children, including new arrived migrants and abandoned wives.

The organisation has evolved in a number of areas including a mental hospital, accommodation for unwed mothers and a hostel catering to the homeless.

The Rockhampton Benevolent Home Society now trades under Benevolent Aged Care as a 'not for profit' aged care facility.

3.2 SCOPE

The organisation has been undertaking a review of its property infrastructure and has undertaken a master planning exercise for the Rockhampton site.

At the same time, the industry has been going through major reforms. The market has responded quickly to the opportunities and threats associated with the reform process and this is driving major changes in ownership as well as innovative new service models.

Benevolent Aged Care has requested a review of their development plans in the light of market reforms. The review will encompass an evaluation of market drivers in other organisation's catchment and the alignment of its future capital plans with contemporary business practices and organisational mission.



PROPOSED METHODOLOGY

4. PROPOSED METHODOLOGY

4.1 OVERVIEW

In the context of Benevolent Aged Care's strategic direction, it will be critical that the organisations future service models are informed by the legislative changes and market reforms. To facilitate this, we have recommended the following approach:

1. Desk top review of the organisation's current operations, finances and proposed capital developments;
2. Workshop with the Board and Executive on industry developments in the context of Benevolent Aged Care's capital development proposals; and
3. Develop a strategy document to outline key initiative required to ensure alignment between the organisation's vision and future service models.

The workshop would be facilitated by our Managing Director, Cam Ansell at Rockhampton.



OUR EXPERIENCE



5. OUR EXPERIENCE

Ansell Strategic was established to enable aged care industry leaders to leverage the sector's most extensive network of aged care professionals incorporating legal, property development, banking, architectural, management and clinical specialists.

With past experience in multi-national accounting and advisory firms, we recognised the need for a specialist service that focuses on the specific needs of aged and retirement living providers.

With additional experience in the management and operation of aged care organisations, we also recognise the importance of providing customised services that meet the mission, values and aims of individual organisations in the ever changing and increasingly competitive aged care sector.

Our team of full time staff work with industry specialists to deliver a comprehensive service that is tailored to the specific needs of each organisation.

We are now recognised as one of the most eminent aged care professional firms in Australia and New Zealand. Having led many significant research studies and transactions across Australasia, we have established ourselves as an industry authority.

5.1 CAPITAL DEVELOPMENT ASSISTANCE

Ansell Strategic have provided capital development assistance to a large number of for-profit and not-for-profit organisations.

The Ansell Strategic Team has been instrumental in developing service models that deliver on consumer expectations and provider returns. This is facilitated through our network of architects, developers and planning consultants that understand the industry, but can think outside the box.

As experienced Chartered Accountants and recognised specialists in this field, Ansell Strategic is trusted by the major financiers to build and review financial models for new developments and redevelopments.

Our operations team are involved in many design and commissioning committees, providing both point in time service reviews and ongoing assistance during the design and commissioning process.

5.2 BUSINESS DIAGNOSTICS AND BENCHMARKING

We have provided services to aged care providers, industry bodies, financiers and the Australian and New Zealand Governments at facility-specific, organisation-wide and national levels. Our client base includes most large for-profit and not-for-profit providers and many smaller community, family owned providers and has include a variety of reviews, including:

- Comprehensive care and service diagnostic reviews
- Financial reviews and benchmarking
- Performance analysis and benchmarking
- Corporate services assessments
- Culture assessments

5.3 STRATEGIC PLANNING AND SERVICE DEVELOPMENT

Ansell Strategic undertake ad hoc and long term strategic planning projects with a large number of providers throughout Australasia. Strategic projects range from board and organisational projects to site based development and planning projects.

We have worked extensively in less regulated aged care/retirement living sectors overseas. This experience, coupled with our unparalleled local expertise, enables you to move forward with confidence in the more complex and competitive environment following the Living Longer, Living Better legislative changes in 2014.

5.4 TURNAROUND STRATEGIES AND CHANGE MANAGEMENT

The change management process can be particularly challenging in an aged care business. Paramount to all stakeholders is the wellbeing of the clients that rely on the delivery of quality, reliable services.

Ansell Strategic provides financial, corporate, operational and clinical advisors to ensure that this balance can be achieved. Our registered nurses have practical experience in organisational management and our consultants and accountants have extensive direct experience working in aged care.

We have worked with a large number of providers on the development of strategies that either increase service provision, improve efficiencies or ensure that services are in line with organisational goals. These include:

- Organisational structure / head office restructuring
- Information systems, communication and reporting system implementation
- Revenue maximisation, including ACFI maximisation projects
- Roster efficiency and staffing reviews
- Strategy implementation
- Facility closure and relocations

5.5 OPERATIONAL AND CLINICAL MANAGEMENT

Ansell Strategic have worked with a number of providers to provide short and medium term operational and clinical management services.

Our operations and clinical team have been involved in the management of aged care facilities during liquidation and periods of significant change, ensuring appropriate clinical governance and resident service. We have worked alongside new management teams to ensure appropriate training and support. We have also closed and relocated facilities.

5.6 MERGERS AND ACQUISITIONS

Ansell Strategic has extensive experience with expansion and rationalisation services for the for profit and not-for-profit sectors, having been involved in almost all aged care transactions over the past three years. Representing both owners and purchasers, Ansell Strategic's advisors are licenced real estate agents, ensuring our clients are represented by people who'd understand their business.

5.7 PROFESSIONAL DEVELOPMENT AND THOUGHT LEADERSHIP

As leaders in the aged care industry, Ansell Strategic have been called upon to assist in the ongoing development and education of Boards and executive groups around Australia and New Zealand.

Cam Ansell is directly involved in aged care policy setting having been appointed a member of the expert panel for policy/productivity in aged care services. Cam was integral in the establishment of Australia's largest analysis of aged care that resulted in benchmarking of almost every aged care service provider in Australia. Cam remains the project lead of the New Zealand aged care benchmarking project.

David Cox is a LASA (WA) Director and has sat on a number of industry and government boards, committees and advisory panels.

Both Cam and David are recognised speakers, having been invited to speak on contemporary aged care topics at national and international conferences.



PROJECT TEAM

6. PROJECT TEAM

6.1 OUR TEAM

Our proposed team is headed by Cam Ansell, who is responsible and the primary liaison for this project.

Other team members will be given some responsibility for different aspects of your engagement based on your requirements and their specialist skills. Our team has been recruited for specific roles and skillsets. All have unique experiences in aged care and retirement living that ensure their suitability in the role.

All team members have a strong understanding of the governance, statutory requirements and operations of aged care and retirement living. We are aware of our boundaries and will always work within regulatory and organisational frameworks. All field staff have current Police Clearances and statutory declarations on hand.



6.2 CAM ANSELL - MANAGING DIRECTOR

Background

Cam is a Chartered Accountant and Managing Director of Ansell Strategic.

With over 20 years of experience in the aged care and retirement living industries, Cam is a recognised thought leader in the sector.

Cam has undertaken comprehensive financial and operational reviews of retirement and aged care services in Australia, USA, Asia and New Zealand. He has lead major studies across Australia and New Zealand to advise Government and industry on financial viability and sustainability.

He has been integral in some of the largest transactions in aged care, having been involved in the sale of over 30 homes in the last year alone. Cam has also been responsible for a number of mergers and partnerships.

Cam has provided performance benchmarking analysis for most aged care providers in Australasia and is a recognised national and international speaker on the changing trends in seniors' accommodation and care services.

Cam has also personally managed aged care facilities and retirement villages.



Focus

- Mergers and acquisitions
- Strategic planning and service development
- Capital development planning
- Board and executive professional development

Qualifications

- Bachelor of Business (Edith Cowan University)
- Fellow, Institute of Chartered Accountants in Australia (ICAA)
- Fellow, Australian Institute of Company Directors (AICD)
- ASIC Registered Company Auditor

6.3 DAVID COX – HEAD OF OPERATIONAL STRATEGY

Background

David has close to 25 years' experience within healthcare, having previously worked in clinical and executive roles in hospital, biotechnology and aged care settings.

Most recently, David has owned and/or operated a number of aged care facilities. He has also been involved in a large number of new home developments throughout Australia and is recognised as a leader in the implementation of aged care clinical and governance systems.

David is the Chair of a not-for-profit provider of residential aged care and retirement living, a Director of one of Australia's leading providers of therapy services in the disability sector, a Director of LASA WA and a member of LASA's residential care reference group.



As a Registered Nurse with experience in operational, business development and executive roles, David has the unique ability of applying clinical, governance and business metrics to the aged care environment.

His experiences have enabled David to provide expert advice relating to clinical care, sustainability, efficiency and expansion. He provides consulting services on operations management, business planning and service delivery strategy/implementation.

Focus

- Operational strategy and management
- Funding and efficiency management
- Clinical governance
- Human resource management and culture development
- Capital development planning and commissioning

Qualifications

- Master of Business Administration (University of Western Australia)
- Post Graduate in Clinical Care (Royal Perth Hospital)
- Bachelor of Nursing (Edith Cowan University)
- Member, Australian Institute of Company Directors (AICD)

6.4 DANIEL LEE - SENIOR FINANCE CONSULTANT

Background

Daniel has undertaken a large number of strategic and organisation diagnostic reviews of aged care and retirement living organisations, working with both not-for-profit and for-profit providers, government, peak bodies and a number of service providers.

He has contributed to the development of financial benchmarking tools and uses this data in his efficiency analysis work with providers.

Daniel has also undertaken financial modelling for aged care providers and health service, and risk and assurance reviews.

Daniel is responsible for the management of market and competitor analysis, having undertaken a large number of reviews throughout Australia and New Zealand.

Daniel has been integral in the analysis of data in transactional projects and is responsible for the management of our data room.



Focus

- Financial analysis
- Feasibility and efficiency modelling
- Market and competitor analysis
- Mergers and acquisition data management

Qualifications

- Bachelor of Commerce and Economics (University of New South Wales)

6.5 AMBER CARTWRIGHT – SENIOR FINANCE CONSULTANT

Background

Amber is a Chartered Accountant with previous experience in Public Accounting Practice and Commercial Project Accounting.

As a Senior Finance Consultant, Amber has been responsible for the financial analysis and benchmarking of a number of aged care and community service providers across Australia.

She has also undertaken market feasibility analysis and financial modelling for potential residential aged care and retirement living developments.

Amber possesses experience in the review of operational effectiveness of organisations, appraisal of budgeting and financial reporting systems, systems documentation and process mapping.

Prior to Ansell Strategic, Amber has held roles as a Project Accountant at Chevron and an Experienced Analyst at Deloitte Touche Tohmatsu in the Audit & Advisory division where she was involved in the audit and other assurance engagements. During her time at Chevron, Amber was responsible for developing and implementing standardised financial reports also undertook cash flow forecasting and analysis on the Chevron Wheatstone Downstream Project. At Deloitte Touche Tohmatsu, Amber had experience working in multiple industries including aged care, mining, oil & gas, and the secondary education industry.



Focus

- Financial analysis
- Feasibility and efficiency modelling
- Market and competitor analysis
- Process mapping and improvement

Qualifications

- Bachelor of Commerce and Economics (University of Western Australia)
- Member, Institute of Chartered Accountants in Australia (ICAA)

6.6 SARA AGOSTINELLI – RESEARCH OFFICER

Background

Sara has a background in marketing and communications and has specialised in market research.

She has undertaken a number of qualitative and quantitative market reviews, including geographic and demographic population analyses, as well as comprehensive research on existing and emerging competition for residential aged care facilities and retirement villages. Sara has performed market analyses for both not-for-profit and for-profit providers as well as private service providers.

Sara is responsible for mapping market analyses geographically to be inclusive of all areas of interest surrounding the location of a site. Her research experience allows her to tailor an analysis to best suit the clients' needs.



Prior to Ansell Strategic, Sara held the role of Research Assistant at Thinkfield Intelligent Research, where she was involved in qualitative data collection, processing and reviewing for a number of private and public organisations. During her time at Thinkfield, Sara was predominantly responsible for the collection of qualitative data by conducting online and physical surveys, focus group interviews and data mining using the company's extensive database.

Focus

- Demographic and competitor analysis
- Heat mapping
- Survey construction
- Statistical data analysis

Qualifications

- Bachelor of Communication Studies (University of Western Australia)
- Master of Advanced Commerce (University of Western Australia)



FEES

7. FEES

Our fees are calculated at the following discounted rates:

Team Member	Role	Hourly Rate (Excl. GST)
Cam Ansell	Managing Director	\$580
David Cox	Head of Operational Strategy	\$440
Daniel Lee	Senior Finance Consultant	\$340
Amber Cartwright	Senior Finance Consultant	\$340
Sara Agostinelli	Research Officer	\$190
Seleka Meyers	Researcher/Project Administrator	\$190

Based on our discussions, we estimate our fee to be:

Staff	Hours	Price (Excl. GST)
Cam Ansell	18	\$10,440
Daniel Lee	8	\$2,720
Sara Agostinelli	4	\$760
Total		\$13,920

Travel expenses are charged at cost. Disbursements and other costs are not charged unless they fall outside of the scope of our agreement and is made at the specific request of the client.

Invoices will be issued on a monthly basis.

Work conducted outside of the original scope will be conducted as a new engagement and charged at our published hourly rates.

8. NEXT STEPS

We look forward to working with you on this project.

Once the scope of the project has been confirmed, we will forward you an engagement letter that outlines the specific terms of the engagement.

We will then forward you a request for a meeting and some preliminary background material that will assist us with the project



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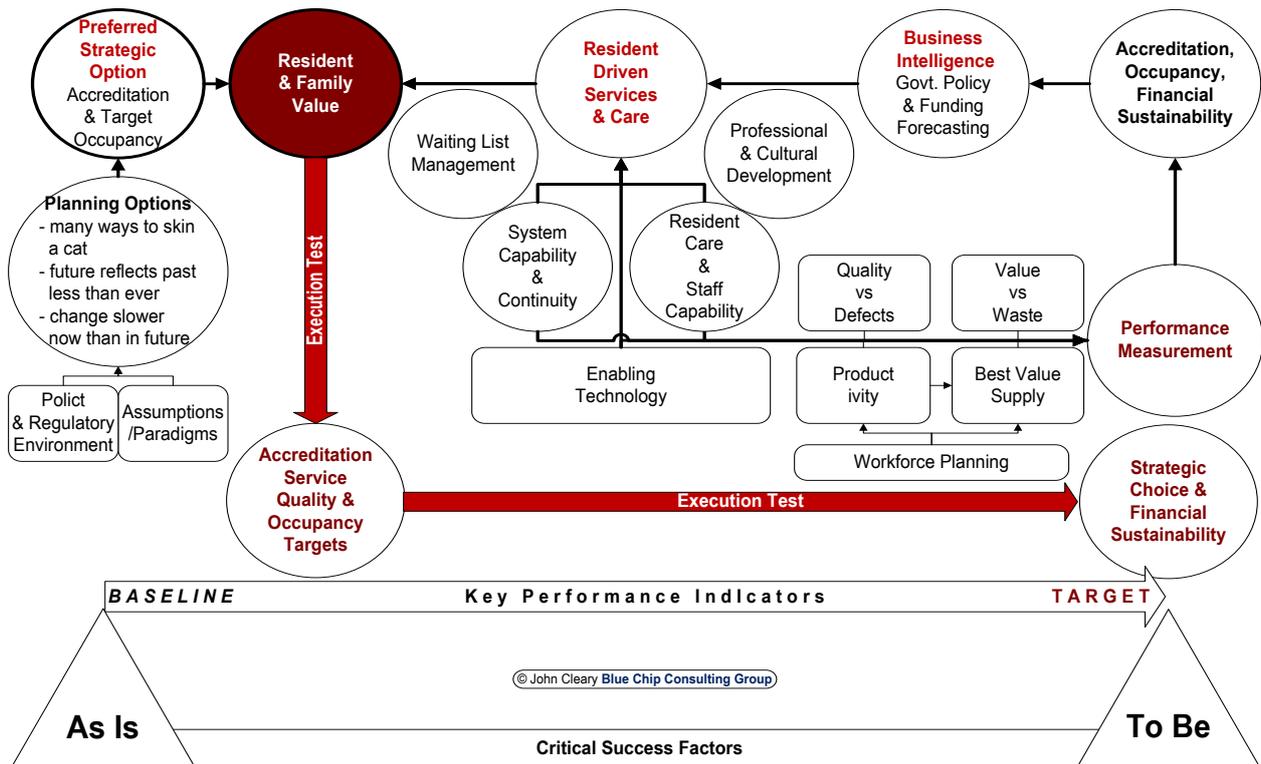
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Strategic Planning Proposal



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Confidentiality

September 2016

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1. Context

Benevolent Aged Care understands the increasingly competitive residential aged care environment and the particular challenges for standalone providers who lack the benefits of economies of scale.

Rather than bask in 125 years of success, Benevolent Aged Care seek to invest in a Strategic Plan to guide future growth and development in the provision of quality innovative residential care with a resident focus through a sustainable business model.

2. Scope

The Strategic Planning process will take a 3 – 5 year window to:

- a. Document assumptions and paradigms implicit in prior strategic planning and outline the current strategy in specific, measurable and timely terms to define **As Is**
- b. Review the veracity of previous decision making under current and forecast residential aged care sector dynamics
- c. Examine the assumptions, business case and cost/benefit of the proposed extension of an extra 36 places for people with high, palliative and terminal care need.
- d. Review Board operation and the skills and abilities required to provide strategic direction in meeting forecast residential aged care sector dynamics
- e. Engage the Board and Senior Management individually and collectively on developing a shared vision of the future to align operations with a pressure tested strategy
- f. Position Benevolent Aged Care on Stewart Brown or equivalent industry benchmarks and propose performance targets where baselines highlight the need for action
- g. Review the organisational structure and operations to propose recommendations to streamline service delivery and enhance strategic outcomes
- h. Review Occupancy and ACFI historical and forecast trends
- i. Review current Purchasing Policy and Procedure, including pharmaceuticals, and examine scope to obtain 'best value' through a competitive tendering process
- j. Review current hospitality services and the scope to improve quality at optimum cost
- k. Examine the efficiency and effectiveness of the Waiting List management having regard to nature and frailty of future residents and trends and forecast of average stay
- l. Review business development opportunities as standalone services or in partnership including the viability of either outsourcing or becoming an outsourced provider of shared services
- m. Highlight the opportunity to better leverage the Internet of Things and develop a digital by default business model where appropriate.
- n. Develop business intelligence on current and future competitors in Rockhampton, the predicted licensed beds numbers and the competitive implications for occupancy targets

3. Deliverables

Based on confirmed Scope and agreed Time allocation outlined below:

- a) Confirm the **As Is** strategy in specific, measurable and timely terms
- b) Outline previous decision making, including the proposed extension of an extra 36 places, for Board review in light of forecast residential aged care sector dynamics
- c) Propose the skills and abilities required within the Board to provide strategic direction in meeting forecast residential aged care sector dynamics
- d) Pressure tested shared vision of the future (**To Be**) through one on one interviews and a Board and Senior Management workshop documented in Strategic Plan format.
- e) Performance targets where baselines on Stewart Brown or equivalent industry benchmarks highlight the need for performance improvement
- f) Proposed organisational structure to best contribute to strategic outcomes
- g) Proposed streamlined service model
- h) Recommendations on optimising Occupancy based on historical and forecast trends
- i) Draft Purchasing Policy and Procedures to ensure 'best value'
- j) Proposals to improve hospitality services quality outcomes at optimum cost
- k) Draft Waiting List Management Policy to contribute to occupancy targets
- l) Recommendations on outsourcing or becoming an outsourced shared services provider
- m) Identification of business development opportunities as a standalone service or through culturally aligned partnerships
- n) Recommendations on the opportunity to better leverage the Internet of Things and develop a 'digital by default' business model.
- o) Business intelligence on current and future competitors in Rockhampton, the predicted licensed beds numbers and the competitive implications on occupancy targets.

4. Task/Time/Consultant

Task	Time Allocation	
	John	Jo
a. Document assumptions and paradigms & outline current strategy in specific, measurable and timely terms to define As Is		8
b. Review the veracity of previous decision making under current and forecast residential aged care sector dynamics	8	
c. Examine the assumptions, business case and cost/benefit of the proposed extension of an extra 36 places	8	
d. Review Board operation & skills/abilities required to provide strategic direction in residential aged care dynamics	4	
e. Engage the Board & Senior Management individually & collectively on developing a shared vision To Be	25	
f. Position Benevolent Aged Care on Stewart Brown & propose performance targets where baselines highlight the need		8
g. Review the organisational structure and operations to streamline service delivery and enhance strategic outcomes	8	
h. Review Occupancy and ACFI historical and forecast trends		4
i. Review current Purchasing Policy and Procedure & examine scope to obtain 'best value' through a competitive tendering	4	4
j. Review current hospitality services and the scope to improve quality at optimum cost		16
k. Examine the efficiency and effectiveness of the Waiting List management (frailty, trends & forecast of average stay	4	
l. Review business development opportunities (standalone/partnership including outsourcing or outsourced provider	4	4
m. Highlight opportunity to better leverage the Internet of Things and develop a digital by default business model	4	4
n. Develop business intelligence on current & future competitors, predicted beds numbers & occupancy target implications		8
Project Management & Report Writing	16	12

20 Days Subject to negotiation for Deliverables a) – o) on Page 3

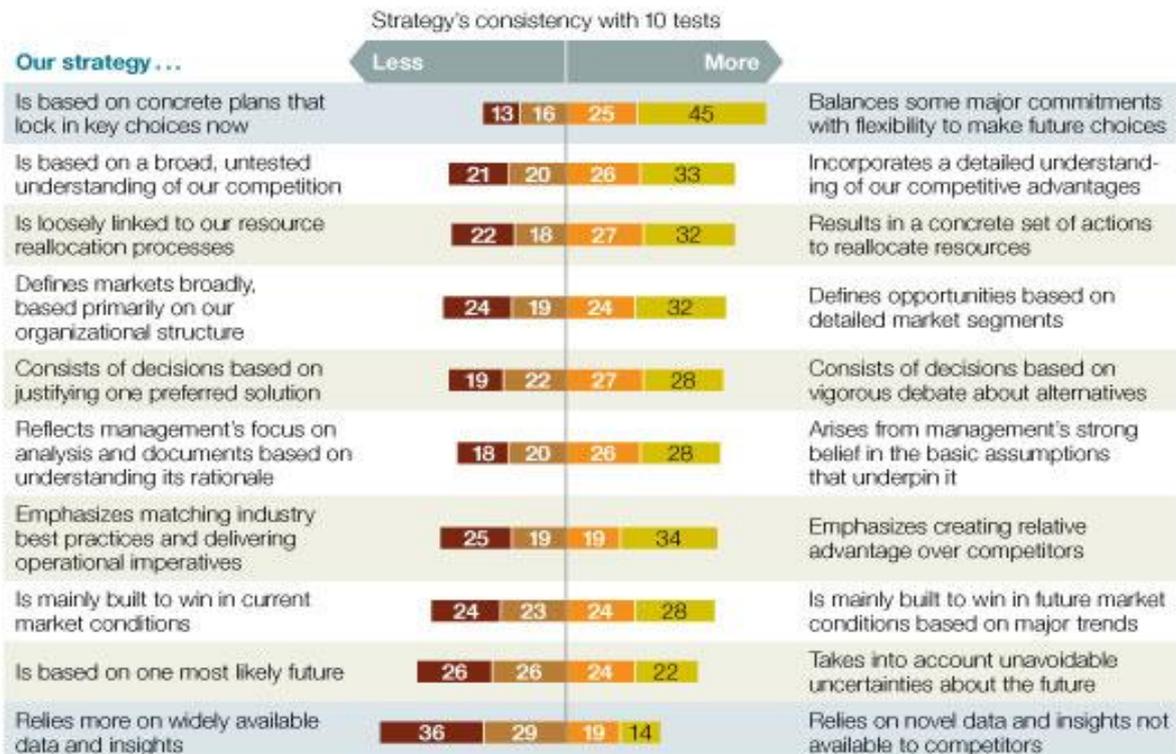
5. Investment - Fees, Payment Terms, Re-Imbursements and Timelines

	Consulting Days	Cost ex GST
Fees		
Strategic Plan with Deliverables as Outlined	20	\$27,816
Payment Terms		
Project commencement	30%	\$8,345
Interim Report As Is & Facilitated Workshop	30%	\$8,345
Draft Strategic Planning Report reflecting shared vision	30%	\$8,345
Project Sign Off	10%	\$2,782
		\$27,816
Reimbursements		
Agreed Air Travel, Accommodation, Meals and On Ground Transport at cost		
Timelines		
Commencing	1/10/2016	
Project Sign Off		30/01/2017

% of respondents,¹ n = 2,135

Test describes my company's strategy ...

■ Least closely ■ Somewhat closely ■ Closely ■ Most closely



¹ Respondents who answered "don't know" are not shown.

McKinsey Pressure Testing Strategy Tests – 10 Tests

6. Blue Chip Consulting Group Capability

Blue Chip Consulting Group is a member of **Leading Aged Services Australia** and has partnered clients in strategic planning and performance improvement since 1993.

Blue Chip Consulting Group work with a number of aged care organisations throughout Australia in strategic planning, business planning, operational reviews in residential care and community care, competitive tendering and staff development.

Clients include: Amana Living, Blue Care, Braemar Homes, PresCare, Resthaven, RSL Care, Thomas Holt, Moorfields Homes, Uniting Church (Victoria),

John Cleary is the Managing Director of **Blue Chip Consulting Group** and a Consultant, Trainer and Facilitator engaged in all aspects of Aged Care across Australia following his fifteen years as a Director of Community Services in Victorian Local Government.

John is valued by Aged Care Boards and Executives for his thought leadership, business acumen, outcome focus and expertise in driving return on investment. He is practical in partnering clients in strategic planning, performance improvement and change readiness.

John understands the dynamics of the aged care sector, is conversant with Government Policy including ACFI, monitors new entrants, mergers and acquisitions, receives regular industry newsletters and understands the commercial imperative now faced by all providers.

John presents on strategy & business development at LASA conferences in Victoria & Queensland. He facilitates CAANZ workshops on **Strategic Positioning in Residential Aged Care** and **Applied Corporate Strategy** in Australia and New Zealand.

John is a regular speaker in Australia on disruptive transformation, business intelligence, leadership, governance, strategy, cost management and change management and provides customised training for clients in New Zealand, Sth East Asia and Africa.

John holds qualifications from Melbourne & Monash University & facilitates Executive Education for the University of Queensland. He is a Fellow of the Australian Institute of Company Directors & Chartered Institute of Cost Management (Nigeria), an alumnus of Leadership Victoria & an Associate of Leadership WA.

Jo Cleary holds a Bachelor of Science (Hons) and Certificate IV in Training & Assessment with skills in Research, Interviewing, Project Management, Tenders, Value Stream Mapping, Organisational Review, Business Intelligence, Stakeholder Management, Facilitation, Implementation and Report Writing.

Jo has consulted on a number of aged care projects in New South Wales, Victoria, Queensland and Western Australia. Jo partners with providers to agree outcomes, review current operations, develop an Action Plan and mentor staff to contribute to strategic planning and contribute to performance improvement.

Jo is passionate about creating a good dining experience for residents that also meets the needs of families, management, staff and external agencies. She is a member of relevant industry groups and closely follows local and international aged care trends.