

A woman with dark hair and glasses is sitting at a desk, talking on a mobile phone while looking at a laptop. The background shows a bookshelf with books and a desk lamp.

# Home Care Agency Sales: The Numbers that Really Matter

Caring.com Digital Marketing Academy | March 25th, 2021

# Welcome to Our Webinar



This presentation will be shared within a few business days.

Please ask questions – we'll have Q&A at the end.

2021



# Today's Presenter: Peter Droubay

- Renowned corporate trainer
- Helped build The Senior's Choice and Hallmark Homecare
- Joined Caring in April 2017
- Led Caring's hiring and training of Family Advisors; now leads Directory Sales



Peter Droubay



# What We'll Cover Today



- The Importance of Measuring Your Sales Numbers
- The Most Important Numbers
- Simple Definitions of Each Number
- Tips for How to Measure
- Q & A



# A Few Key Points Before We Begin

- The question is not, “Do I know this?”
- The important question is, “Am I doing this?”
- Use this webinar to inspire you to act, to start applying or to improve what you are doing.
- I’m not going to use technical or exact accounting terms. This is not an accounting course.
- I’m not here to sell technology. I won’t give you recommendations on the latest software or tools to measure everything.





# Successful Management Philosophy

Three Steps to Success.

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# Management Made Easy



1. Define

1. Communicate

1. Measure

Today is about the measuring.





# The Goal

- Boil each part of the business down to key metrics that you can check daily, weekly, or monthly.
- Should fit on a 3 X 5 index card, tablet, etc.
- Today we will address the marketing and sales side.
- We will keep it simple. Lots of numbers we could calculate, but want to focus on the most important and actionable numbers.





# Eight Numbers to Manage Your Sales Plan

## Overall Client Understandings

- Client Value
- Client Acquisition Cost

## Sales Numbers

- Leads Generated (Can break it down by source)
- Calls (Numbers, Depth, and Cadence)
- Conversations / Contact Rate
- Assessments Set / Appointment Setting Rate
- Assessments Done / Appointment Completion Rate
- Number of New Starts / Close Rate





# Client Value

The Most Important Number



# Average Client Value

The Amount of Gross Profit You Realize,  
from the Average Client, Over the  
Life of the Average Engagement

- Revenue – Direct Cost of Service (caregiver payroll, etc.) = Gross Profit Margin
- $\text{GPM} \div \text{Billable Hours} = \text{GPM per Billable Hour}$
- $\text{Billable Hours} \div \text{Clients} = \text{Average Hours/Client}$
- $\text{Av. Hours per Client} \times \text{GPM per Hour} = \text{GPM per Client}$
- Multiply by Av. Length of Engagement if calculated for less time



# Simple Example

- Price: \$25.00/hour
- Direct Costs: \$15.00/hour
- Gross Profit Margin: \$10.00/hour
- Average Client: 80 hours/month
- Average GPM per Month: \$800.00
- 15 Month Average Engagement
- \$12,000 GPM per Client
- Industry Average: \$8,000 to \$12,000



# Why Important?

- Know what to spend to acquire a client
- Compete effectively in your market
- Know whether a marketing campaign is working
- Be willing to put up with “No’s”
- Know what to pay sales staff
- And much more





# Client Acquisition Costs

What does it cost to get a new client?



# Client Acquisition Cost

The amount you spend on marketing and sales divided by the number of new clients.

- Include all marketing and sales costs, including your own time
- Needs to be calculated over longer time as marketing and sales processes can take a while to produce results
- Average for industry: Between \$1,000 and \$2,000





# Simple Professional Referrals

- Marketer - \$5,000/mo
- Ads, Website, Collateral, etc. - \$1,000/mo
- Average new clients per month – 6
- Client Acquisition Cost: \$1,000.00



# Lead Gen Example

- 100 Leads - \$5,000/mo
- Sales Person(s) - \$5,000/mo
- Average new clients per month – 10
- Client Acquisition Cost: \$1,000.00



# Is a Marketing Channel Successful?

- **All that matters is,** “Does it produce enough gross profit to more than cover the client acquisition costs?”
- **Set a desired contribution margin.**
  - Example: My costs for a marketing method will not exceed 50% of the GPM it generates



# At the End of the Day



- How much did I spend?
- How much did I get back?





# Numbers to Maximize Sales

You Don't Have a Sales System Without Measurements

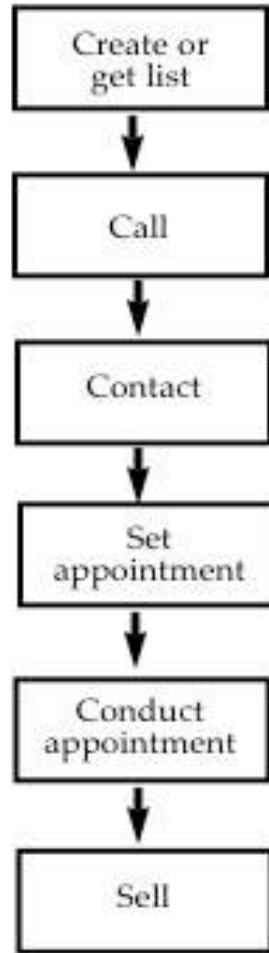


# Step On the Scale!

- The first step to improving anything is to measure it.
- If you want to improve it, start by measuring it often!



# Steps in the Plan

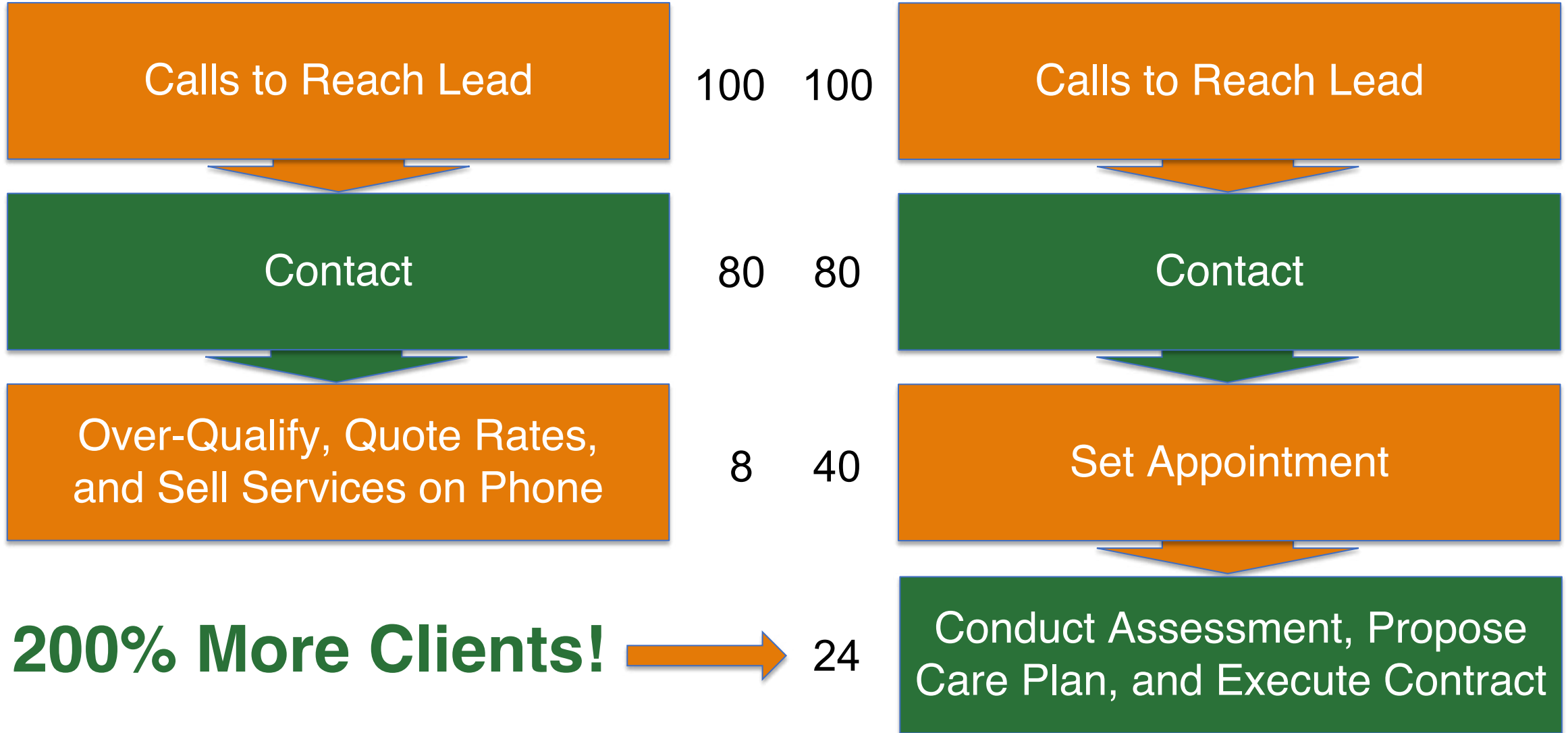


- You must define the steps.
- You must measure every step.
- If you don't, it devolves until it is non-existent.
- When you do measure it, everyone knows it's important and looks to improve it.





# The Comparison for 100 Leads



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# Measure Each Step in the Process

- Leads Generated
  - Be completely honest – Count everything that comes in
- Outbound Calls
  - Call Counts
  - Call Depth – the number of calls needed to reach a lead
  - Call Cadence – the frequency of the calls
- Conversations / Contact Rate
  - How many picked up and engaged?
- Assessments Set / Appointment Setting Rate
- Assessments Done / Appointment Completion Rate
  - Fallout can tell you about how well they were set.
- Number of New Starts / Close Rate



# Get the Real Numbers

“I make the box small so a story won’t fit.”



# Benchmarks

- Leads Generated
  - 20 per week minimum
- Calls 200 Calls/Emails/Texts
  - 200 Calls plus Emails and Text Messages
- Conversations / Contact Rate
  - 16 conversations per week - 80% Contact Rate
- Assessments Set / Appointment Setting Rate
  - 10 Assessments Scheduled per week - 60% Appointment Setting Rate
- Assessments Done / Appointment Completion Rate
  - 8 – 9 Assessments Conducted per week - 85% Completion Rate
- Number of New Starts / Close Rate
  - 5 New Starts per week - 60% Close Rate



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# Volume Matters

True percentages emerge over time.



# Like a Batting Average



If you work on it, you'll hit between 20 and 30 out of 100, ...

but we don't know if it will be the first 20, the last 20, or some "at-bats" in the middle.



# Measure Every Month, But Commit to a Year

- How much did you spend?
- How much did you earn back?





# Increase Your Lead Flow!

To get really good at converting leads into clients, you need more leads. We can provide you with:

- A listing on high-ranking sites
- Tools to gather reviews and manage your online reputation.
- Screened leads
- Education and best practices.



# Q & A



# Key Takeaways



To manage any business or system effectively, you must measure the key metrics.



Client Value is one of the most important metrics you can keep track of when analyzing your marketing and sales efforts.



Client Acquisition Cost is also a very important number to track. But do so with all of the real numbers included and compare it to your Client Value.



Each step in your sales process needs to be tracked, measured, and improved. If you don't, there is no sales process.

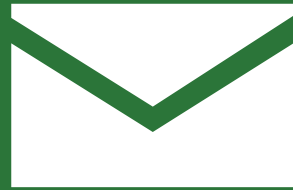


# Thank You!

## We Welcome Your Feedback and Suggestions



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