Florence

Metrics that should matter most to care home group CEOs, and how to grow them

What's inside

From one CEO to another get an overview of the top 3 metrics that matter most to care home group CEOs.

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Introduction

As the CEO of a care home group, your greatest responsibility is to provide the highest standards of care for your residents.

But when your attention is in demand, it can be challenging to know what to focus on to deliver that promise of excellent care.

Here, we'll discuss the three essential metrics to watch for measuring your care group's quality.

Improving each - your revenue, staff retention and agency usage - will help your group further enhance residents' quality of life, foster customer satisfaction and drive sustainable business growth.

About the author: Dr Charles Armitage

Charles is a doctor turned CEO of Florence. Alongside his Co-Founder Dan Blake, he is passionate about improving care services for all, with a commitment to advancing ways for staff to provide quality, compassionate care. When not working on Florence, Charles spends his time with his young family.

3 metrics that matter most for care group CEOs

Metric 1: Revenue

Revenue is the total amount of money brought in by your care group, measured over a set amount of time.

Revenue tells you the simplest, and truest story about your care group's performance: when revenue goes up, something's working, when it goes down, something, somewhere, is not.

Knowing your revenue isn't just key to understanding whether you'll be profitable. It gives you insight into how your various strategies are paying off, and where you can allocate future resources. It's also key information to be transparent with investors and board members.

7 insights revenue gives your care group

1. Whether you're making enough money to cover costs and sustain operations. If revenue is not covering staff salaries, food, utilities and other operating costs across all your care homes, it indicates financial struggles to simply keep the doors open.

2. What new investments you can afford and plan for. For example, strong revenue growth may allow investing in renovating an older care home to modernise facilities and attract more residents. Or purchasing new patient monitoring technology.

3. How much money you can allocate to different departments or services based on their profitability and demand. An in-demand service like dementia care may receive a larger budget allocation if it is already generating high revenues, compared to a less profitable service.

4. How effective your current pricing is. If occupancy rates are low despite competitive pricing, it may signal that prices are too high and need adjusting to improve affordability for potential residents.

5. How well each home in your group is performing against their financial goals. Reviewing revenue vs targets for each location can identify top performers to learn best practices from, as well as underperformers that may need operational changes.

6. Which strategic initiatives like marketing campaigns, hiring certain roles or adding service expansions, are giving returns (or not). Tracking revenue before and after initiatives like a new dementia care marketing push can determine its impact and whether to continue the investment.

7. Your care group's market position and competitive advantage. Consistently high revenues compared to competitors could indicate a strong value proposition, brand reputation and pricing power in your local markets.

How to grow your revenue

If homes in your group are already performing well financially, with high occupancy rates and good inspection results, look at *innovations* to increase revenue...

Innovative care group growth tactics

Diversify your service offerings

- Specialised care programs: Develop programs for specialised care needs such as dementia, Alzheimer's, or post-operative recovery to attract a broader client base.
- Expand service levels: Offer different levels of care, from independent living to assisted living to skilled nursing, catering to the evolving needs of residents.

Example: Hallmark Care Homes

Hallmark provides a specific care model - the TOGETHER dementia strategy - focussed on the needs of residents with dementia. The model includes features like memory boxes, reminiscence therapy, sensory gardens, and dementia-friendly design.

Enhance residents' experience

- Resident Engagement: Implement programs that enhance residents' lifestyle and engagement even further, leading to higher satisfaction and word-of-mouth referrals.
- Feedback System: Establish a robust feedback system to continuously improve services based on resident and family input.

Example: Sunrise Senior Living

Sunrise offers a variety of wellbeing services to its residents, such as a concierge, fitness classes, art workshops, and intergenerational programs. Sunrise claims these offerings help create a vibrant community and attracts more referrals.

Strengthen community partnerships

- Build Referral Networks: Develop strong relationships with local hospitals, doctors, and rehabilitation centres to increase your stream of referrals.
- Community Programs: Engage in community health programs that can demonstrate your commitment to public health and welfare, thereby boosting your group's image.

Example: Humanitas Deventer

Humanitas Deventer in the Netherlands partnered with a local university to create a program called Humanitas Living Lab, where students live rent-free in the care home in exchange for spending time with residents. The program aims to create mutually beneficial relationships and test new technologies like smart lighting, digital games, social robots, and virtual reality. Humanitas reported lower vacancy rates, higher staff satisfaction, and better resident well-being.

Revenue growth for struggling services

If homes in your group are struggling with revenue due to lower occupancy and poor inspection results, it's tempting to try these 'magic bullet' tactics to fix the problem:

- Enhancing your marketing efforts
- Recruiting specialist sales staff
- Employing specialist brokers to fill beds
- Offering discounts or incentives
- Replacing the home manager

However, these methods won't help in the long term. To get to the heart of the issue, you should assess and improve your customer experience and care quality.

Care homes that deliver excellent services typically do not face occupancy issues, and may even have waiting lists. Conversely, care homes that provide lower quality, institutional care and have poor inspection reports usually struggle with vacancies and may ultimately close.

Case study: Improving quality of care at Regal Care Homes

Regal Care Homes (RCH), an operator of 17 homes across the UK, found itself in administration. While 25% of homes in the group enjoyed excellent occupancy, revenue and inspection results, the rest of the homes struggled.

Issues affecting the ailing homes were identified as:

1. Lack of trust from local communities: Competitors spread rumours of closure, influencing staff and clients to leave.
2. Company culture challenges: A micro-management culture from head office hampered home managers in being able to make decisions and truly run their homes, and the group lacked cross-home forums for knowledge-sharing and problem solving.
3. Home management issues: A lack of formal management training led to cases of patchy and inconsistent leadership at home level.
4. Quality of care concerns: Homes had historically poor CQC results and lacked internal auditing processes for quality and compliance.
5. Poor physical environment: Facilities were outdated and badly maintained, including overgrown gardens and uninviting exteriors.

Steps taken to address these issues:

1. Stakeholder engagement: Immediate discussions with key stakeholders, including service users, relatives, and local authorities, were prioritised to reassure them of the business's viability.
2. Management restructuring and training: The home management team was strengthened by replacing four of 17 managers (found to be severely out of their depth). Other managers were given leadership, financial and specialist training (e.g. dementia care) as needed, enhancing their abilities in running their homes.
3. Quality improvement: Implementation of a Quality Management System (QMS) to standardise and enhance care quality, which included regular compliance audits and feedback loops.
4. Physical upgrades: Budget allocations were given to each home manager to prioritise and decide on renovations, focusing on creating a homelier and dementia-friendly environment.

5. Operational and financial reforms: A new structure put in place to distance operations from past financial and administrative micro-managing and mismanagement, enabling better business operations and improving stakeholder perceptions.

The result:

Out of a total of 600 available beds, occupancy jumped from 440 to 480 (or 80% of availability) in six months. While other financial information is confidential to the business, these results show what can be achieved in a short period when a care home group really focuses on transforming its care standards and reputation.

Read the full case study here.
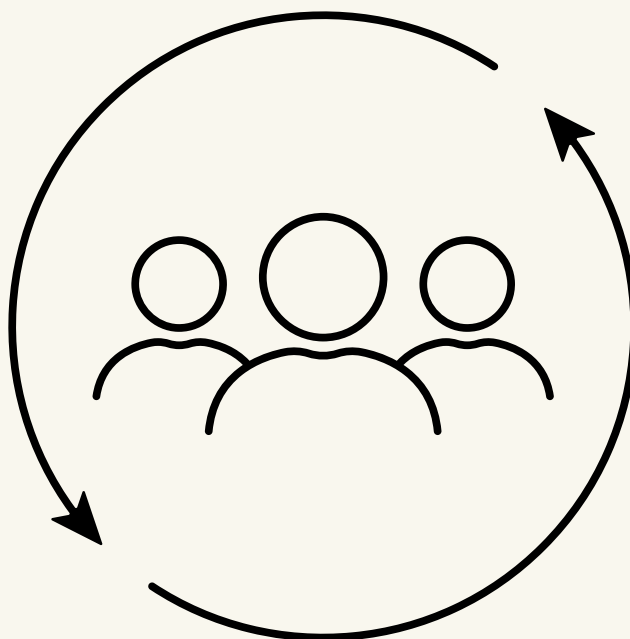
Metric 2: Staff retention rate

> Your staff retention rate is the percentage of employees who remain working at your care group at the end of a set period of time.

The more employees who remain working with you, the higher your retention rate and, so the thinking goes, the smoother your operations run and the better your quality of care.

An annual retention rate above 90% is considered excellent for adult social care services, translating to a 10% or less staff turnover rate (ie, the percentage of people who leave within the observed time period).

However, the industry average annual retention rate hovers around 70%, with a staff turnover rate of around 30% (Skills for Care).

Adding to this, around 70% of care homes reported struggling with staff retention in a 2021 government report, with the biggest reasons for staff leaving including 'better pay outside of the care sector' (26%) and 'better hours and working conditions outside the care sector' (13%).

5 reasons staff retention is important

Continuity of care
Your team builds relationships with the residents they work with - these are disrupted when they leave. If many people leave, the disruption is multiplied. Low retention rates directly affect care quality, which will then in turn affect your residents' health and wellbeing.

Cost savings
Staff turnover is expensive due to recruitment costs, training expenses for new hires, and reduced productivity during transition periods. Retaining experienced staff avoids these costs.

Team morale
High turnover can demoralise remaining staff, leading to decreased performance, poorer attitudes towards work, and potentially causing more departures - creating a vicious cycle.

Staffing levels
With high turnover, care homes struggle to maintain adequate staffing levels, which impacts their ability to accept new residents and provide consistent, quality care.

Regulatory compliance
Regulatory inspectors (the CQC, CI, CIW and RQIA) consider staff turnover rates when assessing care providers. Lower turnover is associated with better regulatory ratings and/or feedback.

How to improve staff retention

First, look at your pay and benefits packages. Are people being paid a competitive wage for their location and skillset? Are they receiving any benefits that help you stand out as an employer, for example flexible working options, or a generous pension plan?

Close those pay and benefits gaps aggressively wherever you can: a well-compensated and cared-for workforce is more likely to stand by you, especially when so many competitors are apparently lacking on these fronts.

That being said, no high salary in the world will keep a person in their job if they feel chronically unsafe, overlooked or under-developed. You need more than a good salary and benefits to keep a team together in the long-term. You need a good company culture where people feel like they're cared for and can contribute meaningfully - both to your mission and their own career paths.

A Skills for Care survey on 140 care providers with sub-10% staff turnover cited 'investing in learning and development' (94%), 'embedding organisational values' (92%), 'celebrating achievements' (86%), and 'involving staff in decision-making' (81%) as the biggest factors helping their staff retention.

Invest in these areas to create an environment where staff feel valued, empowered, and committed to the organisation's success. Put these together with a fair wage, and you should start to see the needle move on your staff retention.

Invest in learning and development

- Establish a comprehensive training program covering clinical skills, soft skills, leadership development, and career advancement paths.
- Partner with educational institutions or online platforms to offer tuition assistance or discounted courses.
- Implement a mentorship program pairing experienced staff with new hires to facilitate knowledge transfer.

Example:

The Abbeyfield Society provides training across multiple disciplines like dementia care, end-of-life care, safeguarding, health and safety for their staff. They also offer NVQ qualifications and apprenticeship programs.

Good to know:

If you don't have the resources in house to build your own training program, Florence Academy offers 100+ online courses to care groups covering topics like dementia care, leadership and technology, plus all mandatory training and a digital Care Certificate.

Live by organisation-wide values

- Clearly define and communicate your organisation's core values during onboarding and reinforce them through ongoing training.
- Recognise and reward employees who exemplify the values through peer nominations or manager feedback.
- Lead by example, with senior leaders visibly demonstrating the values in their actions and decision-making.

Example:

HC-One care group emphasises the 'Kindness the HC-One Way' qualities it encourages in employees (Curious, Compassionate, Creative, Counted on, Courageous) and recognises those living these values.

Celebrate and reward achievements

- Implement employee recognition programs for tenure milestones, outstanding performance, or going above and beyond.
- Celebrate team and organisational successes through events, newsletters, or social media highlights.
- Offer tangible rewards like bonuses, extra paid time off, or personalised gifts based on employee preferences.

Example:

Sunrise Senior Living has an "Excellence in Service" program recognising exceptional caregivers nominated by residents/families.

Involve staff in decision-making

- Establish employee committees or task forces to provide input on policies, processes, or new initiatives.
- Conduct regular surveys and focus groups to gather staff feedback on workplace issues.
- Implement an open-door policy and frequent town halls for staff to voice concerns directly to leadership.

Example:

Brunelcare has "Colleague Voice" groups where staff can raise issues, suggest changes, and be part of the decision-making process on matters affecting their workplace and roles.

Metic 3: Agency usage

% Your agency usage is tracked as a percentage of your total staff hours.Look at the total working hours allocated across all homes in your group, and the proportion worked by agency staff within a set time period.

Ideally, you should keep your care home group's agency usage as low as is feasible.

Note we say 'low', not 'no' to agencies. With our industry's staffing crisis still in full swing, agencies support your homes with vital cover during shortages. There's no 'win' in avoiding agency hours if your permanent team is dangerously over-stretched instead.

Your full-time staff should be able to trust they'll work a safe and ethical number of hours per week as per their contractual agreements, with good flexibility and work-life balance. In order to create an environment that supports this, sometimes you may naturally need to bring in temp cover.

The caveat to this is you need common sense checks in place for agency usage across your homes to make sure it isn't over-relied on. Using agencies without any guardrails tends to result in usage and costs creeping up and up, with the knock-on effect of lower quality care standards - as team continuity is lost.

If you need agency help, it's a critical (but tricky!) balancing act to maintain control and keep your costs predictable.

Example: How agency costs eat into all your budgets

Consider a 50-bed care home with 25 occupied beds (50% occupancy).

With a staffing budget allowing for 1,000 carer hours per week, at 50% occupancy, you should only need to spend the equivalent of 500 hours on staff.

However, if 125 of those 500 hours are covered by agency staff (25% usage), where agency workers typically cost 65% more than permanent staff, those 500 hours actually cost you the equivalent of 580 budgeted hours.

The situation escalates if agency usage increases further.

If agency staff work 250 of the 500 hours (50% usage), those 500 hours now cost the equivalent of 640 budgeted hours from the original 1,000 hour allocation.

T**he more agency hours used, the faster staffing costs spiral out of control, eating into budgets meant for growth and service improvements.**

Example adapted from Liam Palmer at Nurses.co.uk

How to control your agency usage

Together with using staff retention strategies, your care group can reduce reliance on costly agencies, keep your permanent team working with you for longer, and deliver higher quality care.

The key is creating an environment where staff want to stay and grow.

Create a staff bank
- Establish a bank of cross-trained staff who can flex between locations as needed
- This reduces overtime costs and reliance on agencies while keeping staff engaged

Be smarter with scheduling
- Notify permanent staff first when shifts become available, using automated shift notifications
- Use scheduling software to optimise staffing levels, track usage, and identify trends

Create competition between agencies
- Broadcast open shifts to multiple agencies to find the best staff at competitive rates
- Use an agency management system to streamline communication and compare applicants

Invest in training and technology
- Provide comprehensive training on topics like medication management, safety, and communication
- Adopt software for remote monitoring, electronic records, and mobile apps to improve workflows, patient info sharing and communication.

Case study:
How Belmont Healthcare reduced agency hours by 9%

Switching to an agency management system helped Belmont Healthcare in Kent cut agency hours by 9% across its three homes, leading to immediate savings of 23%.

Prior to using Florence agency manager, Belmont Healthcare was juggling 17 different agencies, each with unique pay agreements, which complicated invoicing and reporting and resulted in high costs and inconsistent workforce quality.

Results

By adopting Florence agency manager, Belmont Healthcare significantly streamlined agency hiring and payment. Invoicing, pay and reporting were handled in just one place, allowing for a more efficient and cost-effective operation.

As Florence audited all chosen agencies for compliance, Belmont could also rest assured only quality staff were coming through their doors.

The results were remarkable:

- 9% reduction in agency hours
- 23% spend reduction
- One weekly consolidated invoice
- Simplified hiring and timesheet processes
- 100% staff compliance and quality

Florence agency manager is just one of the shift-filling, continuity-boosting and cost-saving benefits Florence brings to care home groups.

Groups such as Bupa, Barchester and Four Seasons Healthcare use Florence to fill shifts with their own staff as well as 100% compliant temps, who can be hired back again and again.

1 million shifts fi lled (and counting!) since 2016

Florence is your hassle-free, tech-led alternative to a traditional care staffing agency.

We fill shifts in 30 seconds with staff you can trust - drawing from your own team, 100% compliant Florence temps and your chosen agencies. Get the power to care better.

Milestones:

100,000+ Florence professionals	**4000+** care providers using Florence	**$35million** investment raised

Accolades

THE SUNDAY TIMES **Hundred**   **TECH NATION FUTURE FIFTY**   \sifted/

Trusted by

BARCHESTER HEALTHCARE   Bupa   Four Seasons HEALTH CARE   brighterkind

Radius HOUSING   Majesticare   NHS   hansel

Where we help you fill shifts

Florence is easy to set up and use to fill shifts in care settings across the NHS and social care.

Here's where Florence is most-used:

- Nursing homes
- Residential care homes
- Supported living homes
- Domiciliary care
- Mental health services
- Complex care services
- NHS hospitals
- Private hospitals

How Florence fills shifts:

- With **your own staff**
- With **Florence temps**
- With **other agency staff**
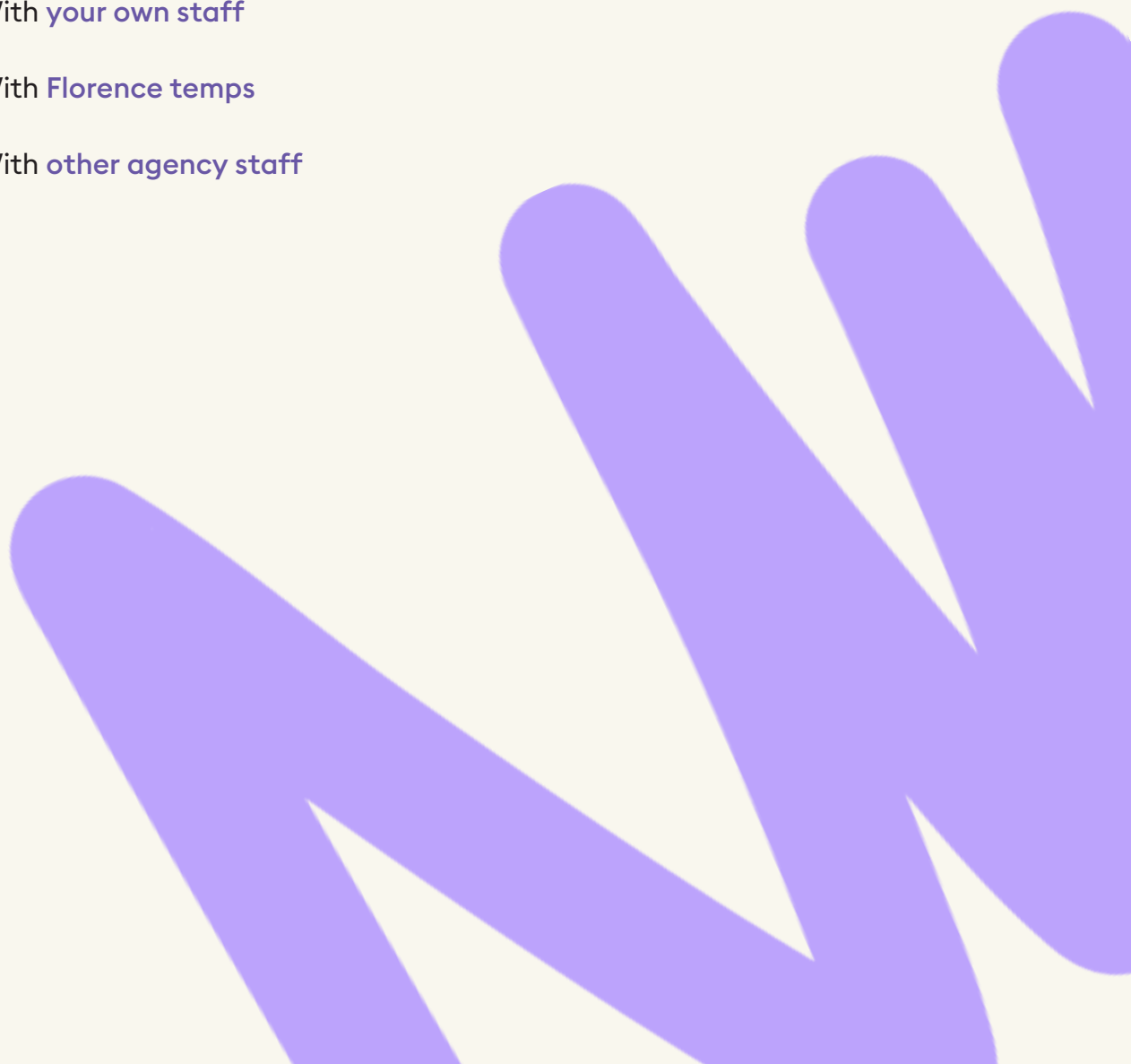
Talk to us today

Learn more about how Florence can help you. Get in touch today.

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