March 4, 2010

*The following private duty benchmarking survey was conducted by Stephen Tweed and his company Leading Home Care. [www.leadinghomecare.com](http://www.leadinghomecare.com) The benchmarking information contained herein is part of the report titled: 2009 Private Duty Benchmarking and State of the Industry Report, and was contained in their newsletter Private Duty Today, issue #163. More information about this report can be found at [http://www.privatedutytoday.com/benchmarks/](http://www.privatedutytoday.com/benchmarks/)*

## The "Benchmark Company"

The results are in and analysis is complete. The first step in our analysis was to identify and define a "benchmark company" for private duty home care.

**Stephen Tweed, CSP,** authored the final analysis and report. We asked Stephen to define the company that private duty home care companies can use for comparison.

*"A 'benchmark company' is defined as a private duty home care company that has been in business for three years or more and earned a profit in 2008."*

Stephen also shared some of the study results that help us see the "typical" company in a clearer light.

**A benchmark company has:**

- A median revenue of $1,466,731.
- A median gross margin of 40% after direct cost of care, or $586,692
- A median marketing and business development expenditure of 3.5% of revenue, or $51,335.
- A median owner's compensation of 13% or $190,675.

The body of benchmark companies experienced revenue growth in 2008 ranging from 12% to 25%.

How did these companies experience double digit growth during one of the worst economies in recent memory?

Based on survey analysis and his experiences with clients, we confirmed that our **Private Duty Business Builders Model** is sound and the 27 elements of a successful private duty company are on target. This collection of best practices focuses on the Three Pillars of Private Duty; Promotion, People and Profitability.

Not only is this model successful, but it's also apparently more resistant to the outside economic forces than we originally anticipated.