

Despite Tremendous Odds

How one service provider improved its cash flow and profitability

Kimberley Sandiford grew up in St. Thomas parish, Barbados and unlike most kids, faced a disability that would change her life. She was diagnosed early with petit mal seizures. Often in kindergarten and primary school, her lack of attention and focus meant that she would be treated differently by her teachers and her classmates. This disability resulted in few friends and Kimberley was classified as a slow learner.

Entrepreneurs often face tremendous risks, but many know to turn tables to their favour. When her family moved to her grandmother's home, who was suffering from Alzheimer disease, Kimberley would assist her mom with grooming and bathing her elder. Kimberley remembers, "Many nights my grandmother would come into my room and talk for hours, repeating the same thing over, but I enjoyed hearing

the stories from long ago and talking about life."

Despite been classified as a slow learner, Kimberley persisted in high school but was unsuccessful in CSEC examinations. As a result, she could not land a conventional job, so she took work as a nanny and doing housekeeping. Later, she worked as a legal clerk in her sister's law practice but after ten years she did not have the passion for it. After a deep conversation with her sibling, she was encouraged to start her venture.

Trusted Care Providers was born in December 2013. The firm would offer support services as housekeeping, specially prepared meals, and routine medical diagnostic tests for the elderly at their homes. She also added a nanny service for parents of younger children. Often the middle to upper income, who are time-poor, would request her assistance. These were mostly foreigners, employed as

professionals and entrepreneurs. Some of her clients however, with generous pensions would pay for themselves.

Early the life of the venture, the firm faced the twin problems of no profitability and weak cash flow. Kimberley needed help, so she hired an accountant who helped her do a break-even analysis. The formulae revealed that Trusted Care Providers expenses were higher than its sales. Her financial adviser suggested that she needed to focus on increasing revenue, as much of her expenses were fixed.

Kimberley is a firm believer in doing market research and she did in-depth

reading on marketing. Based on her clients visits she was able to conclude her method of pricing did not reflect the value being created. Since Trusted Care Providers had clients who valued the service highly, by increasing the price per hour or the monthly rate, made good economic sense. This simple act of increasing the price achieved two objectives—the profit margin and her cash inflow both increased. In addition, since her cost-to-serve a client is relatively fixed, increasing the price translates to higher profitability.

Her client visits offered another perspective on her financial challenges. Even with charging premium prices, it would not be enough to push the firm above the break-even point. Kimberley thought about how can I increase my volume? Where can I find more clients who are willing to pay my fees?

The Trusted Care Providers founder decided to explore other markets. Much of her current clients came from word-of-mouth but since she had a limited base, this could only take the firm so far. She hit on the idea of developing a relationship with the hotels. Barbados is a leading Caribbean tourist destination for Europeans and especially United Kingdom residents. "Little England" offers a great escape from the harsh winters and this can be especially hard on the elderly.

Her personal visits to the premium hotels showed an acceptance for the initiative. All Kimberley needed was printed brochures and getting into the hotel room table books. Unfortunately, doing advertising was trickier than she realized.

Paying for ads in hotel information books were expensive and yielded little business. When Kimberley tried to build a website with her precious resources, she was conned. She now knows that investing money without an idea of its productivity is bad business. Personal selling seems to be an effective means. However, with



social media she has done low cost but effective advertising on Facebook, Instagram and finally got her website.

In 2015 she approached Barbados Youth Business Trust for a loan. Even though the company kept its overheads low, operating from home and hiring field nurses and nannies as needed, still required additional capital. The small loan was used for office equipment, a printer, and a desk. Kimberley is however, quite cautious about leveraging as it means a monthly commitment and the risk associated with debt.

Later, the venture used CareSmartz360 to improve its operations by using the software to do scheduling, billing, and proper documentation. This decision meant that in real time Kimberley can monitor her field staff and client usage. In addition, the firm adopted Quick Books accounting software to manage its finances and turn out financial statements.

The COVID-19 pandemic did not negatively impact on Trusted Care Providers. While the company did lose a few clients, there was an increase in demand for both elderly

and kids care as prospects needed to work from home without distractions.

Recently, the Barbados Prime Minister (PM), introduced an extended stay for foreign workers that would benefit firms as Kimberley's. "We recognize more people are working remotely, sometimes in very stressful conditions, with little option for vacation," says PM Mia Mottley. "Our new 12-month Barbados Welcome Stamp, a visa that allows you to relocate and work from one of the world's most beloved tourism destinations."

It seems the pandemic does have a silver lining.

