

HESTIA: SETTING A NEW BENCHMARK FOR MALAYSIAN AGED CARE SERVICES

By

AZUAN BIN MD GHAZALI @ GHAZALI

UNIVERSITI

Case Study Submitted in Partial Fulfilment of the
Requirements for the Degree of Master of Business
Administration at the Malaysian Graduate School of
Entrepreneurship And Business, Universiti
Malaysia Kelantan

OCTOBER 2014



PART I
CASE DESCRIPTION

UNIVERSITI

MALAYSIA

KELANTAN



PART II
CASE ANALYSIS

UNIVERSITI

MALAYSIA

KELANTAN

EXECUTIVE SUMMARY

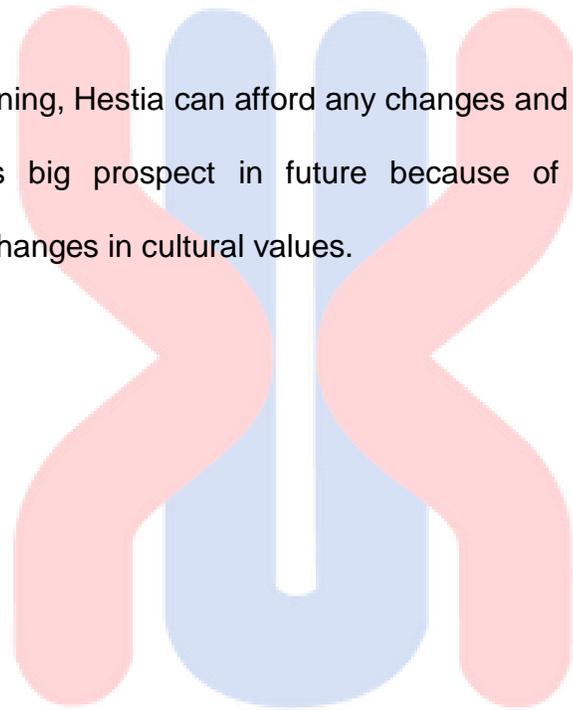
Hestia Care & Retreat (thereafter referred as Hestia) established in early 2014, in the suburb of Petaling Jaya. Hestia is one of Bumiputra partnership enterprise between Ms Sabrina and her partner. The main service is to provide care services for elderly. Their service include daily care, weekly care and permanent resident for bedridden. Beside provide care service, Hestia also providing other services like physiotherapy, transportation and knowledge sharing in order for them to be well balance as senior citizens.

Hestia's business is for the comfort of accommodating the elderly. A day-to-day care and fulltime care are the main services offered in a home friendly environment. From the record by Malaysia Welfare Department; there are 35 registered elderly homes in Selangor. As one of the registered home, Hestia Care & Retreat is complementing care and retreat for the independent elderly while embedding technology by using a systematic database.

Hestia marketing strategy is to emphasize the quality of care towards elderly mainly based on daily basis, from morning until evening where transportation is provided for this purpose. Marketing plan as one of issue should be improve immediately. Hestia should become a market leader in this sector. Equipment

and facility become one of important thing for home care. Customer need comfortable situation when they stay at home care. Mostly, home care need big initial capital in order to fulfill equipment and facilities.

With proper planning, Hestia can afford any changes and problem in this sector. Home care has big prospect in future because of increase in elderly's population and changes in cultural values.



UNIVERSITI
MALAYSIA
KELANTAN

ACKNOWLEDGEMENT

Assalamualaikum WBT,

I am grateful to almighty Allah S.W.T for his merciful guidance. Also thankful to beloved wife, parents, classmate, friends and UMK staff that had extend supports and encouragements throughout my studies and completion of this case study.

I also would like to thank to my supervisor, Prof. Dr. Abu Bakar Sade, for being constructive in guiding and encouraging me to complete this case study. Hopefully, this case study will be useful to MARA communities and Bumiputera entrepreneurs.

Thank you.



DECLARATION

I hereby declare that the case study is based on my original work except for quotation and citation that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at UMK or other institutions

Signature

AZUAN BIN MD GHAZALI @ GHAZALI

Date : 11 OCTOBER 2014

UNIVERSITI
MALAYSIA
KELANTAN

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	i
ACKNOWLEDGEMENT	iii
DECLARATION	iv
LIST OF TABLES	vi
LIST OF FIGURES	vii
PART 1 – Case Description	
1.0 PROLOGUE	1
1.2 GENERAL COMPANY BACKGROUND	4
1.3 INDUSTRY OVERVIEW	19
1.4 COMPETITION AND MARKET ENVIRONMENT	21
1.5 SPECIFIC AREA OF INTEREST	25
1.6 SPECIFIC PROBLEM	29
1.7 CONCLUSION	30
PART 2 – Case Analysis	
2.1 CASE SYNOPSIS	31
2.2 PROBLEM RECOGNITION	32
2.3 PROBLEM DEFINITION	36
2.4 PROBLEM DIAGNOSIS	40
2.5 ALTERNATIVE/SOLUTION	44
2.6 EVALUATION OF ALTERNATIVE	52
2.7 RECOMMENDATION	55
2.8 IMPLEMENTATION PLAN	59
2.9 CONCLUSION	60
REFERENCES	61

LIST OF TABLES

No.	Title	Page
Table 1	Initial cost for Hestia Care & Retreat	14
Table 2	Pro-forma Income Statement	15
Table 3	Pro-forma Balance Sheet	17
Table 4	Monthly charge and income	18
Table 5	Hestia Care & Retreat competitive edge	21
Table 6	Competitors strengths and weakness	24
Table 7	Age and population for Petaling District	26
Table 8	Competitors strengths and weakness	28
Table 9	4P element	45

LIST OF FIGURES

No.	Title	Page
Figure 1	Organization structure of Hestia Care & Retreat	10
Figure 2	Operation flow of Hestia Care & Retreat	11
Figure 3	Location of Hestia Care & Retreat	13
Figure 4	Map of Hestia Care & Retreat	13
Figure 5	The institutional care provision in Malaysia	23



1.1 PROLOGUE

Home care for the elderly has become more important in the current situation. The growth of elderly in total population of Malaysia shows that there is a need for home friendly elderly care.

In April 2014, during Business Ideation class at Universiti Malaysia Kelantan Campus, Ms Sabrina the Operation Manager of Hestia Care and Retreat form the company to focus on elderly home care business. Ms Sabrina said, *“Home care business become important for the new generation who live in urban city. Time management and product innovation is most important in new concept for old folk home”*.

New concept for home care is needed to cater demand from urban population. Ms Sabrina said, *“New home care register increase every year from time to time. More than 100 elderly home care register in Selangor and Kuala Lumpur. Reason why increase number of company because of demand from population in urban area”*.

Ms Sabrina propose to provide new service to his elderly care especially experience care taker and physiotherapy. Similar service provide to normal customer don't make any changes to current

customer. Within similar service, new home care becomes more difficult to attract new customer. Ms Sabrina proposed to provide new type of service such as introduce transportation to pick up and deliver old folk within a day. Every activity such provide medicine or blood pressure check will be record in book. This record will be show to their parent in order to reduce argument between home care and elderly's parent.

As a new comer in the industry, start-up cost for the business are very high and many difficulty to access with any loan. With small initial capital, this business is very limited to become good home care. Many equipment and facility should be providing in order to become good home care.

Home care services are similar with other the market. New services are needed to provide to attract new customer. Introduce new service need additional cost and as new company, limited fund become a big problem to company. Differentiation of service from other competitor is needed as part of attractive tool.

Customer value is part of important question that company must ask themselves. Customer value refers to the ability of companies to create

and add value to services offered to customer. There are four important value-points: service, quality, image and price. As new company, Hestia has a challenge to provide good customer value and at the same time to compete with competitors.

Information Communication Technology (ICT) is not all about storing, manipulating, distributing and processing information. Over the past few years, IT has replaced the conventional modes of businesses with innovative technological tools. In addition to the increased output and efficiency, ICT has introduced new concepts of business like electronic health record system. This system gives more option to company to become more competitive.

Hestia need to approach different way to attract their customer. Engagement with other relevant institution like Non Government Organization (NGO) and government agencies is needed as part of customer attraction and also as marketing tool. Building trust from customer is part of marketing tool. Most customers are more confident if company have good relationship with establish NGO"s, Multinational Company and also with government agency.

As a new company, there are many challenges to sustain in this business. Internal and external challenge become part of the rule to make sure company can sustain in the market. Company will face problems of limitation of fund, marketing strategy, new service and compete with competitor. With conclusive effort, company will be able to face this challenge and able to succeed in the market.

1.2 GENERAL COMPANY BACKGROUND

1.2.1 Company History

Hestia Care & Retreat (thereafter referred as Hestia) was established in early 2014, in the suburb of Petaling Jaya. Hestia is one of Bumiputra partnership enterprise between Ms Sabrina and her partner. The main service is to provide care service for elderly. Their service include daily care, weekly care and permanent resident for bedridden. Besides providing care service, Hestia also provide other services like physiotherapy, transportation and knowledge sharing in order for them to be well balance as senior citizens.

Hestia operate from the rented house at SS5, Taman Mayang, Petaling Jaya, Selangor D. Ehsan. They started their company with RM200,000.00 as initial capital. This care centre is suitable for the elderly who have medium income family especially pensioners from

the government or retirees from the private sectors. It is an ideal place for them to spend the days while their needs are being well taken care of. Companionship and guidance are the main element in avoiding them to be lonely and to avoid the „guilt“ of children sending their parents to the care.

Hestia has practitioners specializing in geriatric management as the workforce that will work together in running this nursing home. They will be able to offer the elderly an array of services that are aimed to improve their whole quality of life. Hestia Care & Retreat will also equip with websites and internet that carry most of the information. The home is also equipped with wifi and internet for them to be updated with their surrounding and to be aware of things that they are mostly need to be aware of. Their abilities and exposure in computers and technology are no denial; especially they are well versed in these two aspects.

The prospective clients and the families will be interviewed to know the clients“ medical condition and home care needs required. The clients are also advised by the home care facility or services they would benefit from; nursing care, evaluation and decision of problem areas, action recommendations and review of the patients“ medications,

consultations with physicians as well as specialists, and collaboration with other health professionals.

Hestia provided their premise with systematic database to store all the information of the patient's background and medical history and day to day medication intake. The elderly individual admitted to Hestia Care & Retreat can properly respond to their health-related needs and over all welfare. Systematic user friendly database using Visual Basic and Microsoft Excel is the key access for the patient's profile and day-to day report.

1.2.2 Vision statement

To be a leader in developing a well balanced senior citizen while appreciating them for their past contributions to the community and country.

1.2.3 Mission statement

Hestia Care and Retreat focuses on all aspects in balancing life of the elderly due to the fact that different people have different reasons for choosing to place their elder love ones in the care of nursing homes. The vital aspect is most of them decided to send to the senior living

home because they feel their relative, friend, or family member will receive ample care and attention in a home care facility.

To be a recognized care centre that helps the elderly to live happily, well balance spiritually, physically, mentally and socially. Highly committed and passionate in providing excellent services in a day to day activities with tender, love and care.

1.2.4 Ownership & Management

Hestia registered as partnership enterprise and fully managed by Ms Sabrina as Operation Manager. Her background as stated below:

Name : Wan Sabarina binti Mohd Rasid

Date of Birth : 24th March 1978

Status : Married

Address : Block A T5-08, Apartment Cahaya,
Jalan Cahaya 14, Taman Cahaya,
68000 Ampang
Selangor Darul Ehsan

Qualification : Bachelor of Arts (English)
Universiti Putra Malaysia

Experience : 13 years" experience in various Non

Government Organization (NGO)

related to elderly care.

1.2.5 Services and products offered

Hestia offered several services to the elderly. Some services are similar with other competitors but Hestia also offered different service to compete with other. Services provided as per detail as below:

i. Daily Care

A daily care service is offered to at least sixteen occupants for daily care basis. For this service, the elderly will be picked up from the house and would be sent to the Hestia Care by scheduled transportation provided by the home. It is optional. The elderly could also be sent to the home by their children or care takers. Not only that, if it would not be a burden for the elderly to drive on its own to come to the home. The home would be opened as early as 7.30 am until 6.00 pm.

ii. Home Based Services

Home based services are provided upon request by the customers and for the immobile customers. A qualified nurse will be sent to the customer's house to take care of the elderly on daily basis. Payment would be charged differently from the Home care.

iii. 24/7 Care

Hestia Care & Retreat also provide daily care for bed ridden and normal elderly. Hestia can only receive only 4 persons for bed ridden. Six mobile elderly will also be accepted to stay for full time in the home. Different payment will be charged based on the classifications and packages.

iv. Supported services and facilities

Information technology knowledgeable nurses are provided with tab or PDA for easily entering elderly daily data on medical intake, pulse, blood pressure and glucose level. A routine therapy by certified practitioners in physiotherapist and assisted by the nurses and helpers are the priority service offered by the home. Weekly check up by certified doctor is also a services provided by the home. Well elderly friendly home equipped with facilities needed by them are necessary. The home will be renovated according to the basic need of the elderly and to accommodate their comfortable living.

1.2.6 Human Resource

Every company must have their own management team in ensuring the activities and services offered for the company to run smoothly and