UAB SCHOOL OF BUSINESS

Department of Management

TO: Mr. Steve Bradley

FROM: Woody D. Richardson

DATE: February 16, 1999

SUBJECT: Geriatric & Infant Daycare Facility Study

We have discussed the issues relating to the start-up of a geriatric and infant daycare facility and propose to complete an analysis that will involve the following activities and outcomes.

1. Outline of the activities normally involved in establishing and operating a geriatric and infant daycare facility.

2. Examine the experiences of three to five daycare facilities (preferably facilities that provide services to both the elderly and infants). If directly comparable facilities cannot be located variations in the facilities included will be explicitly noted.

3. On the basis of the experiences examined, a list of critical success factors as well as risk factors will be developed and discussed.

4. Industry benchmarks will be examined to determine the necessary conditions for market entry and the normal costs associated with start-ups of facilities of this nature.

5. Development of a formal report summarizing the activities outlined above along with supporting documentation.

We estimate that the following will be required to complete the analysis outlined above:

1. Travel to the prospective site of the facility and assessment of the local market conditions. (3 consultant days).

2. Examination of demographic data of the general market area in order to assess market feasibility. (2 consultant days).

3. Examination of 3 – 5 comparable facilities experiences. (2 consultant days).

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4. Critical success and risk factor analysis. (3 consultant days).

5. Development of industry benchmarks and related information necessary for start-up success (3 consultant days).

6. Preparation of report and recommendations. (2 consultant days).

7. Engagement of specialized consultation services for topics related specifically to the regulatory requirements of geriatric and infant daycare facilities. (3 consultant days).

The estimated total cost of the proposed feasibility study will be 18 consultant days at $1,250 per day for a total estimated cost of $22,500. This amount will include all consultant and associated costs for the project.

All aspects of the study will be completed by faculty members in the School of Business and/or School of Public Health at the University of Alabama at Birmingham. The project team will identify and engage appropriately qualified professional assistance in issues related to the specific aspects of the geriatric and infant daycare industry such as regulatory matters.

The project team will consist of the following individuals. Woodrow D. Richardson, Ph.D., Project Coordinator, Associate Professor and Chair of the Department of Management in the School of Business. W. Jack Duncan, Ph.D., Professor & University Scholar in the School of Business and Professor of Health Care Organization & Policy in the School of Public Health at U.A.B. Peter M. Ginter, Ph.D., Professor & Chair of the Department of Health Care Organization & Policy in the School of Public Health at U.A.B. All members of the project team have experience in strategy development in health care organizations including acute care hospitals, long-term care facilities, and ambulatory care. See the attached biographical sketches for a further description of the members' qualifications.

Enclosure

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Biographical Sketches

Woody D. Richardson (Ph.D., University of Arkansas) is Associate Professor and Chair of the Department of Management in the School of Business at the University of Alabama at Birmingham (UAB). Prior to coming to UAB he was on the faculty of the University of Central Florida where he received the College of Business Award for Excellence in Teaching. He has co-authored 15 cases in a variety of industries including banking, health care, snack foods, symphonies and zoos. His cases have appeared in five textbooks, the *Case Research Journal* and the *Journal of Applied Case Research*. In addition to his case research, Woody has published articles in *Health Care Management Review, Journal of Education for Business, Journal of Business Ethics, The Small Business Controller*, and *Simulation & Gaming*. He also co-authored a chapter in the *Handbook of Strategic Management*. His most recent consulting activities involved strategic planning capacity building for the Louisiana Office of Public Health and the Georgia Division of Public Health

W. Jack Duncan (Ph.D. Louisiana State University) is Professor & University Scholar in Management in School of Business, Professor of Health Care Organization and Policy and a Senior Scholar in the Lister Hill Center for Health Policy in the School of Public Health at UAB. He served as Interim Dean of the School of Business from June 1997 through December 1998. Jack has also served as visiting lecturer in Brazil, Peru, and Switzerland. Duncan is the author or co-author of fifteen books on management including *Management Ideas and Actions* (1999), *Great Ideas in Management* (Jossey-Bass, 1989, translated into six languages), and *Strategic Issues in Health Care Management* (1992) with Ginter and Swayne. He is also co-editor (with Ginter and Swayne) of *The Handbook of Health Care Management* (1998). In addition, he is the author or co-author of more than 150 articles and published papers in management journals. His articles have been published in the *Academy of Management Executive, Academy of Management Journal, Academy of Management Review, Management Science, Journal of Management Studies, Organizational Dynamics, Health Care Management Review, Journal of General Management, Journal of Management, Journal of Business Research, Business Horizons, Long Range Planning*, and others. Jack is the President of a management consulting and proprietary research firm with clients throughout the United States.

Peter M. Ginter (Ph.D. University of North Texas) is Chair of the Department of Health Care Organization and Policy in the School of Public Health at UAB. Ginter has received outstanding teaching awards at the University of Arkansas and UAB and is active in research in strategic management. He is the author or co-author of eleven books including *Cases in Strategic Marketing* (1989) and *Cases in Strategic Management and Business Policy* (1990). He is also co-author of *Strategic Management of Health Care Organizations*, 3rd ed. (1998) with Duncan and Swayne, and *The Physician Strategist* (1996) with Duncan and Swayne. Pete has published more than 100 articles, papers, and cases in management journals. His articles, for example, have appeared in the *California Management Review, Academy of Management Executive, Academy of Management Review, Business Horizons, Journal of Management Studies, Long Range Planning, Management International Review, Journal of Systems Management, Managerial Planning, Long Range Planning*, and others. Pete is president of Ginter, Rucks and Associates, a consulting and proprietary research firm with clients throughout the United States.

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