

# SNF Sector SWOT Analysis

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**STRENGTHS**

**W**  
**WEAKNESSES**

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**OPPORTUNITIES**

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**THREATS**

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**S**

SNF Providers enjoy a distinct competitive advantage in the emerging environment driven by longstanding market insight and experience qualifications

**W**

SNF Providers are threatened by not adapting to changing Product, Program & Practice.

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SNF Providers are uniquely positioned to leverage new identity and strategic re-direction

**T**

The status quo is not sustainable in the new and emerging landscape

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## STRENGTHS

### Market Considerations

- SNF settings are proven as the low cost providers in the post-acute environment
- The Sector is advantaged by
  - ❖ growing demographic demand for skilled services
  - ❖ the need-driven attribute of its business
  - ❖ being most competitive in providing service value
- SNF providers are competitively entrenched in the local healthcare market

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## STRENGTHS

### Regulatory Influences

- The franchise nature of the SNF Sector remains competitively advantageous
- SNF Providers are most adept at managing regulatory intervention and influences
- SNF Providers are proficient in the management of third party payer reimbursement

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## STRENGTHS

### Practice Attributes

#### Skilled Providers :

- exhibit genuine care and compassion for the business
- are proficient in assessing & managing costs of care
- are skilled at providing the **full array** of long-term care services
- are uniquely positioned to diversify product & program services
- have proven most adaptable to changing market and business influences
- are experienced in managing adverse economic developments

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## WEAKNESSES

### Product Attributes

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- The traditional “geriatric” model nursing center is not sustainable
- The Sector represents a low margin business
- The Sector is increasingly competing with assisted living product and other home and community based service providers
- The Sector is replete with asset interests requiring capital reinvestment

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## WEAKNESSES

### Practice Attributes

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- The Sector has historically been misdirected by adopting payer driven business strategies
- The Sector exhibits limited progressiveness in leveraging technology
- More formalized and intensive marketing efforts are required to sustain and improve census and promote quality mix of residents.
- Managed care associations require more aggressive and targeted collaboration coupled with demonstrating performance expectations
- Limited proficiencies among direct caregivers are prevalent with respect to combining clinical and financial management capabilities
- There exists inadequate financial and clinical management systems integration in promoting combined skill sets

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## WEAKNESSES

### Market Considerations

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- SNF Providers experience heightened risk factors associated with resident claims and other contingent liabilities
- The Sector has been obstructed by prevalent fragmentation and competition within the industry
- Industry data is scarce and disparate as available to providers for benchmarking and lenders/investors for underwriting and credit monitoring

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## WEAKNESSES

### Regulatory Influence

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- Government programs offer no incentive and inadequate capital reimbursement for reinvesting in asset interests as well as advanced operating systems
- There exists high disparity and growing complexities in principles of reimbursement in the Sector where providers experience economic dependency on inadequate Government programs

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## OPPORTUNITIES

### Strategic Action Initiatives

- Conduct a comprehensive situational analysis and develop a strategic business plan for the enterprise
- Develop specialized product and program services that promote market identity and heighten competitive advantage
- Explore collaborative opportunities to strengthen market position and resource capacity (merger; partnership; alliance; other)
- Migrate to diversify product and program services
- Collaborate to foster provider integration

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## OPPORTUNITIES

### Strategic Action Initiatives (continued)

- Assess and leverage core strengths of all capital resources
- Conceive strategic plans that promote captive referrals
- Leverage operating and reputational attributes to develop niche program services for targeted and /or ethnic populations
- Promote greater community outreach and activities programming to enhance identity and foster relationships
- Strategically respond to emerging opportunities and trends tailored to market position and specialized capabilities

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## OPPORTUNITIES

### Practice Attributes

- Cultivate organizational development of a defined operating culture through leadership and effective “team building”
- Invest in technology to foster progressive systems development and best practices compatible with collaborative partners
- Promote emerging social network capabilities aligned with strategic plans and marketing initiatives
- Foster combined skill sets of financial, clinical and operational capabilities among key management personnel

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## THREATS

### Market Considerations

The growing integration of the healthcare industry generally is being fostered by various elements of health care reform legislation. New payment mechanisms have been conceived to provide incentives for providers that demonstrate cost effective operations and favorable patient or resident care outcomes. The emergence of Accountable Care Organizations (“ACO’s”) and other “bundled payment” arrangements will mandate the greater collaboration of health care providers in the realm of post-acute delivery of health care services. Health care providers who fail to advance progressive management practices as well as information technology capabilities to effectively compete and collaborate in this new environment will be threatened for business survival.

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## THREATS

### Market Considerations (continued)

- The loss or deterioration of valued referral relations in this new provider setting could prove devastating.
- Growing competitive influences in Product, Program & Practice
- Aging and deterioration of asset interests
- Growing consumer expectations for goods & services

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## THREATS

### Market Considerations (continued)

- Sustained exposure to risk management factors
- Demands of growing specialized resource needs of continuing operations
- Capital demands of emerging technologies & systems development
- Implications of current and future economic conditions
- Viability of freestanding single purpose providers

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## THREATS

### Practice Attributes

- Progressive management capabilities exhibited by “best practices” in leveraging technology and strategic collaboration will constitute the formulary for success and sustainability in the new healthcare business environment. **The effectiveness of management leadership in advancing organizational development in this manner will be essential.**
- Ignoring the demands of Human Resources and associated management challenges of recruitment and retention

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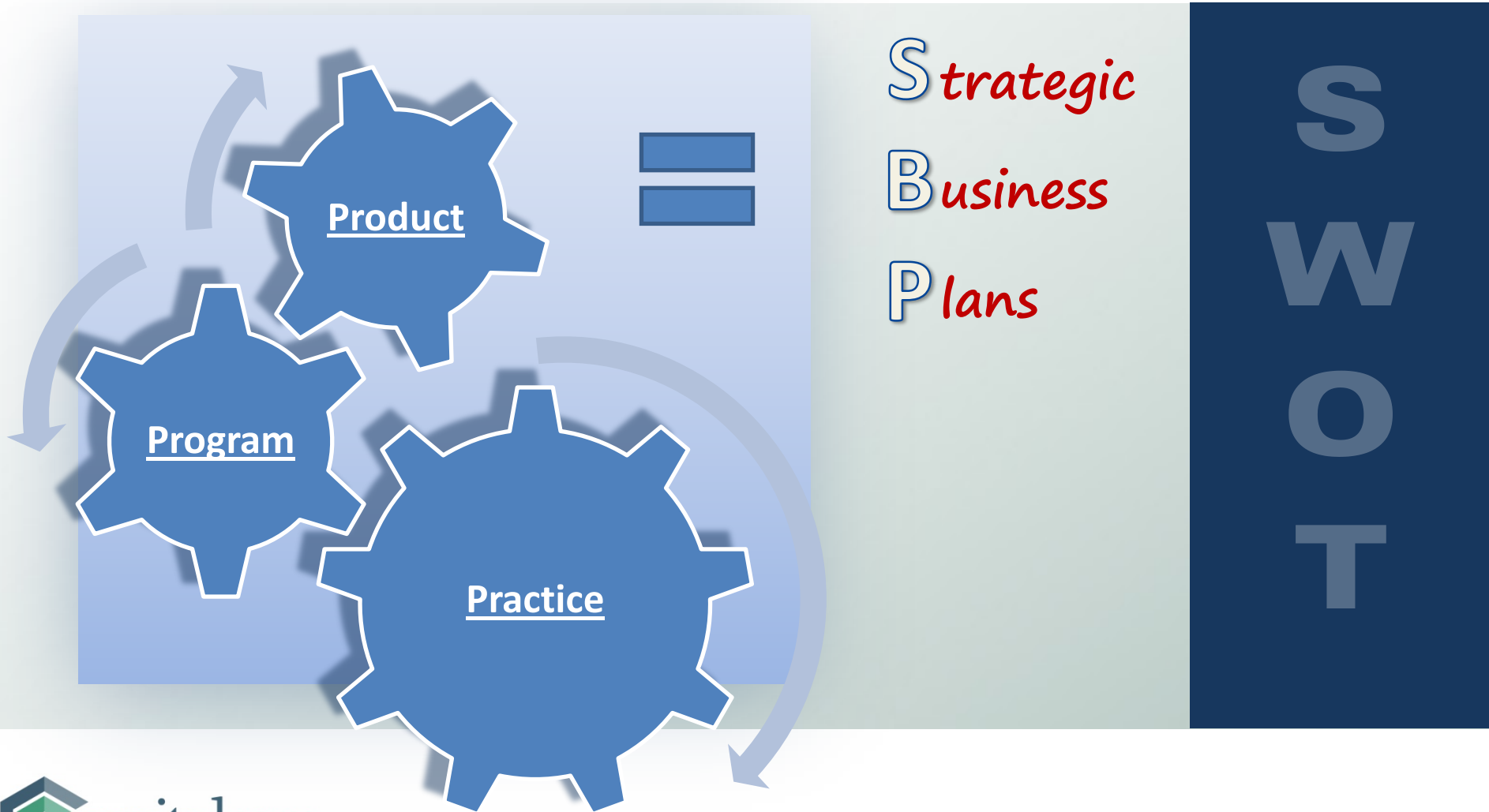
## THREATS

### Regulatory Influences

- Diminishing government funding
- Escalating regulatory intervention
- Exposure to risk factors stemming from management and operating deficiencies
- Failure to meet mandated practice standards imposed by regulatory compliance and health care reform legislation

# SNF Sector SWOT Analysis

## Directional Strategies – Discussion Points



# SNF Sector SWOT Analysis

## Strategic Business Planning – Five Key Considerations

- 1) Resources Assessment
- 2) Situational Analysis
- 3) Plan Development
- 4) Plan Implementation
- 5) Plan Monitoring & Redirection



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