

CASE STUDY



Market: NDIS personal care services

Company Size: 12 employees

Clients: 70

Approach: Business improvement & transformation

PHASE 5



BENEFITS OF USING AN EXPERT IN THE NDIS

OVERVIEW

The CEO and Board of an NDIS provider wanted a review of the business to identify areas of improvement specifically on the NDIS billing cycle rostering through to claims, financial analysis of the business unit's costs and recommendations to improve efficiency and controls.

The provider delivers quality NDIS services which are strong in demand yet the net results didn't translate into sustainable operations which limited the number of people they could service and impact on cashflow.

CORE ISSUES

INEFFICIENT OPERATIONS AND SYSTEMS

The organisation was operating at an overhead cost ratio to revenue of double the benchmark level for this sector as a result of the transition from grant funding to the NDIS. Revenues had changed yet there was no change to the cost structure or staff capacity. As a result, total costs were greater than revenue.

REVENUE LEAKAGE

Due to inefficient systems and processes the organisation weren't timely implementing NDIS price rises and the Temporary Transformation Payments pricing (7.5%) had not been applied.

Our relationship with CINCH has been both important and aligned – the perfect combination for working with any provider. I am truly thankful that (our referrer) steered us in your direction and following from that we have such a clear path to follow.

David Clarke

Chief Executive Officer
ParaQuad NSW/NT and BrightSky Australia
www.paraquad.org.au

APPROACH

BUSINESS REVIEW

Discussed with frontline staff aspects of delivering each programme and resources used in delivery. We calculated the cost of each programme and compared to revenue.

STAFF CAPACITY

We calculated staff capacity and compared with the number of NDIS hours delivered to the existing clients, giving visibility on how able the workforce could be to service more people.

FINANCIAL MODELLING

We used the information on costs, staff capacity and demand for and prepared various scenarios and modelled the financial impact.

TARGET SETTING

Discussed with management targets required to sustain the mix of programmes being delivered under NDIS funding.

BOARD COMMUNICATION

We prepared a report and discussed with, CEO, Management and the Board which supported their decision to implement efficiencies.

PERFORMANCE

We ensured the client could accurately collect data to measure the impact of their decisions on actual results.

UNIT COST & BREAKEVEN

With our specialist knowledge of the NDIS we calculated scenarios using current year results as the base and found the right mix of staff hours and efficiencies for the organisation to operate sustainably.

ONGOING SUPPORT

We provided ongoing CFO and COO support to implement recommendations and efficiencies which helped turn the organization around.

ACCOUNTABILITY

We worked with management on key milestones and pricing decisions to communicate to stakeholders to ensure a smooth transition.

DASHBOARD REPORTING

We set up a dashboard reporting and trained the client to continue tracking key performance indicators within the organisation which supported the CEO in decision making.

RESULTS

16.9X

RETURN ON INVESTMENT

27.7%

EFFICIENCIES AND SAVINGS
TO REVENUE

"The team from CINCH are quite remarkable. We engaged them to run a quantitative analysis and audit of crucial business unit efficiencies. Anticipating some internal pushback, we were delighted with their professional approach to sensitive topics. Unlike other forensic consulting firms, we noticed an immediate positive cultural blend between the CINCH folk and our people, resulting in open & honest interactions, and extremely meaningful outcomes."

Steve Osborne

Deputy Chair

ParaQuad NSW / NT & BrightSky Australia

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OUTCOMES

- ✓ The business review identified 30 actions which would improve the efficiency of the organisation
- ✓ We quantified the 30 recommendations in the business review to be savings of 19.7% of revenue and capacity for the frontline staff to service more people
- ✓ The organisation developed key targets to measure performance against actual results and were able to communicate to staff which aligned staff with the transformation and held everyone accountable.
- ✓ The CEO and management have certainty on how to operate under the NDIS and the capacity required from staff to deliver services, clearing their waitlist.

"It surprises me the number of organisations who do not fully understand their cost structure enough to make decisions which will help more people. When operating under the NDIS knowing your numbers and staff capacity really does make a significant difference and value to the services delivered to people in your community because efficient organisations can support more people."

David Hubbard

Founding Director, CINCH Finance & Operations.
www.cinchfinance.com.au

ABOUT CINCH FINANCE & OPERATIONS

We are Non-Profit Business Transformation Specialists servicing the disability, community housing and aged care sectors.

We have a process which covers everything from business review, understanding unit costs, assistance with NDIS claiming, leadership coaching and change management to boardroom level reporting, analysis and continuous improvement projects.

We understand your business as a trusted adviser and strive to help you help more people with your current resource capacity and bring potential to your organisation.

We engage stakeholders to participate in the transformation and achieve the ultimate reward of delivering quality services and helping more people in the community.



Contact us today

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