



Grow with us
GEM Health Care Services



Table of contents



3. Understand the market opportunities



4. Offer a dynamic range of services



5. Meet a franchise owner



6. Explore our business model



7. Learn about the franchising process



8. Experience the rewards of franchising



Market Analysis proves demand is growing in multiple health care services sectors

There's never been a better time to invest in the home health care service industry. Statistics Canada reported that in 2012, about 2.2 million Canadians with a long-term illness, disability or aging needs had received care in their own home in the previous 12 months, with care recipients spanning a wide range of age groups. Older seniors aged 75 and up accounted for 25% of care receivers, younger seniors, aged 65 to 74, as well as people aged 55 to 64 each represented 13% of care receivers and young adults under the age of 25 accounted for about 10% of all care recipients.

While seniors do represent a key sector of the industry, there are multiple market opportunities and the potential for growth in all areas is significant. The home health care service business offers increasingly lucrative opportunities in Canada as governments, individuals and health care practitioners alike acknowledge the growing demand for assistance with recuperating at home, aging in place and provision of home-based palliative care services.

The economics of home health care are another important part of the growth picture. According to the Health Shared Services Ontario, it costs on average \$842 per day to care for a senior in hospital, \$126 per day in a long-term care facility and \$42 per day for care at home. Similarly, caring for terminally ill patients in an acute-care hospital is estimated to cost \$1,100 per day in an acute-care hospital unit, up to \$770 per day in a palliative-care unit, \$460 per day in a hospice bed and under \$100 per day when at-home care is provided, according to the Auditor General of Ontario. Given these figures, it is clear that at-home care is likely to be a preferred option - both financially and emotionally - for many families.

50,000 Ontarians purchase an additional 20 million hours of home care services annually to remain at home rather than be transferred to an institutional setting; this represents an almost \$700 million market

Currently in Ontario - and the numbers are consistent across the country - twice as many patients are receiving home care compared to a decade ago. 97% of those giving care are family members, friends or neighbours and 33% of these individuals report feeling stresses as a result of this burden of care, double the number compared to just four years ago. The need for qualified, professional home care providers has never been greater.

In addition to government-provided care services, Home Care Ontario estimates that 50,000 Ontarians purchase an additional 20 million hours of home care services annually to remain at home rather than be transferred to an institutional setting; this represents an almost \$700 million market. Home care providers now deliver services ranging from personal support to nursing care to therapy and more in a variety of settings, including private homes, seniors' residence buildings, long term care facilities, hospitals and hospices.

The increasing demand for home care is occurring just as governments feel growing pressure to contain health care costs and explore ways to improve hospital efficiency. GEM Health Care Services is uniquely positioned to deliver support thanks to being qualified under a government standing offer to deliver government-financed services, as well as privately-contracted services. It is important to note that when GEM is engaged to augment existing government services, for extra care hours each week, for example, these privately-contracted services are HST exempt for clients.

As part of an integrated health care system, home care services are genuinely valued by care recipients and their families as an important tool that promotes independence, safety, dignity and enhanced quality of life.

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Wide range of skills makes GEM Health Care Services an invaluable partner in many settings

In today's busy world, families and employers are often stretched to the limit. That's where GEM Health Care Services (GEM HCS) can come to the rescue. Our proven business model is based on providing dedicated, compassionate caregivers with a variety of sought-after specialized skills and training to fill individual, corporate and community needs in many different settings.

GEM's emphasis continues to be on the provision of health care staff for private duty nursing, home care services, and supplemental relief in a range of environments. GEM HCS also offers the chance for franchisees to build a solid foundation and then expand upon that service base depending upon the specific needs of their community. GEM's main service lines are outlined below.

Private Health Care Services

Many GEM clients are individuals who have recently suffered an injury, contracted an illness or are battling a disease and need assistance as they learn how to care for themselves and cope with their changing health. GEM delivers private health care services in a variety of settings including retirement residences, private homes and long-term care facilities. GEM can supply a registered nurse or registered practical nurse, a personal support worker, a companion, a trained infant care specialist, or a case manager to help with appointments and more.

Home Care Services

Whether necessitated by illness, age or injury, home care services are ideal when clients need assistance with daily living tasks. Studies have shown that 'aging in place' or recuperating at home often provides the optimal environment, with respite for caregivers as important as caring for the infirm. GEM is regularly contracted to deliver services both independently and as an augmentation to government-provided services.

Palliative Care Services

Many individuals prefer to spend their final weeks in a comfortable and familiar setting; GEM's palliative and in-home hospice care provides compassionate, holistic support. GEM's hospice team works with existing nurses, physicians, family and hospital personnel to preserve the integrity of a dying person and their family. A combination of government-supplied home care services plus GEM services can provide a terminally ill patient with round-the-clock support.

Relief staffing for health care facilities

With a live coordinator always on duty, GEM offers an ideal solution for health care facilities dealing with sudden staffing issues. GEM's trained, bonded and professional staff are ready to step in and ensure patients and residents receive uninterrupted, quality care.

Provision of health care staff for private duty nursing, home care services, and supplemental relief in a range of environments.

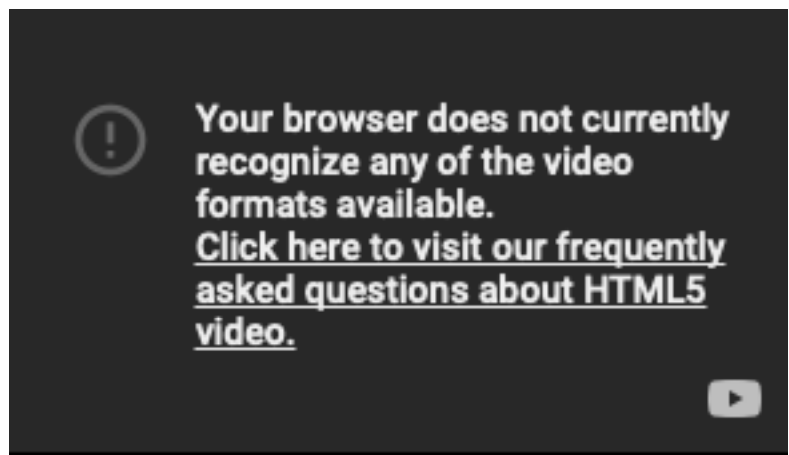
Respiratory mask fit testing

Conforming to government, industry and health care standards and procedures, GEM provides onsite mask testing for respiratory masks, in response to pandemic warnings or as needed for industrial and construction workers as well as health care students.

Workplace health and wellness services

An influenza outbreak can wreak financial, logistical and emotional havoc on any business. The best line of defence is to call upon GEM to organize an on-site health protection clinic, offering myriad services including flu shots, protective mask fittings and demonstrations of proper hygiene to prevent the spread of disease. GEM can also ensure business compliance with the Occupational Health and Safety Act.

Regardless of the circumstances, GEM is frequently engaged because the burden of care is too great for family members who have other responsibilities that must also be managed. As a flexible, innovative and supportive company we offer tailored services to our clients, and a wealth of opportunities for our franchisees.



GEM Franchise Case Study

In 2009, Newmarket, Ontario's Sue Bauer was ready to leverage more than two decades of entrepreneurial experience. She looked to GEM because she had always wanted to help people and felt that private health care was the perfect fit. Knowing that one in four Canadians would soon be over the age of 65 helped her realize that there was a lot of care-giving potential which she could tap into through her GEM franchise.

As a successful entrepreneur, Sue knew that becoming a franchisee, rather than starting another business from scratch, would make it easier to get off to a good start and grow the business more quickly. "I wanted to make a significant career switch and looked at franchises in several different industries but ultimately chose GEM based on gut feel," says Sue. "I have absolutely no regrets about the choice I made. I am where I was meant to be."

"Getting a franchise with a proven business model and excellent health care track record took care of my two biggest concerns," she notes. "I knew I had made the right decision when in 2013, just a few years after launching my GEM franchise, I received the Business Excellence Award for Professional Services Business of the Year from the Newmarket Chamber of Commerce."

One of the things that appealed to Sue about GEM was knowing that the company's founder and owner, Gaye Moffett, has tremendous knowledge and experience as a Registered Nurse. "I felt that her background would complement my own skills as a businessperson and entrepreneur and I would benefit from her thorough understanding of health care."

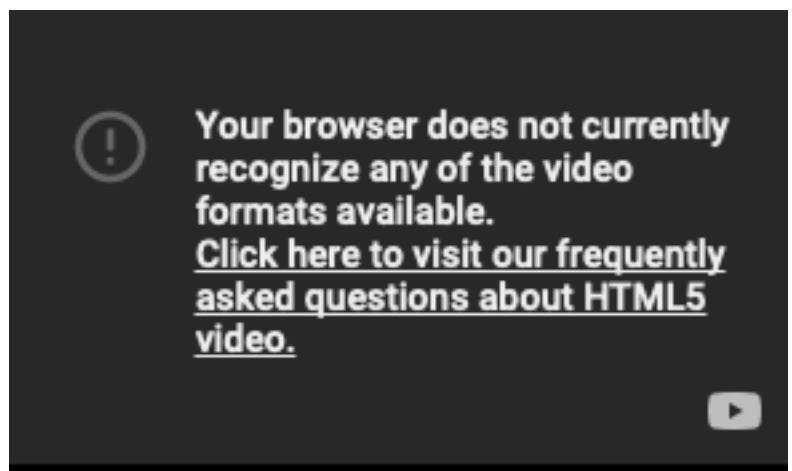
Sue now leads a team of over 150 registered and non-registered staff, including registered nurses, registered practical nurses, and personal support workers; these professionals provide a variety of care to clients in their homes, retirement homes, long term care facilities or hospitals. Services include nursing care, medication management, housekeeping, meal preparation, personal care, and companionship.

While GEM's head office team was instrumental in offering the training and support needed to launch the franchise, Sue's success is due to her own work ethic. "I tell people that it's like walking up a ladder; you have to be sure not to miss a step along the way," explains Sue. "The biggest ongoing challenge I have is managing growth in a balanced way. I have to maintain appropriate levels of both staff and clients and those are numbers that are constantly shifting. As I am continually learning about the health care industry, it's very reassuring to know that Gaye and the rest of the team at GEM's head office are only a phone call away."

Sue says she would advise prospective GEM franchisees to be sure that they are extremely committed. "It is hard work and long hours but if you are dedicated, you will reap so many benefits as this business can be both financially and personally rewarding. It feels very satisfying to know we are providing the best health care possible," says Ms. Bauer. "People stay healthier when given proper care and GEM offers services that help them to live independently. We're proud of what we do, and we do it well. We're compassionate, caring and consistent and we're there for our clients, 24 hours a day, 365 days of the year."



"The biggest ongoing challenge I have is managing growth in a balanced way." Sue Bauer, President and Owner of GEM HCS, Newmarket franchise





The GEM Health Care Services advantage

GEM is proud to be a longstanding member of the Ontario Home Care Association and the Canadian Home Care Association, which represents more than 600 home-care stakeholders across the country. Both associations offer value to members as companies scramble to keep pace with the rapidly rising number of home-care recipients across the country. This population has doubled in the past ten years and currently it is estimated that there are 1.5 million Canadians receiving government-funded home health care. In addition, there are 500,000 more clients paying privately for services. Home health care is the fastest growing sector of Canadian health care, making it a strong value proposition for GEM franchisees.

By joining the GEM family, you will benefit from a solid brand that has earned the trust of thousands of clients and their families since 1994. GEM has a proven track record as one of Canada's most successful independent health care agencies. In addition, GEM has received certification under ISO 9001. This rigorous quality management process means the company and its franchisees are now qualified for federal and provincial government contracts. Our quest to continually expand our client base and develop loyalty among both families and the professional institutions to which we provide services means that GEM offers strong brand equity that will continue to grow as market share increases.

We see franchisees as strategic partners with whom we share both contractual and philosophical ties. GEM franchisees share in our commitment to service excellence and value the comprehensive support offered to them by the parent company. Although GEM is modelled on the business standards of some of the largest health care service providers, clients see our commitment to hands-on ownership as a key advantage. In addition to comprehensive training, one of our key differentiators is GEM's state-of-the-art administrative software package which offers access to an amazing suite of tools that simplify some of the biggest logistical hurdles in the business. It's an effective, easy to use product that automates client and staff files, does real-time scheduling, payroll, billing, training, security, care plan assessments, appraisals and more. Because it is web-based and accessible by subscription, there are no capital expenditures or cumbersome software to load. Most importantly, it is very user-friendly and easy to learn plus it includes a mobile app so employees can easily punch in and out, review their schedule in real time and update client documentation digitally - all on their smart phones.

Another key GEM difference is that while franchisees are assigned a territory, their clients can come from anywhere in the broader region. Similarly, GEM does not dictate the specific menu of services that franchisees can provide. GEM has thrived on its flexible ability to address a wide range of needs for clients, their families and institutions, helping with such needs as postpartum care for moms and babies, respite care for aging seniors, hospital and retirement home relief staffing, cooking, homemaking services and more. You know the community you live and work in, so you are best qualified to determine what the needs are. With GEM, you can focus on meeting those needs and providing the most in-demand services.

GEM is there every step of the way to assist its franchisees and guide them towards a thriving franchise that will enjoy years of satisfaction providing valued services. Running a health care services business involves significant personal commitment, given that clients have needs on a 24/7 basis. Although there are sacrifices to be made, on the up side, our business model offers margins of 40% on average, meaning that with hard work comes reward. If you are ready to invest in your future, talk to us. We are eager to share the wealth of experience we have accumulated so others can share in GEM's success.

We see franchisees as strategic partners with whom we share both contractual and philosophical ties.

Our business model offers margins of 40% on average.

One of our key differentiators is GEM's state-of-the-art administrative software package.

GEM does not dictate the specific menu of services that franchisees can provide.

We are eager to share the wealth of experience we have accumulated so others can share in GEM's success.



How the GEM franchising process works

In order to ensure the best possible experience for our franchisees, GEM has developed a comprehensive screening and suitability matching process. Not only does this give you a chance to explain why you believe you would be a successful franchise owner, it also allows GEM to outline what you can expect in terms of training, financial commitments and ongoing support.

The first step is to complete a confidential questionnaire. Designed to help us understand your personal and professional background, it also offers the opportunity for you to provide details about your business skills, what it is about the GEM franchise model that appeals to you and what steps you intend to take to ensure that you can establish a profitable franchise. This section of our data gathering form has been carefully constructed to give you an opportunity to reflect on your motivation for becoming a member of the GEM family. In addition, we request that you disclose some financial information which, like all the information in our screening questionnaire, is held in the strictest confidence.

Franchisees will be required to make an initial investment in the range of \$79,500 to \$109,500.

Cover such items as franchise fee, furniture and equipment, computer hardware and software, signage and leasehold improvements.

Business plans should budget for an operating line of credit of a minimum of \$50,000 for working capital needs.

6% of gross sales on royalty fees as well as 2% of gross sales into the corporate advertising fund.

All franchisees also benefit from on-going training and support.

As our prospectus explains, franchisees will be required to make an initial investment in the range of \$79,500 to \$109,500. These figures represent the low and high ends of the spectrum for the fixed costs associated with opening a GEM Health Care Services franchise and cover such items as franchise fee, furniture and equipment, computer hardware and software, signage and leasehold improvements. Also included are cost estimates for insurance, professional fees, various start-up fees and travel and accommodation costs for training.

In addition to start-up costs, financially qualified franchise candidates are expected to be comfortable with certainly liquidity requirements. Specifically, you should have access to one-third of the total investment (the \$79.5K - \$109.5K range noted above) in cash and have sufficient collateral assets to secure the balance of the amount through bank financing or commercial leasing. In addition, prospective franchisees' business plans should budget for an operating line of credit of a minimum of \$50,000 for working capital needs. On an ongoing basis, franchisees can anticipate paying 6% of gross sales on royalty fees as well as 2% of gross sales into the corporate advertising fund.

GEM recognizes that thorough training is vital to success and that is why we provide all franchisees with comprehensive training. The program begins with two weeks at the GEM Health Care head office in Ottawa, followed a week of training on-site at your territory of operation, for a total of three weeks training. All franchisees also benefit from on-going training and support. This can take the form of periodic field visits by head office staff or management, real time web-based information technology support and regular operations meetings. Our support program has been carefully crafted to inspire, encourage, inform, connect and train franchisees and their teams.

When you become a GEM franchisee, you become an ambassador for a brand which has been cultivated and nurtured to become the gold standard in our industry. Just as we want to ensure prospective franchisees are armed with all the details needed to make an informed decision about joining our team, so too do we ensure that you are confident knowing all the help and support you need is at your fingertips at any point in your franchise journey.



The rewards of being a GEM franchisee

There are many rewards associated with becoming a GEM franchisee, particularly the sense of security that our business model can offer. Buying into a successful company is ideal for people who want to be entrepreneurs but don't want to take an enormous financial risk. If you're willing to work hard, then franchising is typically seen as a safer investment. You have the comfort of knowing you don't have to go it alone in your business and can take advantage of GEM's successful formula. It's a lot less stressful than trying to build a company from scratch.

Becoming a franchisee means you don't have to independently solve the many logistical hurdles that can come with establishing and running your own company. With GEM, you're investing in a system that offers a proven computer-based system solution to run the business plus a comprehensive training program which covers all aspects of day to day operations. GEM franchisees benefit from full access to ongoing support including corporate expertise in operations, legal, sales and marketing. Having experienced professionals to guide you is exactly what you need to help launch and grow your own business with confidence.

Another advantage of being a franchisee is that GEM's head office consistently concentrates on looking at the big picture for the organization, whether it's tracking industry trends, decoding funding or legislative changes or qualifying for government standing offers. This allows the franchise owner to focus on their own day to day operations without distraction, knowing larger issues are being handled by the corporation.

Becoming a franchisee means **you don't have to independently solve the many logistical hurdles** that can come with establishing and running your own company.

GEM franchisees are attracted not only to the financial rewards but also the idea of being in charge of their own career paths. The independence of being able to be responsible for your own success and building your future is very appealing. Many are also enticed by the growth potential offered by the ability to establish multiple franchises over time. It is much easier to grow as part of a franchising system, with all the marketing, advertising and branding available, than it is to expand in a standalone business.

One of the biggest misconceptions about the health care services industry is that people frequently underestimate how hard you need to work as a franchisee to achieve success. Operational concerns include the challenges of dealing with staff and customers 24 hours per day, 7 days per week, all while trying to deliver consistently excellent service. GEM's ongoing support can help you handle many of these challenges. By sharing knowledge and experience, triumphs and tribulations, fellow GEM business owners can also be of invaluable assistance to each other.

The most important message GEM can offer is that being a franchisee is appealing to many because you are not going it alone. You receive all the infrastructure needed so you can focus on sales, marketing and building your business. If the health care service industry suits your personality and you are prepared to work hard - knowing success does not happen overnight - you can take control of your own destiny. You will enjoy tremendous satisfaction being your own boss, and with time will come financial reward. As part of an established organization, your risks are reduced and you have a unique opportunity to provide a much-needed service that will be truly valued by your clients.

To learn more, contact

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