

Potential for more growth high for care provider

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One of life's most wrenching decisions is finding a new home for an aging parent who needs more care than the family can provide. That market has proved ripe for A Place for Mom Inc., though the company charges nothing to help families.

The Seattle-based business has about 110 family advisers across the country who have provided nearly 50,000 families with free information and referrals to places that provide a wide range of care.

Revenue comes from the 10,000 long-term care providers that have become part of the referral network. And that revenue has jumped from about \$1.75 million in 2002 to more than \$5 million last year.

A Place for Mom was founded in Seattle in 2000 and went national a year later with offices in 15 major metropolitan markets. The company's Web site receives more than 2 million hits per month.

Other companies offer a slice of what A Place for Mom does, but none has the whole package, said Katie Burckhardt, vice president of marketing for Merrill Gardens LLC, a Seattle-based company with senior care homes in 14 states.

Some competitors only cover one city. Others have Web sites, but no advisers to talk with by phone. But A Place for Mom has online presence, human contacts in each market and wide coverage.

"That's their niche," said Burckhardt. "Having advisers in all of the states where we exist allows us to sign on with one company."

The key to national expansion was getting large multistate players like Merrill Gardens, said A Place for Mom founder and CEO Pamala Temple. From there, the company could move on to smaller caregivers.

"You'll find in big markets like Atlanta or Seattle, we will have literally 80 percent of all the larger properties," Temple said. She's still signing up 200 to 300 care providers a month nationwide.

Her husband, John Temple, who also serves as chief financial officer, points out that as much as the company has grown, A Place for Mom helped less than 0.5 percent of the market last year.

"We expect to double (revenue) every year for the next three years," Pamala Temple said. "Beyond that, we'll see."

By having such wide coverage, A Place for Mom is able to help families where the parents and adult children live in different parts of the country. Going national also meant the company had to understand the regulations in each state. Having advisers who know their markets is perhaps the most vital component of the company.

"In Seattle there are close to 400 or 500 options. You can narrow it by geography, but even within that there are options you would never know about," Temple said.

Thus, the big challenge for the company is not finding families to help, but finding advisers who are well qualified to help them.

"I used to be very involved with coaching the family advisement staff in terms of how the process should work," Temple said. As the company has grown, it has had to add a layer of "greatness coaches" to help maintain quality -- Temple doesn't think "manager" is an appropriate term for the job.

In addition, everyone who works for A Place for Mom is an employee, not a contractor. Generally they have to work full time. That tends to keep turnover low, and those who are good fits with the company culture tend to stay on board for a long time.

Temple still has the flip chart that came out of the July 2000 planning meeting held in her living room.

"Pretty much 90 percent of the business plan is the same," she said. "Because it works."

But there have been some improvements. About a year into the company's life, it added a leads-tracking system and customer-management system that it offers to caregivers that sign up.

Clients such as Merrill Gardens have noticed the changes.

"It's definitely gotten more refined, more advanced in regards to their network, their access to information. Even the quality of training of the advisers I can notice a difference," said Burckhardt.

When Temple looks back on the venture, one thing she thinks about is that she launched the company just at the time many technology-based ideas were blowing up in the dot-com bust.

"I look back and think we were nuts," she said with a laugh.

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