

# How to Start a Home Care Business (White Paper)



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## How to Start a Home Care Business

Starting your own home care business brings some unique rewards.

You can fall asleep each night knowing that you have delivered a valuable service to people in your area, while making a healthy living from a business you can be proud of.

Providing quality care and running a financially-successful home care business go hand in hand. Not many businesses offer satisfaction like this.

## Why the care sector?

You can be confident that your services will be in demand. Waiting lists for assessments for care reached over half a million in 2022. Meanwhile over 1.6 million people need support and care at home and are unable to access it.

That means that there's plenty of room in the market for new home care businesses.

You will also be helping solve problems for hospitals, local councils and most of all, local people and their families – so starting a home care agency is your chance to make a difference to *everyone's* lives.

Many people decide to start a care business after seeing or experiencing poor quality care. They feel that they could deliver better. If that includes you, your passion for care is one of the most important reasons to look at getting into this sector.

## Is care the business for you?

It takes a special person to run a successful business in the home care sector. Could that be you?

### In the care business you will need:

- A genuine passion for delivering the highest quality care. Poor quality care can ruin your business overnight because clients and families talk about the care they have seen delivered in their community. A reputation for poor quality will soon stop potential customers from approaching you.
- The determination to abide by – and ideally exceed - the regulations. Care is closely regulated in each part of the UK. In England, for instance, the regulator is the Care Quality Commission (CQC). The regulator will inspect your care business (sometimes with only a few days' warning) to check that it is a safe, effective, caring, responsible and well-led organisation. After inspection it issues a rating, ranging from 'outstanding' at the top, through 'good', 'requires improvement', and at the bottom, 'inadequate'. Ratings are available publicly, so a poor rating can kill your business.
- A willingness to sell your services to the public in a variety of ways, such as local advertising, meeting the professionals who commission local NHS or local authority care, and taking part in local events.
- Good communication skills – you will have to talk to potential clients and your team of carers.
- The business skills needed to run a successful company, where the highest quality of service is maintained while keeping a careful eye on the finances. You must be compassionate towards customers but business-like

enough to turn down uneconomic contracts. Impoverished care companies cannot deliver quality care.

- **Management skills, especially when managing a team of people.**
- **An open mind towards diversity and different cultures. Age and disability are not limited to any particular groups of people, and the need for care ranges across all communities.**

### **What you don't need:**

- **Previous experience in the sector: This is not essential for founders of home care businesses, so you can change career to get into the care sector.**  
However, all home care companies must employ a qualified care manager, which is good news for you because this will be someone who already has experience in the day-to-day running of a successful care business. This means that in some care companies the owner provides the funds and business skills while the care manager provides the care experience and manages the care team. The owner need not be hands-on in the business all the time, but is free to work *on* the business, planning strategy and working on expansion.
- **Setting up their own care company can also be a next step for experienced care managers. Some combine the roles of business owner and care manager, at least until their business grows to the extent that employing a care manager makes sense.**
- **Care qualifications: Qualifications in care are not essential for a care business founder, provided they employ a qualified care manager. For founders, business qualifications and proven skills are highly desirable, however.**

## Advice

Before starting work on your ambition to start a care business, research it carefully. As well as online research, talk to people who have already done it. It will help you gain a picture of life in the care sector that no amount of online research can match.

If you think you fit the bill, start considering ways to get into the business.

## Your options

**Going it alone:** you can set up your own home care business from scratch, but in a heavily-regulated sector such as care, this can be difficult, especially if you have no experience in the business.

**Setting up on your own** requires significant funding and time. Simply getting regulatory permission to get started can take months and requires jumping through a lot of regulatory hoops.

**Investing in a franchise:** Many home care businesses are franchises – though you would not necessarily know it. Setting up a home care business with a franchise is usually faster, easier and less stress-ridden than setting up on your own.

## What's involved in a franchise?

A franchise is a business model that enables you to set up your own business, but with the support of a larger company (called 'the franchisor') which already has successful experience in the sector. In exchange for an investment from you, the franchisor grants you ('the franchisee') the right to use its business name, methods, experience and support.

Starting a home care business as a franchisee means you begin



with a name that is already known, and you will be following an established, proven business system, so your business is more likely to succeed. Your business belongs to you, but you get the help, advice and support of a team with a proven record of success.

In return you must agree to follow the franchisor's proven business model, so if you're the type of entrepreneur who wants to do everything your own way, think twice about investing in a franchise.

NatWest report that while nearly 50% of independent startups fail in the first five years, only 0.9% of franchised startups end in commercial failure (NatWest, 2018).

## What you will pay

You will pay an initial investment to the franchisor, usually including a personal investment of about a third of the total cost of the franchise. The total investment required varies among franchisors, so it is vital to check the full amount and what items are covered in the franchise package.

Established franchisors can introduce you to banks and franchise funding suppliers who can lend the other two thirds to borrowers who meet their criteria.

Once up and a running, you will pay the franchisor a monthly percentage of your business turnover to cover the cost of the franchisor's support.

## The benefits that care franchisors bring

Home care franchisors typically offer franchisees help with:



- **Understanding the home care business, including what regulators and care clients are looking for.**
- **Training in the operational, financial and marketing skills that are essential to running a home care business – both before you start and on an ongoing basis.**
- **Support with the regulator's registration process.**
- **An operations manual that sets out how to run the business.**
- **Access to technology that will help you run your business, prioritising safety, data security and business efficiency.**
- **Your own microsite as part of the franchisor's website, so your business is visible to potential clients.**
- **Help with recruiting your care team.**
- **Publicity and marketing support to help you launch and grow your business.**
- **Support from the franchise management team on all aspects of the business, from help marketing and business development to aid with regulatory compliance.**
- **Ongoing business and care training and support for you and your team.**
- **Membership of a network of franchisees who know what it's like to run the business and can offer support, advice and companionship.**



## Choosing your home care franchise

Not all home care franchises are the same. Some believe in faster expansion than others, and some allow franchisees more choice in the way they operate their business, while others demand you stick more strictly to their system. The best believe in cooperation and frequent consultation with their franchisees, and have franchisee councils to encourage close communication between the franchisee network and the franchisor.

It is vital to choose a franchise that suits your own business culture, and where you feel you can trust and communicate well with the executive team. No business, franchise or otherwise, is always free of disagreements, so you have to be able to discuss problems honestly.

### Advice

Draw up a list of what you want in a home care franchise (don't forget to work out how much you can afford to invest), and then research home care franchises online. Don't just look at the sites of individual franchises – see what the franchise associations and media are saying about the home care sector too.

Don't stop there though - go to franchise exhibitions where any franchise brands that you are considering have a stand, and meet the franchise executives in person.

Attend franchisors' 'discovery days', where prospective franchisees can find out more about the company (and so they can find out more about you).

Talk to individual franchisees. Ask what it's like to be part of their franchise's network. Franchisors will often give you a list of franchisees you can talk to, but sometimes these can give biased reports. Find and talk to some franchisees yourself, so you get a broader picture.

## Check your legal position

Investment in a franchise requires you and the franchisor sign a civil contract. It's not like a straightforward purchase, where you are covered by consumer protection laws and can return a product to get your money back.

So, before you sign up, take the franchise contract to a franchise specialist lawyer, who will read it and point out what it means for you in practice. Franchise law specialists usually offer this as a service for a set fee which is far less than the franchise costs in total.

## Take your time

Investing in a franchise, especially in the home care sector, is a big decision that will change your whole life. Consult your family about it – there will be times when you will need their support.

Don't rush into a decision without careful thought.

## Help and advice

You can get free advice from the UK's several franchise associations, such as the [British Franchise Association](#), which offers lists of franchise experts, exhibitions and media, plus individual franchises.

- Home care is a special sector, though, so ensure you speak to some home care franchisors and franchisees. For more information on the home care business, see the [Homecare Association](#)



**Everyone in franchising tends to be very keen to talk about it, so don't be afraid to ask whatever you want!**

- **If you want free advice about getting into home care with a franchise, the Walfinch home care franchise executive team is happy to talk to you, with no obligations.**
- **Call Walfinch on 01235 634 893, email on [franchising@walfinch.com](mailto:franchising@walfinch.com), or via <https://www.walfinchfranchising.com>**
- **Walfinch is an award-winning national home care franchise with 30 (and growing) local offices run by franchisee Managing Directors. Its executive team has extensive experience in home care franchising and will be delighted to talk to you about it.**

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