A VENTURE INTO SMALL BUSINESS: A SPEECH PATHOLOGIST'S GUIDE TO EARLY INTERVENTION SERVICES

By

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Abstract

The issue that this capstone addresses is the shortage of Speech-Language Pathologists (SLPs) in California. To address this problem, the purpose of this study is to explore various business models in order to create a new business that will aid in ameliorating the SLP shortage. To gather data, interviews with SLPs and childhood language centers will be conducted. The interviews will be recorded and analyzed. The data from the interviews will inform the two sections of this capstone, which are a report on the pros and cons of non profit business models and a for profit business models and a practical business model that SLPs can implement. This new business model can create a new source of cash flow for SLPs and a decline in the number of children who require special education services.

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Introduction

As more children in the United States require speech therapy services, strategic measures need to be analyzed in order to determine how more children can receive treatment. Currently the main avenue for services is through schools. However, many children are receiving inadequate services due to the shortage of available and qualified Speech and Language Pathologists (SLPs). An emerging tactic to tackle the shortage is to encourage current and future SLPs to explore opening their own businesses. In order to determine which type of business would suit the current demand for services, this literature review will examine the advantages and disadvantages of both nonprofit and for-profit enterprises. Collaborations between nonprofit and for-profit enterprises will also be discussed. Embedded in the literature review is evidence from a collection of interviews from SLPs and other professionals in the speech therapy industry. The interviews will serve as a complement to the literature review and distinguish how a nonprofit or for-profit status may affect a business in the sector of speech therapy services.

The Advantages of a Non-Profit Business Model

There is a problem that needs a resolution. Non-profit enterprises are heavily invested in alleviating a problem or societal need that for-profit enterprises are not able to fully invest their capital in. Non-profit companies fall into the realm of social entrepreneurship in the strict dimension in that the company's mission is to resolve problems of a social nature that has heavily impacted a large group of people (Periz-Ortiz 2017: 2). The demand for speech therapy services has increased exponentially, which has caused a large shortage in the number of qualified SLPs. One of the causes of the shortage is due is job dissatisfaction. If an SLP is working in the school setting, they often have large caseloads and little or no help with managing them (Squires 2013: 178). One of the SLPs I interviewed said, "I switched to another school and

was there for 4 years and I started mid-year. My last year there I had 90 kids and they decided to open a third special day class[1] on my elementary campus. I also had a middle school caseload, so I was left with 90 kids and had no help at all and so I was out of there." If SLPs are leaving the schools due to job dissatisfaction there will not be enough SLPs to meet the needs of children requiring services. This creates a larger issue that policy makers must tackle. Another important piece of data to consider is that by 2021, 50% of school SLPs will be eligible for retirement (Squires 2013: 179). Graduate programs may also have trouble combatting the shortage because class sizes must remain small in order to give adequate training to their students. The American Hearing-Speech-Language Association (ASHA) is the agency that accredits Masters programs in the United States and they require graduate programs to maintain low faculty-to-student ratios (Squires 2013: 179). ASHA reported that during the 2015-2016 academic year the national average class size was 30 and 8,156 degrees were granted. While more SLPs are receiving degrees, it does not necessarily mean that they are entering the workforce to combat the shortage in the schools. More schools are requesting SLPs from private practices because they cannot find a full-time employee to deliver services. In an interview with a SLP from a private practice she said, "I have a school block so we contract with different schools in the area. During the first two days of the week I was going into an upper middle school, which is 8th and 9th graders. Our busiest time is from 3-6pm so I would go back to the clinic and see kids in the evening." It is a

[1] Special day classes are assigned to assist students that have difficulty in regulating their behavior. These students have trouble regulating their behavior due to difficulties in communicating with others or a lack of understanding in a standard classroom. The special day classroom creates a structured environment for students. The goals and objectives of the class are clearly defined and there are specific activities geared toward strengthening communication skills. The class also has a predictable routine to make students comfortable with their environment (Orange County Department of Education, 2018).

benefit that private practices can establish contracts with schools, but private practices also have their own caseloads to be concerned with. Contracting with private practices is a short-term solution to the shortage. An effective way to alleviate the problem is to entice SLPs to work for schools that need full-time SLPs treating their student, which is also another issue policymakers should address.

The number of children requiring speech therapy services is astounding. Black and Hoffman conducted a study to determine the number of children who need speech therapy services and results showed nearly 1 in 12 (7.7 percent) of U.S. children ages 3-17 had a disorder related to voice, speech, language, or swallowing in 2012. The Bureau of Labor and Statistics reported there were 145,100 SLPs working in the United States in 2016. From 2012-2016, the number of children in the United States remained constant at 73.6 million children (Childstats.gov). From these 73.6 million children, about 5.7 million children require speech therapy services. After calculating the national average of children needing speech therapy we can calculate the national average caseload of an SLP by dividing the total number of children by the total number of SLPs in the United States. The national average caseload is 39 children per one SLP. One limitation on this data is that not all 145,100 SLPs are working with children, which indicates that the actual ratio is much larger. Each case that the SLP treats will vary depending on the severity and type of disorder. From my interview data I calculated the average caseload for SLPs in both public and private sectors. The average caseload of children they are responsible for treating is 85. A demanding caseload such as this requires SLPs to put children in larger groups. ASHA recommends that group therapy should be conducted with no more than four patients (ASHA, 2015). An SLP working in an elementary school said, “I'm working with a SLPA (Speech and Language Pathologist’s Assistant) that’s basically doing therapy for me at

one school because we're short basically at least 3 to 4 people right now. She's also doing one-on-one therapy. She's only been out a couple years and I think it's challenging for her looking at 23 kids in a group. You know I'm used to having 8 kids in a group, but she's feeling not really comfortable yet." This data suggests that the shortage of SLPs is making the job responsibilities of current speech therapy professionals even more difficult. SLPs have to adjust to larger caseloads and be creative to ensure that each child is receiving the adequate attention they need. By creating a non-profit with speech therapy services in mind more children can receive services free of charge, which is the case in the school setting. A non-profit speech therapy clinic would provide children with another avenue to receive services without placing an added financial strain on their families.

Non-profits must operate with a high quality of service. Another important goal of a nonprofit enterprise is to fulfill a societal need without posing a financial burden on those receiving the product or service that the enterprise is providing. A non-profit producer has a greater obligation than making a profit, as all profits generated by the enterprise must be used to further develop the quality of services (Hansmann 1980: 844). In contrast, for-profit enterprises have the main goal of generating a profit. In order to continue operating for-profits are incentivized to use their profits to increase the quality of their services (Ellenbecker 1995: 48). Governmental organizations also operate differently in terms of providing quality services. The services provided by governmental organizations are often standardized due to the large number of patrons they must serve. A larger customer base can decrease in the quality of service as governmental organizations work with a strict budget, which often is not enough to service the community well (Hansmann 1980: 895). A non-profit enterprise can be structured to serve a narrow customer profile, which allows the enterprise to operate at a higher level of service.

Another SLP working in a school said that she treats children with severe disorders in order to keep her caseload manageable[2]. The number of children that have severe disorders is much less compared to other children who have mild to moderate disorders. Rosenbaum and Simon estimate that approximately 2 percent of children have speech and/or language disorders that are severe according to clinical standards. The SLP also said, "At the end of my career I have decided to work with the severe profound students[3], which are at the county level. My caseload is smaller than other SLPs who work at the district level. This is because these children require extensive treatment." With this in mind, a non-profit speech therapy business could be focused on providing services for the mild or moderate cases because the severe cases would not be as common.

Non-profit enterprises manage funds efficiently. An important distinction of a non-profit enterprise is that all funds generated must be monitored strictly in terms of who net earnings are distributed to. Board members, officers, directors, trustees, or any other key member in the enterprise's operations must not accept or distribute net earnings of the enterprise (Hansmann 1980: 838). Hansmann refers to net earnings as those that are purely profits that the enterprise has generated over a fiscal year. With this condition in place, a greater protection of funds keeps

[2] Speech and language disorders fall on a scale from mild to severe. For example an articulation impairment is one in which abnormal speech sounds are produced. Abnormal speech sounds can be described as substitutions, omissions, distortions or additions of speech sounds that are not consistent with the standard sounds produced at the child's chronological age or cultural linguistic background. Mild articulation impairments are observed when sound errors are intelligible, but noticeable. Severe articulation impairments are observed when speech is frequently unintelligible to most listeners (Maine Department of Education, 2012).

[3] Students with severe to profound learning disabilities tend to be extremely impaired in their functioning in terms of the basic awareness of themselves and the people around them. These students also have additional disabilities such as autistic spectrum disorders, physical impairment, visual impairment, or severe communication impairment (Special Education Support Service, 2018). These children are sent to school at the county level to ensure that they receive the proper care and education.

profits within the enterprise to improve the quality of service and extend the customer base to help more in need of the product or service. Non-profit enterprises must also be conscious of how employees are compensated. It is common that state regulations on non-profits require that the compensation of employees must be within reason (Easley 1983: 532). This idea of "within reason" will vary from state to state depending on the cost of living and other factors. This strict management of funds allows non-profit businesses to compensate their employees fairly while still providing funds to further the enterprise's mission.

Disadvantages of a Non-Profit Business Model

Maintaining operating costs. The most prevalent danger that nonprofits face is the issue of covering operating costs. Nonprofits are unable to sell equity shares, so they must rely largely upon donations, retained earnings, and debt for capital financing. The funds available from these sources may not satisfy the capital needs of the organization (Hansmann 1980: 877). Nonprofits are also able to compete for philanthropic funding, however the competition is high. Another option to cover operating costs is to rely on commercial sales. A non-profit business can sell a product in order to generate a profit. For example, a nonprofit could invest in buying t-shirts. The t-shirts would support a marketing campaign to show potential buyers that their purchase would directly benefit the nonprofit's mission. If a non-profit begins to sell a product they will also be competing with other nonprofits that are selling similar products. If another nonprofit competitor has strong public image and a loyal customer base, then the likeliness of customers to purchase from the other non-profit business is much lower. As competition to make a profit continues to increase, nonprofit entrepreneurs are less likely to engage in selling products to generate profits (Schiff and Weisbord 1991: 628).

My interview with a director of a non-profit speech therapy clinic proved there is concern with maintaining operating costs. The director said, "We don't raise enough money each year to cover our operating costs so we have investments to generate income. The goal is to raise adequate funds to cover operating costs. If you dip into your reserves you are not expanding your business." These investments that he spoke about have continually collected interest over time because the nonprofit was started in 1958. These investments are helpful to maintain operating costs, but they cannot be the only source of income. While investments may be helpful for nonprofits that have been in operation for a longer period of time, new nonprofit firms are facing the daunting task of funding the business in an extremely competitive market. Other resources that non-profit enterprises can utilize to generate a profit are private donations, government grants and contracts, special events, membership dues, and earned income (Kearns et. al 2014: 122). Government grants and contracts are by far the hardest to obtain due to the fact that many other non-profits are also attempting to obtain funding. However, the chances for a non-profit business specializing in speech therapy services may have an upper hand due to the fact that these services are impacted in the schools. Non-profits located in within heavily populated school districts may also have an upper hand to receiving funding because there is a larger chance that there are not enough employed SLPs in the district to assist each student in need.

Public Scrutiny. Nonprofits also face public scrutiny as they build campaigns for funding and expand their business concepts to reach more people. The idea that nonprofits are working toward bettering society in some aspect draws the publics' eyes to criticize the actions of the nonprofits at a higher level. It is typical to see nonprofits publicize their fundraising campaigns as well as the large gifts they receive from outside donors (Ritchie et al. 1999: 32). The public also closely watches the leaders of nonprofit firms and they are quick to scrutinize decisions

made by upper managerial staff (Lawry 1995: 175). What nonprofit leaders must keep in mind when starting this type of firm is that it is necessary to be content with public scrutiny. There will always be an outside perspective that does not completely support board member action. However it is important to consistently appease the donors and outside patrons who are supporting or receiving the nonprofit's service or good. The non-profit director also said, "Our main question is, 'Whom do we want to call our client?' There's a discussion in the world of charities that our clients are not who we provides services for. Our clients are those who donate to us. At the end of the day the argument is whether or not your client is the one who gives you money or the person you help. Our clients are considered both of these, but the ones who give us money need to hear our story of how we deliver the service we deliver. If we're talking about those who receive the service, our primary customer is the child (18 months-18 years). Non-profits will continue to face the battle of a multi-level customer base, which are its donors and the receivers of the product or service. In essence public scrutiny can be found in both types of customers. If funds are not being used in the way donors expect, then the non-profit can face scrutiny from those who support its cause and the nonprofit will lose funding. On the other hand, if the product or service is not satisfying the receivers, then news will spread that the non-profit is not fully invested in its mission and the number of visiting customers will decrease.

Decreased satisfaction in compensation rates. Employee satisfaction is crucial to the stability of any type of enterprise. Of all the factors that contribute to overall employee satisfaction, compensation is a factor that hinders non-profit employees from being satisfied in their roles. Mirvis and Hacket released a survey to both non-profit and for-profit employees, which was aimed to gauge employee satisfaction in terms of each company's compensation rates. The results showed that employees in the for-profit sector have higher wages, rate their

benefits, wages, and promotional opportunities more favorably than employees working in the government and non-profit sectors. These results are consistent with the idea that a for-profit enterprise's main focus is to generate a profit, so there are more funds available to invest in the compensation of its employees. The interview with the nonprofit director also is connected to this idea because the enterprise is unable to maintain operating costs. Without the extra capital, it becomes harder to both compensate employees and ensure that the enterprise's mission is being accomplished. Non-profit enterprises must also hire employees who are intrinsically motivated and are connected to the mission of the enterprise. This recruitment phase might also cause non-profits to experience a strain on funds. After the non-profit enterprise finds these types of employees, the next challenge is to continually direct and enhance their motivation (Benz 2005: 160). A common motivating factor is a pay-raise or increased incentives for employees. However, if the enterprise cannot support incentives within their overall budget, employee satisfaction is compensation may show a negative relation.

Advantages of a For-Profit Business Model

Increased for-profit presence in social welfare industry. Beginning the 1950s many for-profit enterprises began to enter into the social welfare industry as a new venture into seeking profit. Later in the 1970 there was a large increase in the number of for-profit businesses in the sector due to new population groups who needed these services. These services typically used by the poor were beginning to be used by both the middle and upper classes (Salamon 1993: 20). Because these upper classes could potentially afford social welfare services, for-profit enterprises took advantage of the market shift and began opening these types of businesses. For-profit enterprises were also interested in this sector due to the possibility of receiving government funding (Salamon 1993: 20). The subsector that saw the greatest impact of for-profit

encroachment was the fields of outpatient clinics and home health care. Speech therapy services can be offered at an outpatient clinic, so the relevance here is that a speech therapy clinic can operate with either a non-profit or for-profit status. Although for-profit services continually penetrated this subsector that does not necessarily mean that these for-profit businesses were thriving. Many clients requiring speech therapy services are not able to pay for the services out-of-pocket. McMordie and Barker estimate that speech services can cost anywhere from $65 to $150 per hour. I asked a SLPA working in a private practice if they were able to pull children from the school into their business. She said, "No they would still have to go through insurance for that. An SLP can say hey I work at ___ if you want to get services. They can come and pay privately or they go through insurance." She also said that an initial evaluation could cost about $125 if clients decide to pay out of pocket. During my interview with a private practice SLP she mentioned that her clinic does not accept state insurance. There are 13.5 million Californians who use state insurance. With that in mind, many Californians are not able to use private clinics because the hourly rates are expensive and they cannot utilize their insurance benefits.

As more for-profits enter the social market, they will take on the customers that will generate a profit and leave the least profitable cases with the non-profit enterprises. This will force non-profits to look to seek some sort of profit, which will leave these disadvantaged people with few options to consider (Salamon 1993: 37). It is inevitable that more for-profit firms will enter this social market. While it is important for any business to generate a profit, some potential customers are taken out of the equation because they cannot generate any profit. This is why it is important to continue establishing non-profit enterprises so that the less fortunate are also able to receive social welfare services.

Focused customer base. As mentioned in the previous section, for-profits are able to focus their attention on the customers who have the ability to pay for the product or service of the enterprise. This structural advantage of forprofit enterprises is to market to the most profitable segments of particular service markets and they can neglect the populations unable to pay or at most severe risk. On the other hand, nonprofit enterprises have a mission-oriented focus, which motivates them to assist any customer who requests a product or service (Young 2012: 525). Once a for-profit enterprise has found the most profitable segments of the service market, they can begin to build customer loyalty by engaging their employees to connect with customers. For speech therapy clinics, customer loyalty is extremely important because SLPs and other employees are interacting with customers at an intimate and personal level. As a customer feels more comfortable with the services they are receiving, the more likely they will continue to visit for further services. This process should continue to happen until a solid customer based is formed. A solid customer base will satisfy the goal of the for-profit's shareholders by maximizing their wealth and investments in the enterprise. This solid customer base also satisfies an important requirement of any enterprise: the social justification for the firm's continued existence Moore 2000: 187). ASHA (2017) conducted a study to determine the characteristics and service delivery patterns of preschoolers that received speech therapy services. The study showed that the majority preschoolers were receiving individual services 1 time per week for 60 minutes. The majority of children also attended therapy for about 10 hours, which is equivalent to about ten therapy sessions. The data from the study also shows that the more time the preschooler spent in therapy, the more improvement there was. The main reason for discontinuing services was that therapy goals were met and failure to pay for services. In the case of speech therapy services, it is important to establish a good first impression in order to

encourage parents to bring their children in for more therapy sessions. If a business can keep the child in services until their goals are met, the business will see an increase in customer loyalty. A loyal customer base proves that the business is thriving and providing quality goods and services.

High level of competence. Aaker (2010) et al define competence with adjectives such as confidence, effectiveness, intelligence, capability, skillfulness, and competitiveness. When consumers compare non-profits and for-profits, the general trend shows that consumers choose for-profits as the businesses that perform with higher competency levels. Aaker et al's research on consumer perception of non-profits and for-profits shows that competence increases a consumer's willingness to buy. If the competence of a for-profit business is higher, then consumers are more likely to purchase a product or service from a for-profit business. These findings tie back to the original meaning of competence because a for-profit will have confidence and a competitive advantage in the market due to the fact that the main goal of the business is to generate profit. If there are consistent profits flowing into the business, the higher the competence of the firm. While profits within a for-profit business can be volatile, it is more uncertain in a non-profit firm. A non-profit firm has to consistently confirm the loyalty of donors in order to generate a profit to serve its customers.

Disadvantages of a For-Profit Business Model

Increasing proportion of companies changing from non-profit status to for-profit status. It is difficult to assess the challenges that small for-profit businesses face in this sector, since they stay out of the public eye of research, and large data collection efforts have not been done to my knowledge. I therefore rely on data available from for-profit hospitals in this section. There has been an increase in the number of healthcare facilities that have shifted their company status from for profit to non-profit. Desai et. al shows that there were 119 hospitals that converted from

non-profit to for-profit status and there were 100 hospitals that converted from for-profit to non-profit status. The changes from non-profit to for-profit status have been controversial among policy makers because it is limiting the availability of discounted resources to those in need. On the other hand, policymakers are approving of the changes from for-profit to non-profit status due to the stronger benefit to communities across the United States. This data shows that there are more hospitals shifting to a for-profit status and this will have implications on the masses of Americans that cannot afford healthcare. While it may be of benefit for the hospital to alter its status, its customers will directly feel the effects. This data may also effect speech therapy services as many patients rely on discounted rates to receive services. This may force parents to look for services for their children outside of the school setting, but the costs of private services are too expensive. After speaking with the SLPA about the costs for services, it was more apparent that families cannot afford additional services. It is important that professionals in the speech therapy industry take into consideration how much impact they can make with a for-profit status if many people cannot afford services.

Compensation is volatile. Employee compensation is one of the many working parts that contribute to employee satisfaction. How non-profit firms and for-profit firms decide how to compensate employees can be entirely different. In the case of for-profit firms, they face no state-imposed constraints on compensation. Salaries and company profits are subject only to market forces (Easley 1983: 532). Another important factor to consider in for-profit firms is that competitive pressures can escalate, which means that there is less money available for wages and salaries. This is where managers must make the decision on how much of the budget is available for employee compensation and how much of the budget should be kept to maintain company profits Williams 2008: 641). The volatile dips and climbs of the market make the decisions

regarding employee compensation difficult. If employees are not content with wage and salary decisions of their managers, then employee satisfaction can decrease. A result of providing poor compensation rates is an unmotivated staff that is not excited about making a profit for the company that is not compensating them fairly. Results from my interviews show that SLPs are not satisfied with their compensation rates. The majority of SLPs that I interviewed provide services in the school setting. Many of the SLPs have mentioned that they are making the same amount of money as teachers. Teachers are only required to have a Bachelor's Degree where as SLPs must have a Master's Degree as well as proper licensure. This dissatisfaction in pay rates is justified, as SLPs have to receive more education and invest more financial resources to pay for further schooling. As mentioned before the managers of these SLPs may have trouble balancing their budgets to compensate their employees fairly as well as keep liquid capital available.

Collaboration Between For-Profits and Non-Profits

In recent years, both non-profit and for-profit enterprises have teamed together in order to satisfy the individual goals of each enterprise. The general term used is a Non-Profit Business Collaboration (NBC), which is a discretional agreement between a non-profit and a for-profit business to address social or environmental issues and to produce specific benefits for both partners (AlTabbaa 2014: 659). The for-profit business has the power in the distribution of funds. The for-profit firm's interest in the relationship is focused on supporting the nonprofit organization and its mission. Since the for-profit business has the control of disbursing funds to the non-profit, it maintains a stronger level of power in the relationship (Wymer 2003: 5). While controlling funds is of interest to the for-profit business, the non-profit business is maintaining a high level of integrity within the community in order to gain legitimacy. For example, if a non-profit announces that they have received a large amount of funding from a major corporation,

and then the non-profit publicly demonstrates the worthiness of their cause. This announcement may also strengthen the non-profit's reputation to attract funds from other sources in the future (Wymer 2003: 7). Nowak and Washburn's research shows that this idea is valid because the actions of prestigious for-profit firms are watched closely. If the for-profit firm publicly supports a social cause, its suppliers, customers, and competitors are likely to invest in this social cause as well. For example, shortly after the announcement of the Starkist-Dolphin Coalition agreement, Bumble Bee and Chicken of the Sea announced that they would also honor the fishing restriction. Another aspect that brings success to both parties of the NBC is the non-profit's knowledge of the community. It is common to see that non-profit firms have strong public trust and are deeply involved within their communities. This involvement allows them to see the behaviors, desires, and motivations within the community. Having this knowledge helps non-profit firms address the community's concerns and actively find solutions to alleviate these concerns.

Conclusion

After weighing both the pros and cons of both for-profit and non-profit enterprises, I am convinced that a non-profit business model will have a greater impact on addressing the national shortage of speech therapy services. A non-profit business model can provide children access to services without posing a financial burden on families. This business model will address the preliminary components of starting the business and will be further developed in the future.

Table of Results

Speech Pathologists in Schools

	Interviewee 1	Interviewee 2	Interviewee 3

How long have you been a speech pathologist?	1 year	20 years	29 years
What factors caused you to become a speech pathologist?	I didn't start out with speech pathology in mind. I discovered the career after my getting my Bachelors and I was fascinated by it.	My mom was doing private speech therapy so she checked if I could come observe her for a couple of hours. After observing her I thought I would enjoy doing that. I started at a Christian college that didn't have my major but I took an introductory class in speech pathology and I found it fascinating. I always liked biology and linguistics a lot. Speech therapy is kind of a good combination of those fields.	During my first two years of junior college I was working for the Physically Limited department and I was a peer support to three blind gentlemen. I also was an interpreter for the deaf. I also worked for an audiologist. Through these jobs I was able to experience different disabilities and I wanted to pursue a career that helped people with disabilities.
What has been challenging about being a speech pathologist?	I'm not always sure what type of treatment is best for the student. The wide range of disabilities makes it hard to dive in depth to one area. I think the area that I find myself most drawn to is fluency, but I don't have a lot of students on my case load with that disability.	I would say working in the school managing the huge caseloads that we have. I'm working with a SLPA that's basically doing therapy for me at one school because we're short basically at least 3 to 4 people right now. She's also doing one-on-one therapy. She's only been out a couple years and I think it's challenging for her looking at 23 kids in a group. You know I'm used to having 8 kids in a group, but she's feeling not really comfortable yet without having one-on-one therapy.	Working in the schools I think the biggest hurdle has been working in the education field as a non-educator. We're technically rehabilitation specialists and we provide services in a very specific way. Teachers see us as people who walk around and can do whatever we want. It's hard to work with teachers and having them understand what I do and why I'm there. I don't think teacher are ever taught why speech therapists work in the schools. I also think that kids don't work in isolation well. Kids do much better amongst

			their peers. One-on-one is kind of a tough setting.
What type of patients do you work with?	I work at a middle school and I work with students in 6th, 7th, and 8th grade. I see a pretty wide range of cases, but they are mostly on the milder side. Some some students have autism and some are non-verbal. I have a few fluency cases, a few articulation and phonology cases, but mostly just language impairment.	I'm at 2 sites and at 1 site it's smaller: only 30 kids there and I do all the therapy and all the testing and I have an aide. At the other site they threw the whole caseload at me, which is a very large school. There are 2 severely handicapped classrooms there, but they hired a SLPA and she basically does all the therapy there and I all do all the reports and IEPS. I've had up to 113 students. I was in district that was growing fast and it was a year round school. We had 4 tracks of kids: blue, green, red, and yellow. I never had all 113 at the same time. I had two 3hr aids to help with that. That was one of the worst situations I've had. I switched school and was there for 4 years. I started mid-year. My last year there I had 90 kids and they decided to open a 3rd special day class on my elementary campus. I also had a middle school caseload, so I was left with 90 kids and had not help at all and so I was outa there.	I have worked with 3 years old all the way up to post-graduate. I love working with elementary school kids. Preschool is my favorite though and the reason why is because it is a crucial period of time to make the biggest amount of change. Early intervention is just crucial and critical and we need to provide as much support to these kids as possible. The 3-6 range is probably the most crucial. At the end of my career I have decided to work with the severe profound students, which are at the county level. My caseload is smaller than other SLPs at the district level. This is because these children require extensive treatment. I am so blessed to have this experience. If I had this opportunity earlier in my career I think I would have been really naïve.
What does your day-to-day	I do therapy sessions on some days, but recently I	In the past it's pretty much been 4 days a week, you know mostly	I am a full-time speech pathologist and I provide services for two

schedule look like?	have been doing a lot of assessments.	therapy and a 5th day is more for your screenings and assessments. I have an aide and sometimes she can take a group and combine a group on those other 4 days so I can get a little extra testing in if I'm lucky. After testing write the IEP (Individualized Education Program).	classrooms. They have a morning and afternoon class. Our county weighs our caseload based on the class. So if you were a full-time person, you would provide services for 5 classrooms. They've weighted preschool and kindergarten one and a half days. So for my 2 preschool classes it's a three-day responsibility. I have another class that is a kindergarten through 2nd grade class called a visual structure strand and these are the children that are diagnosed with autism. We use all types of visual learning to aid in providing services to these children. I also have a class that is very unique and exciting and its what we call our MOVE (Movement Opportunities via Education) classroom. This class is for our wheelchair bound kiddos and it provides an opportunity in the educational setting to use different equipment to stand and move. This helps the child build bone mass. What we're seeing is that these children are improving dramatically. Their drooling is under control and they are starting to make more sounds. So

			although I have four classes I'm considered to have the weight of a full-time SLP. My total caseload is 45. This is too high for the type of students I work with. All of my kids have different cognitive abilities, which means that some require more attention than others.
How do you get new students?	Other teachers recommend the students for an assessment and then we determine if they need speech services.	In the school district the teachers refer them to us directly for speech or they go through what's called a SST (Student Study Teams) and teachers refer students to the team if they have behavioral or academic issues. Speech issues might also get in there. If a student has more than a straight speech issue, then they would go through the SST. They will get referred there because they're probably going to need a full assessment, which means psychologists will test them. The resource person will test them for their academic skills and then I will assess speech and language. If all they have is a speech concern they will come directly to me.	At the county level it's a bit different. We receive students from districts that are smaller and don't have the resources available to provide adequate services. When you work in a district your referrals come from teachers, student study teams, doctors, and parents that request to have their children tested.
How is the chain of command structured in your workplace?	I'm the only speech therapist at my site and I also help out at another school in our district, but I'm at my site on most	We have a principal that's our immediate supervisor. We also have a special Ed director and in my district we have two program specialists	My direct supervisor is the principal. When you work in the district setting usually your supervisor is the special Ed director for the

	days. The principal is my direct supervisor.	that are under the Special Ed director. The principle is the direct supervisor, but not a lot of them know much about Special Ed.	district. I also do not have a SLPA working with me. I do not have an active license because I do not want to be responsible for someone else. I am fully qualified to do what I do and to expect someone that only has a Bachelors degree to be able to come in and do essentially what I do isn't right. I just don't trust people anymore.
Are speech pathologists able to pull clients from the schools/hospitals for their personal business? If not, why?	I don't know. I don't have a private practice and I haven't tried to do that. I've heard that it was a no no.	No, they're not really supposed to do that. I had one student that was at a private school. Back then we used to have to serve kids in private schools. Administrators got that law changed because why should we be giving our SLP services to kids that we get no funding for. Now we're required to do an assessment. We'll do an IEP for private schools and say that we can't really fulfill the IEP unless you transfer your child to a public school. I ended up working with this boy from the private school. He he had a lot of articulation issues and so I told the parents I can't see him because he's not in public school. They thanked me and they asked whom to go to and I gave them the names of a few clinics. They couldn't find any	You can't work in the school and work with your caseload outside of school. There's an ethical and legal aspect of things that you can't do. If I were to have my own business I would have to work with kids I do not know in the school. It's a very slippery slope and you have to be careful.

		openings because it is a difficult to find private therapy. They ended up begging me and I ended up taking him on. That's the only situation where I've done that.	
Do you think more speech pathologists will create their own businesses to address the speech pathologist shortage or do you think there are other efficient ways to tackle the shortage?	I don't see that happening necessarily. Probably because of FAPE (Free and Appropriate Public Education) I think that because of the legislation the main provider of services for children will be the school districts because schools are required to provide the services. It also makes the most sense to be built into a child's education.	I think so. I know one that goes to my church. She did an in-service for us on supervising SLPAs since we're getting a SLPA. She retired from our school to start her business. They tell me there's a lot more people going into business even right out of school going into clinical work or opening their own clinics. It has very much changed. It used to be at least like 75% of us went into the schools and that's not the case anymore.	I think that more SLPs will start their own businesses, but I think some experience working in the schools or the hospital setting is necessary first.
Have you thought about starting your own business? If yes, what kind of patients do you plan on working with? If no, do you have any reservations for starting your own business?	I've thought about it a little bit and I'll think about it more when I get out of the temporary license period, but I haven't looked into things like an additional business license or any of that. I think of considered more like getting a second job with a private practice or getting into some hospital setting during the summer or after work rather than starting my own business.	I haven't really thought about it.	I am planning on starting a consulting business for helping parents develop communication systems in the home. I want to bring the success in the school setting or the therapy setting into the home so that the child can be successful at home as well. I want to bring the treatment plan developed in the school into the home because that is where I see the biggest disconnect.

SLPA: Private Practice

	Interviewee 1
How long have you been a SLPA	3 years
What factors caused you to become a SLPA?	Well I was going in the direction of wanting to get my Masters in speech therapy and I was just unsure that was the long-term goal if it just fit into my life. Being a SLPA made a lot of sense and I loved the field, the hands-on stuff. I really liked being in the clinic because the one-on-one interaction. At the schools it's a little bit harder just because I felt like I couldn't do much to help the kids. I really liked the clinic because you get to help the parents too.
What has been challenging about being a SLPA?	The behavior issues. I feel like that was more on the job training. In school we didn't focus on behavioral therapy like We didn't get taught any practical steps for behavioral therapy. A ton of my kids were autistic kids, so learning strategies like token boards helped because it motivated them. I definitely had to learn from the SLPS around me. At first I didn't know what do because dealing with behavior is hard.
What type of patients do you work with?	In the clinic the ages ranged. I think my youngest was 2 and my oldest client was 16, but the median was probably 4 or 5 and the same at the next clinic I was at. I feel like the majority of clients were 3-6.
What does your day-to-day schedule look like?	I worked with clients one-on-one for 55 minutes or so and get the last 5 minutes to talk to mom and dad. So we had a play area in the clinic I worked at so you could break it up. 20 minutes work time and then 2 minutes in the playroom. Different kids needs different things. When I did time at the school it would be group setting.
How do you get new clients?	Clients have to have insurance or pay out of pocket. So Kaiser and some private medical insurance covered them, but basically people had to get referred. They could go to Kaiser or they could come to us to get an evaluation.
How is the chain of command structured in your workplace?	I technically have a supervisor because I'm a SLPA. I think it's like 3 to 1. 3 SLPAs can be under 1 SLP. When I need help I go to them or when they write the goals for the client. They evaluate the client and then give them to me. When their 6 months are up and they need a re-evaluation on their goals they'll come in the room during the therapy session. If I know the client I'll come in and help and they do the evaluation. They write the reports and ask me questions about the client. A

	lot of the time SLPs are writing reports on kids they don't know they've never seen them. It's just our data that they are looking at in the file. The system is all quantitative. Our charts are all the same for each therapy session.
Are speech pathologists able to pull clients from the schools/hospitals for their personal business? If not, why?	No they would still have to go through insurance for that. They can say hey I work at ___ if you want to get services. They can come and pay privately or they go through insurance. A lot of the SLPs know the kids from the schools.
Do you think more speech pathologists will create their own businesses to address the speech pathologist shortage or do you think there are other efficient ways to tackle the shortage?	No I see them running from it. They're already dying in the paperwork. The owner of the clinic that I worked at does the minimal amount of therapy that she can to keep her license because the amount of paperwork and the heavy load that she has. Like running the business, paperwork, insurance, this that.
Have you thought about starting your own business? If yes, what kind of patients do you plan on working with? If no, do you have any reservations for starting your own business?	I've thought about it a little bit and I'll think about it more when I get out of the temporary license period, but I haven't looked into things like an additional business license or any of that. I think of considered more like getting a second job with a private practice or getting into some hospital setting during the summer or after work rather than starting my own business.

Speech Pathologist: Private Practice

	Interviewee 1
How long have you been a SLP?	2 years
What factors caused you to become a SLP?	I majored in communication disorders during undergrad and I wanted to continue on with my Masters.
What has been challenging about being a SLP?	One of the hardest parts is getting the carryover of therapy at home. It's hard to get the kid to do what they do in the therapy room with me and also get them to do it in their everyday life. I think it's also really hard to manage outside factors that affect them. I don't work with a ton of kids from low-income backgrounds, but we do see a few. If they are struggling at home it's harder to get them to perform at their best capacity in therapy. Behavior is also difficult to manage, but that is definitely something that you learn strategies for.
What type of patients do you work with?	I work mainly with children. My clinic also has occupational therapy and physical therapy, so there are many different client types and age groups that come into our office.
What does your day-to-day schedule look like?	I have a school block so we contract with different schools in the area. During the first two days of the week I was going into an upper middle school, which is 8th and 9th graders. Our

	busiest time is from 3-6pm so I would go back to the clinic and see kids in the evening. Right now my schedule is a little bit slower because we don't have a school contract. I usually see a couple of kids in the morning and then I have a break in the afternoon, maybe an evaluation and then I see kids from 3-5 or 3-6.
How do you get new clients?	Right now we're really trying to get more clients in the birth to 3 range so we go out in the community and do story time at the library. We offer free playgroups. We've been doing a lot of advertising and talking to a lot of local businesses trying to get our name out there so we can reach families who may be interested. The main way we get clients is referrals from physicians. Most of our clients pay with insurance so we need a doctor's note from them indicating that a referral was made. Some clients pay out of pocket, but that's pretty rare. We usually see an increase in clients coming in during October and November because school starts and teachers think that the child may benefit from an evaluation. We also see an increase in clients right before summer because teachers want their students to have speech support over the summer.
How is the chain of command structured in your workplace?	We have team leads in each clinic. We have 6 clinics total in the area. At each clinic there is an occupational therapy team lead, a speech therapy team lead, and a physical therapy team lead. The team lead reports to the director of speech or the director of occupational therapy. The clinic has been around for 11 years and it was started by an SLP. She mostly works on the business side of things but she will occasionally treat some clients.
Are speech pathologists able to pull clients from the schools/hospitals for their personal business? If not, why?	No, clients mostly have to go through some type of referral process.
Do you think more speech pathologists will create their own businesses to address the speech pathologist shortage or do you think there are other efficient ways to tackle the shortage?	I think the kids that need help the most are the ones who are not able to access the services. Seeking out private services falls a lot on the parents because they have to take them to the doctor and then set up a consult with the speech therapy clinic. That may be hard for parents for a lot of different reasons, so I think there needs to be a bigger focus on improving services in the schools. Our clinic does not accept state insurance either, which is what a lot of low income families rely on.
Have you thought about starting your own business? If yes, what kind of patients do you plan on working with? If no, do you have any reservations for starting your own business?	I feel like I wouldn't know where to start to open my own business. I also signed a contract stating that I cannot work for another private practice or start my own business for a year if I decided to leave the clinic.

Non-Profit Speech Therapy Clinic

	Interviewee 1
How long have you been in business?	The charity was formed June 16th, 1958. It didn't start with the product it is currently offering. It was started as a scholarship program for students attending GW University who were studying geopolitics.
What factors caused you to start the business?	In 1970 the organization's Board of Directors were becoming aware of the increasing number of speech disorders including the effects of autism and decided that they would search ways to help with that. In 1970 we started a program with Stanford University to look at providing services to children with speech disorders and that grew into our current business, which is our program for childhood speech disorders. This charity only operates in California and we have 14 clinics in California. They are all subsidiaries to the main foundation and we also have a scholarship program.
What has been challenging about owning this business?	Well the funding is the biggest issue. I used to teach business at the university level and I think the biggest challenge is funding the business itself. Our product in 1958 was scholarships and that went well with people, so funding is a common issue whether you are for-profit or non-profit. It's an ongoing issue because we don't sell a product. We provide a service in which we do not provide a fee and our client really becomes the people who give us the money - the donors. Our product rings well with a lot of people because its about children with challenges and so when we are willing to tell our story it is received pretty well and we are able to get funding, but it is an ongoing challenge for 59 years since we've been in business. We don't raise enough money each year to cover our operating costs so we have investments to generate income. The goal is to raise adequate funds to cover operating costs. If you dip into your reserves you are not expanding your business.
What is your target market?	It is children 18 months to 18 years old. We also have some that work with those who are 21. Most clients are between 2 years and 18 years old. The parents will start to notice that the child is having challenges at the early age and then they will seek out assistance, so most of them are pretty young. Some of the clients are older because they didn't have access to services previously.
Are there any competing businesses in your area?	There are other charities that provide what we do. Our competitor is any other charity in the world. What were after

	frankly is dollars and whether its for speech pathology services like we provide or if its for cancer research, there is only a certain amount of money that people can afford to give or who are willing to give to charities. Another one of our challenges is competing with other charities. We have to tell our story the best we can.
What does your customer profile look like? How did you segment the market?	The question is, "Who do we want to call our client?" There's a discussion in the world of charities that our clients are not who we provides services for. Our clients are those who donate to us. At the end of the day the argument is whether or not your client is the one who gives you money or the person you help. Our clients are considered both of these, but the ones who give us money need to hear our story of how we deliver the service we deliver. If we're talking about those who receive the service, our primary customer is the child (18 months-18 years). We don't do demographics historically, but we are starting to do that in terms of who were helping so that when we go after grants for example we can tell them that we are helping this socio-economic group, this ethnic makeup, things like that. We never have done that because we didn't realize we should because funders, particularly corporations and private foundations that give grants want to know what's your impact, who you're helping, so we're starting to collect that.
How did you prepare a sales forecast if you did so?	We really haven't developed a model for them. All we know right now is that we need more because we are not covering our operating costs. We've put some spending limits in our business and we are focusing now on expanding the fundraising efforts.
How do you currently market your business?	We are using social media. We have a Facebook presence. We use constant contact to send out information about what we do or announce activities that are coming up. We use all forms of social media whether is LinkedIn or Facebook. We haven't used Snapchat yet. I think we do have a presence on Twitter. Plus were encouraging our local language centers. There's a Board of Directors at each of the 14 locations. They are responsible for the operation of that clinic. We're encouraging them to get out to the service funds: Rotary etc. We are going to retain a staff position for development. They can help us develop a better marketing plan.
What do your day-to-day operating procedures look like?	The facility has 2-3 rooms in it. Most of those have observation windows for parents and guardians to observe the treatment program. We have volunteers that will help as receptionists. They help schedule the appointments. Most of our language centers are small. Most of them will have 2-3 speech pathologists. Some offer reading assistance as well. Hours of operation are interesting. Parents and guardians are

	working so they are not able to come in during normal business hours. Some of our locations operate during late afternoons and early evenings. Many of our client's parents are working, which makes it difficult to get them to us. We adjust that schedule to meet the local need. We have 3-4 centers now that are operated in conjunction with universities. We have a program with Cal State Northridge, which is helping with our clinic in Pasadena. We're developing a program with Cal State LA for our clinic in Los Angeles. We're working with Champan University in Orange County. Up north in Stockton we have a great relationship with University of the Pacific. Typically more classical in terms of work schedule. 9am - 7pm. An hour of work and 15 minutes of report writing.
How do you get new patients?	Most of our referrals are word of mouth. Because of our success over the years our speech pathologists are familiar with the school system and some of them have worked in the school system and so they have a network. If the counselor in school has a child they can't help due to budget constraints they will often refer those to us and also word of mouth from or existing customers or previous customers. We help 2500 children per year. This is a small number of children who actually need our help.

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Business Plan

Executive Summary

The number of children requiring speech therapy services is astounding. Nearly 1 in 12 (7.7 percent) of U.S. children ages 3-17 had a disorder related to voice, speech, language, or swallowing in 2012. The Bureau of Labor and Statistics reported there were 145,100 Speech and Language Pathologists (SLPs) working in the United States in 2016. From 2012-2016, the number of children in the United States remained constant at 73.6 million children (Childstats.gov). From these 73.6 million children, about 5.7 million children require speech therapy services. We can calculate the national average caseload of an SLP by dividing the total number of children by the total number of SLPs in the United States. The national average caseload is 39 children per one SLP. One limitation on this data is that not all 145,100 SLPs are working with children, which indicates that the actual ratio is much larger. This unsettling data begins to raise questions regarding how to better the opportunities for children to receive speech therapy services. Ripple provides an avenue that allows people to become involved in creating a better world.

Ripple is a Non-Profit organization that offers speech therapy services that promote positive change in the city of Bakersfield. Ripple accomplishes this by offering speech therapy services at reduced rates for children in need. When a patron donates to Ripple, their "ripple effect" begins because each donation results in the opportunity for a child to overcome the difficulties that speech and language disorders bring. Each donation also serves as a conversation starter, which spreads awareness of hardships faced by children as well as attracting potential donors to the uniqueness of Ripple.

Ripple's vertical organizational structure allows for well-defined leadership that is an important factor to the company's success. The positive corporate culture supports Ripple's mission towards positive world change.

Anticipated current year donations are expected to exceed $130,000 which will result in a net profit of $53,708. In order to operate at a profit Ripple will maximize its opportunities by applying for grants and hosting bi-monthly special events to attract donors.

Everyday, children with speech and language disorders experience hardships that affect their daily lives. Ripple's focus is to change these hardships into opportunities for positive change by providing an opportunity for donors to invest in the well-being of our youth. We want to experience positive change in our community so we encourage you to let your ripple begin.

Sincerely,

Grace Hulbert, CEO

Introductory Components

Company Description

Located in Bakersfield CA, Ripple is a Non-Profit Organization that will open for business in October 2018. Ripple is focused on providing speech therapy services to children ages 3 to 18. Children receive services that benefit their speech and language skills and provide a means for improving self-confidence. Ripple will operate through a clinic, special events for fundraising, and a website that provides an opportunity for patrons to donate online. Ripple's foundational strengths include is a highly trained and skilled team of SLPs that are capable of treating a large range of speech and language disorders and a dedicated staff that will promote Ripple's mission both in Bakersfield and Ripple's online presence.

Mission Statement

Ripple's mission is to spread awareness of childhood speech and language disorders through offering quality services that promote positive change in children.

Vision Statement

Ripple's vision is to be recognized as the leading non-profit organization in Bakersfield CA.

Management Functions

Planning – Company Goals and Strategies

Short Term Goals

Goal 1: Increase involvement in the local community by partnering with like-minded organizations.

Goal 2: Network with local school districts to create a solid customer base.

Goal 3: Establish non-profit status for FYE 2019.

Goal 4: Establish clear donation structure to attract donors.

Long Term Goals

Goal 1: Create an original product line to attract donors.

Goal 2: Offer health insurance to Ripple employees within the next 1-2 years.

Goal 3: Offer a retirement plan for Ripple employees within the next two years.

Goal 4: Consistently collect donations in order to provide services.

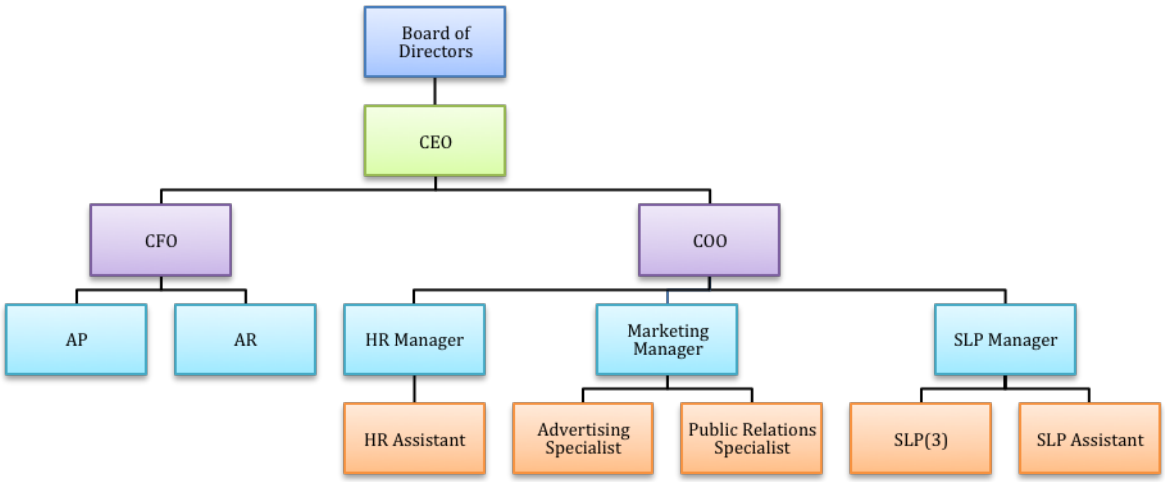
Strategies to Meet Goals

Short-term goals include electing staff to represent Ripple by volunteering at local organizations and establishing strong working relationships with schools in Bakersfield. Long-term goals aid to benefit Ripple employees as well as encouraging the growth of the business by keeping the focus

on collecting donations.

Organizing

Ripple operates through a vertical organization structure with leadership stemming from the top down.[4] This format establishes a well-defined chain of command with the board of directors having the most influence. Employees report to the manager directly above them in the organizational structure. Each employee is responsible for a specific set of duties. Ripple uses the vertical organization structure because it allows for quick decisions. Executive decisions are the responsibility of the people highest in the chain of command. Employees have their jobs clearly defined and each position requires specific tasks, with little need to acquire new skills.



Job Descriptions

Chief Executive Officer: Advises the board of directors, motivates employees, writes the business plan, and presides over the organization's day-to-day operations.

Chief Financial Officer: Corporate officer primarily responsible for managing the financial risks of the corporation and responsible for financial planning and record keeping. **Accounts Receivable Specialist:** Bookkeeping department that is concerned with monies owed to the company for goods or services and bills customers as well as handling payment inquiries from

[4] Ripple will begin with a sole SLP acting as CEO and as demand for Ripple's services rises, the Board of Directors will begin the hiring process to fill the remaining positions in the organizational tree.

customers.

Accounts Payable Specialist: Responsible for the day-to-day tasks of processing invoices and checks. Other duties include sorting and organizing invoices and check requests, preparing payments, and creating monthly reports.

Chief Operations Officer: Manages all hands-on operational aspects of the company; collaborates with the CEO to develop corporate and operational strategies, and is charged with facilitating these efforts across Operations.

Human Resource Manager: Administers compensation, benefits, and performance management systems, and safety and recreation programs; provides current and prospective employees with information about job duties, wages, and opportunities for promotion and employee benefits.

Human Resource Assistant: Explains company personnel policies, benefits, and procedures to employees. They record data for each employee, including such information as addresses, absences, amount of sales or production, and supervisory reports on performance.

Marketing Manager: Develops an annual marketing plan; conducts market research in order to identify market requirements for current and future services.

Advertising Specialist: Assists in managing and advertising the marketing projects for clients; determines a proper advertising medium including direct mail, newspaper ads, online banners and email-marketing initiatives.

Public Relations Specialist: Prepares or edits organizational publications for internal and external audiences, including employee newsletters; responds to requests for information from the media or designates another appropriate spokesperson or information source.

SLP Manager: Oversees all SLPs and monitors overall client satisfaction through weekly meetings with SLPs and the SLP Assistant. Ensures that all therapy practices are administered per ASHA (American Speech and Hearing Association) and state guidelines.

SLP: Provides therapy in the areas of: (1) prevention, (2) screening, evaluation, and assessment, and (3) planning, implementing, and monitoring intervention.[5] Communicates with family members in the therapy process to ensure that the child's disorder is combatted in therapy and at

[5]ASHA.org - Roles and Responsibilities of Speech-Language Pathologists in Early Intervention: Position Statement, April 2018

home.

SLP Assistant: Assist SLPs with client screenings or assessments of language, voice, fluency, articulation, or hearing. Implement treatment plans or protocols as directed by SLPs.

Directing

Ripple applies a functional organization structure that contains specialized groups that report to a single authority, which are the managers. Referred to as departments, these specialized groups are comprised of personnel with diverse but related skills. The leading management is accountable for organizing the efforts of each group and joining them together into a united company. In order to create unity, the leading management delegates tasks to the department managers on a weekly basis. The managers then present the employees with the tasks of the week. Each task is defined clearly, which allows Ripple to enact weekly submissions of material. Additionally, employees are exposed to a mass of resources that ensure the completion and accuracy of their projects. Managers offer additional aid and guidance when required. At the beginning of the following week, managers convene with upper management to converse about the tasks assigned.

Controlling

In order to monitor the development of the company, constant communication amongst the employees and management empowers company goals to be accomplished. It is essential that employees focus on being inventive and self-reliant. Department managers perform routine follow-ups on designated assignments to guarantee that tasks are fulfilled to Ripple's criteria of excellence. Ripple views every employee task to be illustrative of the company, and ensures that each task is completed exceptionally. However, if complications arise in accomplishing the necessities of a task, employees must speak to their managers so that the task is completed successfully. It is crucial that employees request regular advice regarding the advancement of their tasks. This provides management with the opportunity to deliver productive criticism and any support needed to reach their objectives.

Assessment of the Environment

Current Economic Conditions

Unemployment Levels

United States (March 2018) 4.1[6], California (March 2018) 4.3%[7], Bakersfield (February 2018) 9.6%[8]. After revisions, job gains have averaged 202,000 over the last 3 months1 above[1].

Unemployment in California and Bakersfield are both above the national average.

Unemployment can cause a loss in because it drains a customer's discretionary funds. Ripple combats this by advertising its unique donation structure.

Interest Rates

The Federal Reserve met in March to discuss interest rates and officials concluded that they would be enacting a more aggressive approach to raising interest rates. The purpose for raising interest rates is to keep the economy stable over the next few years. The Fed has also released that they will call for three more rate hikes[9].

With increasing interest rates customers may have less more discretionary funds to donate to Ripple. In order to attract donors, Ripple will provide incentives for those who support Ripple's cause.

Rate of Inflation/Deflation

The CPI decreased 0.1% in March after riding 0.2% in February. Over the past year all index items increased 2.4%[10.]

If prices continue to decrease, U.S. consumers may be less cautious, which may cause an increase in their charitable giving. Ripple's unique marketing strategy will attract customers to donate to helping children overcome their disabilities.

Rate of Change of GDP

During 2017 real GDP increased 2.6 % compared with an increase of 1.8% during 2016. The price index for gross domestic purchases increased 1.9 percent during 2017, compared with an increase of 1.4 percent during 2016[11].

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[6] BLS.gov - The Employment Situation-March 2018, April 2018
[7] BLS.gov - Local Area Unemployment Statistics, April 2018
[8] BLS.gov - Economy at a Glance: Bakersfield-Delano, CA, April 2018
[9] Money.cnn.com - The Federal Reserve Plans to Hike Interest Rates Even Faster, April 2018
[10] BLS.gov - Economic News Release: Consumer Price Index Summary, April 2018
[11] BEA.gov - National Income and Product Accounts Gross Domestic Product: Fourth Quarter and Annual 2017, April 2018

GDP is predicted to increase which indicates that positive economic growth is on the horizon. This growth should aid in increasing donations for non-profit enterprises including Ripple.

Balance of Trade

The US Census Bureau and US Bureau of Economic Analysis released that the balance of trade deficit was $57.6 billion in February, up $0.9 billion from $56.7 billion in January.

A greater demand for imported products, from industrial materials to consumer goods, is keeping the U.S. on track for an increase in this year's deficit on trade and a similar widening in 2019[12].

Foreign trade deficit continues to raise which motions positive economic behaviors, specifically, increased salaries and consumer confidence.

This information ensures Ripple's success because consumers will have more discretionary funds.

Exchange Rates

The U.S dollar is presently worth more than the Chinese Yuan (USD-CNY: 6.27 CNY). The Euro is also worth less than the U.S. dollar (EUR-USD: 0.8098).[13]

Both Currencies are worth less than the U.S. dollar making the goods they produce cheaper but, Ripple's philanthropic focus combined with giving to local charities helps keep money in the community.

Consumer Confidence Index

The Consumer Confidence Index (CCI) decreased in March, following an increase in February. The Index now stands at 127.7 down from 130.0 in February. The short-term expectations of consumers declined and they also lost confidence in the stock market. Altough there was a small decrease in the CCI, index levels remain high. The CCI also predicts further growth later into the year[14].

Ripple will use consumer confidence to our advantage by using effective marketing campaigns that will motivate an increase in donations.

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[12] Tradingeconomics.com - United States Balance of Trade: 1950-2018, April 2018
[13] Money.cnn.com - World Currencies, April 2018
[14] Conference-board.org - The Consumer Board Consumer Confidence Index Declined in March, April 2018

Industry Analysis

Size and Profitability

Non-profits provided 11.4 million jobs to the American people as of 2012. These 11.4 million jobs make up 10.3% of total US private sector employment. Non-profit employment has increased in most states from 2007 to 2012.[15] Americans have been continually invested in philanthropic giving as well. In 2016, non-profit companies obtained $390 billion from US donors with more than 70% of these donations stemming from individual donors.[16]

Social Media

Millennials have been instrumental in increasing charitable giving through social media. The Millennial Impact Report released in 2015 showed that over half of surveyed millennials would be interested in making monthly donations to a non-profit organization. [17]In response to the increasing number of Millennials interested in donating to non-profit organizations, the movement #GivingTuesday was started. The hashtag #GivingTuesday was created in order to increase awareness for the importance of giving to non-profit organizations. This movement brought in 300 million dollars in online donations with a total of 2.5 million gifts in 2017.[18] Facebook has also been involved in promoting online giving. In October of 2012, Facebook added a charitable donation option to Facebook Gifts allowing users to give money securely and easily to their favorite charities. This often leads to friends taking time to learn more about the charity their friend posted about. The knowledge age is the beginning of the philanthropic age. Cisco's blog states that in 2010 the number of foundations sky rocketed as information was released on people's tragic situations.[19]

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[15] BLS.gov - Nonprofits account for 11.4 million jobs, 10.3 percent of all private sector employment, April 2018
[16] Fastcompany.com - Philanthropy In 2017 Saw The Rise Of Trump-Powered Giving, April 2018
[17] Thebalance.com - Learn About Millennials and Charity, April 2018
[18] Givingtuesday.org, April 2018
[19] Blogs.cisco.com – Networked Philanthropy, Oct. 2013

Competitive Analysis

Ripple has three direct competitors (TERRIOKids, Affiliated Speech Pathology, Telespeech Therapy) that offer speech therapy services. Speech therapy clinics and pediatric care centers will be the most prevalent challenge to Ripple's market share, however Ripple's discounted rates distinguish us from our competitors. Ripple's services directly benefit children and each donation represents a customer's contribution to bettering the lives of children. In addition, Ripple's advertising strategy creates emotional interest, which is a key factor in appealing to customers. A donation to Ripple provides patrons with satisfaction that their role in promoting positive world change has resulted in a potential infinite ripple effect.

Current Challenges

A major challenge for Ripple is the uncertainty of maintaining a loyal customer base. Ripple considers both its clients and donors as customers. Ripple will be able to attract a large stream of customers due to the fact that there is a shortage of SLPs in Bakersfield. However, Ripple will face the challenge of maintaining a large stream of loyal donors due to the large amount of non-profit organizations in the community. This is a challenge that can be overcome by utilizing unique and inventive marketing strategies.

Competitive Pressures

Competitive pressures are found in every industry. Local competitors of Ripple include well-known clinics such as Telespeech Therapy and TERRIO Physical Therapy and Fitness, which provide quality services to their clients. Ripple's competitive factor is offering speech therapy services at a discounted rate whereas the competitors charge a greater fee for services.

Target Market & Market Segmentation

Customer Profile for Ripple

Ripple's primary target market is comprised of children that have mild to moderate speech or language disorders[20]. The parents of these children are also considered a part of the primary target market as they make decisions for their children. Potential clients are drawn to the reduced prices that Ripple offers. The secondary target market consists of donors that support Ripple and its mission.

Demographics	Geographics
Primary ● Age: 3-18 ● Male or Female ● Income: $49,026[21] ● Marital Status o Parents: Single or Married Secondary ● Age: 18-80 ● Income: $50,000-$100,000 ● Male or Female ● Marital Status: Single or Married ● Education: High School GraduateAdvanced Degree ● Various Occupations	Location of Clinic ● Northeast Bakersfield Location of Customers ● Primary o Northeast and Northwest Bakersfield ● Secondary o Special events o Online donors o Donors living in Bakersfield
Psychographics	**Behavioral**
Primary ● Parents and children desire to correct speech and language disorders to improve quality of life Secondary ● Donors have a passion for giving back to society ● Activities: Volunteers ● Attitude: They have a positive attitude towards helping others. ● Values: Their values include respect, love, and compassion.	Applicable to Secondary Target Market ● 67% of households in the US gave an average of $1872, which is equivalent to 2.2% of the average yearly income of households that gave to non-profit organizations.[22]

[20] Speech and language disorders fall on a scale from mild to severe. Ripple will rarely treat children with severe speech disorders because they often have adequate insurance coverage. (Maine Department of Education, April 2018).

[21] Factfinder.census.gov - Median Household Income 2010 Census, April 2018

[22] The Nonprofit Almanac, 2012

The Marketing Mix

Service

Ripple offers a variety of speech and language therapy for children with mild to moderate disorders. Each SLP providing therapy has specific roles, which include: (1) prevention, (2) screening, evaluation, and assessment, and (3) planning, implementing, and monitoring intervention.[1] Ripple is also focused on including other family members in the therapy process to ensure that the child's disorder is combatted in therapy and at home. In order to increase donations, Ripple will utilize a specific donation structure. Clearly defining how much each donation will impact children receiving services will establish an emotional connection for the donor.

Placement

Ripple will be located in Northeast Bakersfield. Patrons can donate to Ripple in person or on Ripple's website. Donations will also be collected and during special events, such as Ripple's Grand Opening and other special events. Email campaigns will also be used to encourage other enterprises in Bakersfield to donate to Ripple.

Promotion

In order to communicate with possible Ripple donors and clients, the company will utilize the booming social media network. Ripple's Facebook, Twitter, and Instagram accounts connect friends and followers to the newest promotions and the current highlighted speech or language disorder. Social networking creates a ripple effect because it encourages donors and clients to share advertisements with friends. Ripple will also send emails to organizations in Bakersfield that invite them to donate to Ripple's website. Special events will present unique opportunities that promote Ripple and its mission.

Positioning

Ripple sets itself apart from other companies because of its unique marketing strategy. Ripple presents customers with the opportunity to invest in children and also establishes support for many children who will need assistance in the future. Ripple is the link that connects people to an important need in the community. Each time a customer donates to Ripple a personal fulfillment is established because they are conscious of knowing that they contributed toward the well being of humanity.

SWOT Analysis

Strengths (Internal)	Weaknesses (Internal)
● Unique business concept ● Website promotes product well ● Staff with passion for helping others ● Professional staff ● Charitable donation structure is clearly defined	● Cash flow challenges ● Advertising campaigns ● Not a reputable brand ● Inadequate market experience
Opportunities (External)	**Threats (External)**
● Special events ● Limited direct competition ● Increase in philanthropic donations ● Public relation opportunities within community	● Emerging competitors ● Government taxes ● Increasing interest rates

Financial Data

Income Statement

Ripple
Cash Flow Statement: October 2018-September 2019

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
CASH ON HAND													
Beginning of Month	**20,000.00**	**20,000.00**	**20,000.00**	**20,000.00**	**20,000.00**	**20,000.00**	**35,000.00**	**35,000.00**	**35,000.00**	**40,000.00**	**40,000.00**	**40,000.00**	
Cash Receipts	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000.00
Collections from AR	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000.00
Investment Capital	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Cash Receipts	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**144,000.00**
Total Cash Available (before cash out)	**32,000.00**	**32,000.00**	**32,000.00**	**32,000.00**	**32,000.00**	**32,000.00**	**47,000.00**	**47,000.00**	**47,000.00**	**52,000.00**	**52,000.00**	**52,000.00**	
CASH PAID OUT													
Clinical Materials Inventory	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	2,000.00
Salaries-Note F	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	85,608.00
Payroll Taxes	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	27,132.00
Rent-Note G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advertising	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	800.00
SLP Licensure	60.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	110.00	170.00
Legal/Professional Fees	350.00	350.00	350.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
Supplies	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	800.00
Telephone	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Travel	0.00	0.00	200.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	2,000.00	4,200.00
Subtotal	**11,255.00**	**10,295.00**	**10,495.00**	**11,195.00**	**9,945.00**	**11,945.00**	**10,845.00**	**9,945.00**	**9,945.00**	**10,845.00**	**9,945.00**	**12,055.00**	**128,710.00**
Loan Principle Payment	2,854.00	0.00	0.00	0.00	0.00	0.00	17,400.00	2,947.00	2,960.00	2,974.00	2,987.00	3,001.00	35,123.00
Corporate Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Paid Out	**14,109.00**	**10,295.00**	**10,495.00**	**11,195.00**	**9,945.00**	**11,945.00**	**28,245.00**	**12,892.00**	**12,905.00**	**13,819.00**	**12,932.00**	**15,056.00**	**163,833.00**
Cash Position End of Month	**17,891.00**	**21,705.00**	**21,505.00**	**20,805.00**	**22,055.00**	**20,055.00**	**18,755.00**	**34,108.00**	**34,095.00**	**38,181.00**	**39,068.00**	**36,944.00**	

Cash Budget

Ripple
Cash Flow Statement: October 2018-September 2019

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
CASH ON HAND													
Beginning of Month	**20,000.00**	**20,000.00**	**20,000.00**	**20,000.00**	**20,000.00**	**20,000.00**	**35,000.00**	**35,000.00**	**35,000.00**	**40,000.00**	**40,000.00**	**40,000.00**	
Cash Receipts	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000.00
Collections from AR	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000.00
Investment Capital	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Cash Receipts	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**12,000.00**	**144,000.00**
Total Cash Available (before cash out)	**32,000.00**	**32,000.00**	**32,000.00**	**32,000.00**	**32,000.00**	**32,000.00**	**47,000.00**	**47,000.00**	**47,000.00**	**52,000.00**	**52,000.00**	**52,000.00**	
CASH PAID OUT													
Clinical Materials Inventory	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	2,000.00
Salaries-Note F	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	7,134.00	85,608.00
Payroll Taxes	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	2,261.00	27,132.00
Rent-Note G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advertising	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	800.00
SLP Licensure	60.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	110.00	170.00
Legal/Professional Fees	350.00	350.00	350.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
Supplies	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	200.00	0.00	0.00	800.00
Telephone	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Travel	0.00	0.00	200.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	2,000.00	4,200.00
Subtotal	**11,255.00**	**10,295.00**	**10,495.00**	**11,195.00**	**9,945.00**	**11,945.00**	**10,845.00**	**9,945.00**	**9,945.00**	**10,845.00**	**9,945.00**	**12,055.00**	**128,710.00**
Loan Principle Payment	2,854.00	0.00	0.00	0.00	0.00	0.00	17,400.00	2,947.00	2,960.00	2,974.00	2,987.00	3,001.00	35,123.00
Corporate Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Paid Out	**14,109.00**	**10,295.00**	**10,495.00**	**11,195.00**	**9,945.00**	**11,945.00**	**28,245.00**	**12,892.00**	**12,905.00**	**13,819.00**	**12,932.00**	**15,056.00**	**163,833.00**
Cash Position End of Month	**17,891.00**	**21,705.00**	**21,505.00**	**20,805.00**	**22,055.00**	**20,055.00**	**18,755.00**	**34,108.00**	**34,095.00**	**38,181.00**	**39,068.00**	**36,944.00**	

Balance Sheet

Ripple
Balance Sheet
as of September 30, 2019

ASSETS		
Current Assets	**ACTUAL as of October 31, 2018**	**PROJECTED as of April 30, 2019**
Cash-Note B	32,000.00	40,000.00
Accounts Receivable	500.00	5,000.00
Clinical Materials-Note A	500.00	350.00
Supplies	200.00	150.00
Other	1,000.00	1,000.00
Total current assets	**34,200.00**	**46,500.00**
Non-Current Assets	**ACTUAL as of October 31, 2018**	**PROJECTED as of April 30, 2019**
Computers-Note D	2,000.00	2,000.00
Less: Accumulated Depreciation	*(500.00)*	*(500.00)*
Office Equipment-Note D	1,000.00	1,000.00
Less: Accumulated Depreciation	*(500.00)*	(500.00)
Total fixed assets	**2,000.00**	**2,000.00**
Total assets	**36,200.00**	**48,500.00**
Liabilities		
Current Liabilities	**ACTUAL as of October 31, 2018**	**PROJECTED as of April 30, 2019**
Salaries	7,134.00	7,134.00
Payroll Tax	2,261.00	2,261.00
Corporate Tax	-	-
Other	-	-
Total current liabilities	**9,395.00**	**9,395.00**
Total Liabilities	**9,395.00**	**9,395.00**

Note: Balance Sheet Projected Cash for April 30, 2018 does not agree with April 2018 Cash Flow Statement Ending Cash due to the Cash Flow Statement reflects actual figures for May-Oct FYE19 and April's Balance Sheet figure was based solely on projections for FYE19.

Notes to Financial Statements

Note A- Summary of Significant Accounting Policies

The preparation of financial statements for Ripple, in conformity with generally accepted accounting principles, requires management to create estimates and assumptions that affect certain reported amounts. Consequently, actual results could differ from estimates.

Nature of Business: Ripple will do business in Bakersfield, CA as a Non-Profit organization. The Company operates as a clinic specializing in mild to moderate speech and language disorders. The Company operates on a 12-month fiscal year (October-September).

Basis of Accounting: Ripple presents its financial statements on the accrual basis of accounting, in order to comply with commonly used accounts principles.

Depreciation: Ripple calculates its depreciation through the straight-line method over a five-year period.

Note B- Cash

The corporate bank account for Ripple is located in the US Network Bank (online banking system).

Note D- Property and Equipment

In October 2018, property and equipment will be purchased for Ripple's start-up. A five-year straight-line depreciation is applied through the useful life of the asset.

Note E- Income Taxes

Ripple has filed to be taxed under the provisions of 501(c)(3) of the Internal Revenue Code As a result of 501 (c) (3) provisions, the company does not pay federal corporate income tax. Because this is Ripple's first year of operation, the company is exempt from paying the Corporate Tax-Note E. The corporation is not taxed on its profit.

Note F- Salaries

The salaries for the first year of operation for the sole SLP are based on full-time employee status using industry averages.

Note G- Rent

For its first year of operations Ripple will operate out of the sole SLPs home and as the need for an office space arises, Ripple will begin the process of determining a budget for an office space.

Financial Write-up

After conducting market research, Ripple has three direct competitors (TERRIOKids, Affiliated Speech Pathology, Telespeech Therapy) that offer speech therapy services. Indirect competitors to Ripple are all other non-profit enterprises in Bakersfield. A private donation of $50,000 and initial investment capital of $24,000 provided the necessary funds for starting the business. Although Ripple is predicted to have a small profit in the first year, the upcoming year's operating costs are predicted to be covered through large projected donations and grants. November donation projections are anticipated to be out performed due to an upcoming Grand Opening event, future special events in December, February, and April, June, August and web donations. As stated earlier, Ripple is a Non-Profit organization, therefore the focus of the company is to generate funds solely used to further Ripple's mission of providing children in need.