

Business Planning and Self-Assessment Worksheet

This material was prepared by Stratis Health under contract with The Minnesota Department of Health (MDH). Use of this tool is not mandated by MDH, nor does its completion ensure regulatory compliance.

This self-assessment helps you take an honest look at your readiness to start or operate a caregiving service. It is designed to help you identify what you already know, where you may need more information, and what actions must be taken before applying for a license. This worksheet is for your own planning purposes and is not part of the licensing application.

Applying for licensure should come after you have confirmed your business is ready to operate safely, sustainably, and in compliance with regulatory requirements. Licensure is not intended for organizations still testing ideas or exploring basic feasibility.

Assessing business readiness helps you:

- Confirm the license you are pursuing matches the services you plan to provide.
- Identify gaps or high-risk areas that should be addressed early.
- Avoid costly delays, rework, or early business failure.
- Make informed decisions about resources, leadership, staffing, and operations.

A stable business is essential to safe care. If a caregiving service cannot sustain operations, the people receiving care are directly affected. Planning for continuity, safety, and compliance begins well before opening your doors.

As you work through the questions, answer as honestly as possible. If you identify missing information, unresolved decisions, or areas that require more research, note them in the Gaps sections throughout the worksheet. If gaps are unclear or pose significant risk, pause before applying for licensure and address those issues first.

This assessment will guide you through key questions on the following topics:

Business Startup Resources

Applicants new to business ownership are encouraged to review:

- [U.S. Small Business Administration \(SBA\)](#)
- [Minnesota District – SBA](#)
- [Minnesota Secretary of State – Business Registration](#)
- [Internal Revenue Service \(IRS\) – Employer Identification Number \(EIN\) and Employer Tax Guidance](#)
- [Minnesota Department of Employment and Economic Development \(DEED\)](#)



01. Market Need and Demand

Start by assessing whether your intended service area has a need for the services you plan to offer. This includes understanding what services already exist, identifying where gaps may be present, and determining whether demand is strong enough to support your caregiving service over time.

Clarifying market need helps you make informed decisions about service offerings, size, and licensure type. It also reduces the risk of launching services that are difficult to sustain due to limited demand or a high level of competition.

Applicants should use objective, community-level information when possible. Statements based only on personal client experience are not sufficient to demonstrate need. Instead, you are encouraged to use publicly available data, local insights, and broader community information to guide your market research and clearly support your understanding of demand.



Tip: Use your answers in the *Your Purpose and Path: A Worksheet for Mission, Vision, and Values [2_Your Purpose and Path]* to help guide this section.

Key Questions	Answers
Define your intended service area (city, county, region)	
What services are currently available in this area? - List existing home care/assisted living providers in your service area. - Use public sources (e.g., Minnesota Department of Health [MDH] provider lists, county resources). Note types of services already offered (e.g., memory care, basic home care).	
What unmet needs exist in my service area/community? - Use at least one external data source (e.g., county reports, census, Minnesota Department of Human Services [DHS]/MDH data). - Consider health-related social needs, waitlists, limited access, travel distance, and underserved populations. Clearly state who is not being served and why.	
How will my program be different, better, or fill a gap? Explain how your services address the unmet need(s) identified above.	

Key Questions	Answers
Describe what makes your program unique (services, population, approach). Connect directly to identified gaps.	
Is the demand strong enough to support startup and sustainability? - Provide evidence of demand beyond your current clients. - Reference population trends (e.g., aging population growth). - Consider number of existing providers vs. population size. Include any community input (e.g., case managers, county staff) if available.	
Gaps: List any questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

02. Target Population and Services

Before applying for a license, clearly define who you will serve and which services you will and will not provide. This clarity helps ensure your services match the needs of the individuals you plan to serve and reduces the risk of delays or choosing the wrong license.

Your service scope affects major parts of your business, including licensure, staffing, training, policies, insurance, and risk. Being clear about what you will and will not offer defines your service offerings and service limits, which is vital step in choosing the appropriate license and building a safe, sustainable program.



Tip: Use the [Decision Tree \[In Development\]](#).

Key Questions	Answers
Define your primary population. Include age range, common health conditions, and typical care needs.	
What populations will I <i>not</i> be able to safely or appropriately serve?	
What services will I provide? What services will I not provide?	
Will services be short-term, ongoing, or both?	
What level of assistance and supervision do the individuals I plan to serve typically need? Consider support related to personal care, mobility, medications, cognitive support, medical complexity, and behavioral health needs. Reference: U.S. News & World Report – Assisted Living Levels of Care	
If I am unable to meet the needs of an individual I serve, what is my plan for helping them identify alternative options?	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

03. Financial Viability

Understanding your startup costs, ongoing expenses, and available financial reserves is essential to building a stable, sustainable caregiving service. Financial challenges are one of the most common reasons new providers fail, often before care is fully established.

Because finances are complex and involve decisions that affect risk, staffing, and long-term sustainability, consulting a financial professional is strongly recommended. In addition to program costs, applicants should consider general business startup requirements and ongoing employer-related expenses when assessing financial viability.

This diagram explains common financial terms and how they fit together.

Capital: Gets you open.



Money required to launch the facility – property, renovations, equipment, licensing, and initial staffing.

Operating Expenses: Keep you running.



All ongoing expenses required to run the facility day-to-day.

Cash Flow: Tells you whether the business model works month to month.



Fixed & Variable Costs: Make up your operating costs.



Fixed Costs: Expenses that stay the same each month (rent/mortgage, salaried staff, insurance).



Variable Costs: Expenses that change with occupancy or resident needs (food, medical supplies, hourly staff).

The movement of money in and out each month; shows whether the facility can sustain operations.

Cash Flow
=
Money you earn
-
Operating expenses

Key Questions	Answers
How much capital is currently available to me?	
What are my estimated startup costs? Include costs that may arise over time, not just at opening. Be specific.	
What are my ongoing operating costs? Identify fixed and variable costs.	
What are my variable costs (in dollars) at different occupancy or service levels?	
How much revenue do I need to cover expenses and remain financially stable?	
How many months can the business operate at a loss using available reserves?	
Have I registered my business with the Minnesota Secretary of State (if applicable)?	
Have I obtained an EIN from the IRS?	
What external supports do I need? (e.g., accountant, payroll service, legal or human resources)	
Do I understand reporting, oversight, and ongoing license maintenance requirements?	
Am I prepared to meet general business and employer compliance requirements beyond MDH licensing?	
Do I understand employer obligations such as wage laws, Equal Employment Opportunity Commission (EEOC) requirements, and required leave policies?	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

04.Reimbursement and Revenue Model

Clarifying how you will be paid for your service helps you stay in business. Payment can come from a variety of sources. These include self-pay, private insurance, or public programs such as

Medicaid, Medicare, and Waivered Services. It can also be “mixed payment,” which is a combination of payment sources.

A variety of payment methods exist. Please see the [Minnesota Payment Sources for Assisted Living and Home Care \[4_Payment Methods\]](#) resource for details on different methods.

Key Questions	Answers
What payment sources will I use, and what proportion of payments will come from each?	
How long will it be between when I deliver services and when payment is made?	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

05. Leadership Capacity and Roles

Strong leadership and clear roles are important to operating a safe, compliant, and sustainable caregiving service. Knowing who makes decisions, who is responsible for compliance and quality, and how responsibilities are managed helps prevent gaps in care and operations.

Leadership structures vary, and individuals may hold more than one role. Even so, it is important to clearly define each role and understand the responsibilities tied to it. **Be cautious of relying on a single person for too many critical functions without adequate support or back-up.**

In this section, identify who is responsible for leadership and administration and how these roles work together.

Common Leadership and Administrative Roles
Owner: Responsible for overall business direction, financial oversight, and long-term sustainability. Administrator: Oversees day-to-day operations, staffing, policies, and regulatory compliance. Clinical Leadership (if applicable): Provides clinical oversight, ensures care quality, supervises clinical staff, and supports regulatory and quality requirements. <i>(One person may have multiple roles.)</i>

Key Questions	Answers
Who makes up my leadership team? (Names and roles)	
Who will oversee business setup, human resources, payroll, and compliance functions?	
Who manages day-to-day operations?	
Who is responsible for regulatory compliance and quality oversight?	
What happens if a key leader is unavailable (planned or unplanned)?	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

06. Staffing Model and Workforce Availability

Providing care depends on having enough staff with the right skills to meet people's needs safely and consistently. Your staffing plan should reflect the services you offer and your ability to recruit, train, and support employees.

When planning staffing, consider the availability of workers in your area, the skills and training required for your services, competitive wages, and who will supervise staff. A realistic staffing plan is essential to safe care, meeting requirements, and maintaining stable operations over time. A realistic staffing plan is essential for safe operations, regulatory compliance, and long-term sustainability.

Key Questions	Answers
Can I realistically recruit and retain staff in my intended service area?	
Who will provide day-to-day supervision of staff?	
Who will provide clinical oversight (if applicable)?	
Who will provide on-call coverage?	

Key Questions	Answers
How will I maintain coverage for nights, weekends, and callouts?	
How will I manage short staffing due to turnover, vacancies, or absences?	
What wages and benefits will I offer, and are they competitive for this workforce?	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

07. Physical Space and Infrastructure

A safe physical environment supports high-quality care. In addition to having appropriate space, reliable systems for scheduling, documentation, billing, and communication are essential for daily operations and compliance.

Consider whether your physical location and infrastructure align with the people you plan to serve and the services you will provide. This includes office space for home care providers (even though care is delivered in private homes), as well as any zoning or local approvals, life-safety and accessibility requirements, and the technology needed to operate safely, such as electronic documentation systems.

Key Questions	Answers
Is the space appropriate and compliant for its intended use? (<i>e.g., caregiving services, office space</i>)	
Is the space compliant with applicable zoning requirements or local approvals? Is this use permitted in the zone?	
Is the space compliant with life-safety and accessibility requirements?	
Do I have a system for scheduling staff and services?	
Do I have a system for documentation?	

Key Questions	Answers
<i>(e.g., records, care notes, required forms)</i>	
Do I have a system for billing and payment processing?	
Do I have a system for communication? <i>(e.g., staff, individuals served, families, on-call coverage)</i>	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

08. Risk, Liability, and Insurance

Providing caregiving services involves risk to the individuals you serve, your staff, and your organization. Understanding potential risk and having appropriate insurance coverage and response plans in place helps prevent harm, reduce disruption, and support safe, consistent care. Clear policies, staff training, and defined procedures help manage risk effectively.

Key Questions	Answers
What operational risks could affect safety, disrupt care, or impact daily operations? <i>(e.g., staffing shortages, missed shifts, medication errors, falls, emergencies, equipment failure, documentation gaps, or communication breakdowns)</i>	
What risks are unique to the services I will offer? <i>(e.g., risks, challenges, special situations that might come with the specific care and type of service provided)</i>	
What insurance coverage is required prior to licensure?	
What is my plan for responding to incidents, complaints, emergencies, or adverse events, including required reporting and follow-up?	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

09. Sustainability and Growth Planning

Planning for sustainability and growth means looking beyond startup and day-to-day operations. Long-term success depends on your ability to manage growth responsibly, maintain staffing and leadership capacity, and adjust to change without compromising care.

This includes anticipating financial and operational strain, preventing staff and leadership burnout, and planning for transitions, restructuring, or eventual exit. Thinking ahead helps support continuity of care and long-term organizational stability.

Key Questions	Answers
What does success look like in 1, 3, and 5 years?	
What factors could limit growth without compromising care quality?	
What situations would cause me to pause, pivot, or scale back services?	
What strategies will help prevent burnout for staff and leadership?	
What is the greatest risk to long-term sustainability, and how will I proactively address it?	
Do I intend to expand services? If so, what services and on what timeline?	
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

10. Compliance Readiness

Compliance readiness must be in place before you submit a licensure application. Applying for a license means you already have the systems, policies, training, and documentation needed to follow all regulations on day one.

After licensure, oversight by the Minnesota Department of Health (MDH) is ongoing. Staying in compliance requires regular monitoring and timely action when issues arise. Planning ahead helps prevent serious consequences such as corrective actions, fines, license suspension or revocation, and disruptions in care.

Compliance readiness includes:

- Clear, complete policies and procedures.
- Adequate staffing to meet the needs of individuals served.
- Comprehensive staff training and ongoing competency checks.
- Reliable documentation systems.
- The ability to demonstrate readiness during an MDH survey or review.

Compliance is not a one-time task. It is a daily responsibility that requires routine checks, prompt follow-up, and updates as regulations or services change.



Tip: Use the following regulation basics resources to understand the regulatory landscape and what is required of Assisted Living and Home Care licensees.

- [Regulation Overview \[8_Overview of Regulations\]](#)
- [Assisted Living Regulations and Requirements \[16_AL Regulations & Requirements\]](#)
- [Home Care Regulations and Requirements \[17_Home Care Regulations & Requirements\]](#)

Key Questions	Answers
Am I prepared to maintain compliance over time, and do I understand the ongoing burden?	
What internal or external support will I need to remain compliant?	
What resources will help support compliance long-term?	

Key Questions	Answers
Gaps: List questions you cannot answer yet, information you need to confirm, or areas requiring additional research.	

Next Steps

Review your gaps:

Look back at the gaps identified throughout the worksheet. These highlight what still needs to be clarified, developed, or confirmed before applying for licensure.

Use the **Action Planning Worksheet [18_Action Plan]**:

Transfer each gap into your Action Planning Worksheet. For each item, identify:

- What needs to be done.
- Who is responsible.
- What resources are needed.
- Your target completion date.

Reassess:

Once action items are complete, revisit the worksheet to confirm that you can now answer them confidently.