

CASE STUDY: ADVANTAGE HEALTHCARE



Developing a leader in home healthcare

On exit Advantage Healthcare was a leading UK provider of home healthcare and healthcare staffing services with a network of 27 branches and a large database of healthcare workers. The business worked with Primary Care Trusts (PCTs), insurers and private individuals to provide high quality care for people in their homes.

Underperforming in challenging condition

When Rutland acquired the business it was a non-core asset for its former owners operating in a market that was experiencing significant changes. Due to a lack of focus the business had failed to adjust to a period of significant structural change that impacted the NHS staffing market and the healthcare sector generally.

As a consequence, the business was underperforming and had experienced a decline in sales and profitability in the years before Rutland's acquisition.

Rebranding and centralisation

Following a complex divisional carve-out, Rutland's strategy was to completely overhaul the business, setting up standalone operations free from its former parent company. The strategy was to transition the business activities from healthcare staffing into home healthcare provision.

To achieve this Rutland rebranded the business as Advantage Healthcare and centralised its operations within a new head office in Telford.

Transition of revenue streams

The next step was to reposition the business to meet the changing demands of the marketplace. The market for temporary healthcare staff, especially to the care home sector, was in decline and a revenue stream that was out of Advantage Healthcare's control.

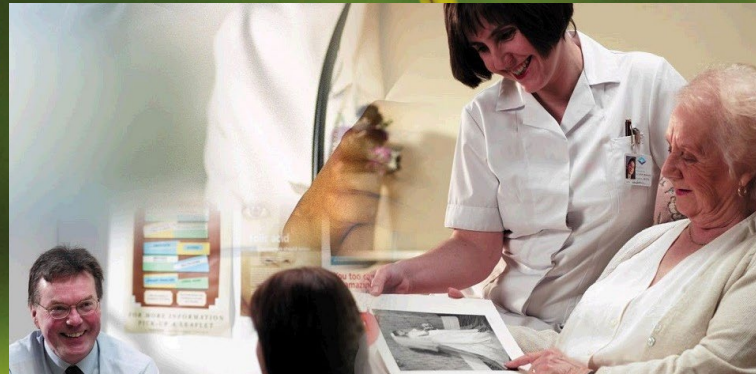
In contrast, home healthcare offered a recognised and controllable growth market for Advantage Healthcare. Transitioning its focus into this area allowed the company to take control of its future growth and prospects. To facilitate this strategy, investment was made in appropriate central resources to enable managed growth into home healthcare provision. Centralisation of worker recruitment, training and compliance were key areas of focus and the website was also developed into a key tool for recruiting workers and promoting the business.

Home healthcare represented c.10% of revenues at acquisition and by exit this proportion had risen to c.80%.

A leading healthcare provider

Under Rutland's ownership, a standalone business had been established that was transformed into one of the UK's leading home healthcare service providers. On exit the business provided a broad range of home healthcare services to public and private organisations and users.

Sold to a trade buyer, Interserve, in 2012 the exit generated a gross multiple of 2.6x and a gross IRR of 16%.



"Rutland was a dedicated and supportive partner in assisting us to develop and turnaround our business. we now look forward to increasing our presence and share of the home healthcare services market through new developments and initiatives generated through the interserve group."

**Phil Burrows, Managing Director
of Advantage Healthcare**