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Phoenix from the ashes

*European Care Group has rebranded as Embrace. Does this mean the future looks brighter for the firm though? **Sunniva Davies-Rommetveit** meets new CEO Trish Lee*

"There's no doubt that the market is challenging at the moment," admits Embrace Group chief executive Trish Lee. "Joining the company after Ted Smith's work to bring new ownership and a nice clean balance sheet is amazing, though," she adds.

In a previous life Embrace was European Care Group, a business which grew aggressively to become one of the UK's largest care operators. The growth strategy was probably too aggressive, however, considering that by 2012 the company's net debt was in excess of £300 million while its ebitda trailed seriously behind at under £10 million.

A sale and swift turnaround later, ECG has been replaced by the somewhat fluffier sounding Embrace Group. And, Lee is confident that she can get the business looking forward following a tough time.

What is top of her agenda right now, Lee says, is getting to know the extensive business she represents. She is just five months into her new role, having joined the multi-service care business from Nuffield Health where she held a number of positions, including chief executive of its hospitals division. "In my five months, I've visited about 80 services. It's vital to understand how this organisation is run, and what people's aspirations are for its future."

It's just as well she is doing this, considering the company cares for around 3,304 people UK-wide. It comprises of 60 elderly care homes; 20 homes for children with specialist needs; four educational establishments; eight mental health institutions; 20 special needs homes and some domiciliary care provision.

This variation means there's going to be a lot of multi-tasking for the firm, and for Lee at its helm. "We have specialist, children and elderly services so we have to develop three strategies. That's been a challenge, as you need to understand the macro context for each market."

With the importance of context in mind, Embrace has adopted a more flexible and pragmatic approach to formulating its strategies. For instance, Lee points out that setting an occupancy target of 99% in north east nursing homes - whose average is around the 86% mark – is probably unwise.

Similarly, she says that recruiting difficulties for their Aberdeen-based service must be dealt with by making salaries more competitive with the oil industry.

Another innovation is keeping tabs on its 5,000 employees through ongoing training courses. "We've spent at least £1 million on training and retraining our staff to date," Lee says. She points to having delivered over 90,000 e-learning modules to staff in the past 18 months. "It's a constant vigil."

Lee anticipates that the training budget will increase substantially in future because she wants "competent, confident and accountable leadership". As well as this, staff will need to adapt to changes that come with the ever-shifting demographics in the UK.

For instance, the increasing number of elderly people coupled with the budget-driven push to care for them in their own homes for longer, will mark a significant change for Embrace. Lee anticipates that the company will need to offer its services to people "with greater needs, but for a shorter period of time" as a result. "We must prepare our staff for these future trend shifts as part of their training."

Being aware of future trends like these is imperative. Lee and the Embrace board are already exploring options to "fill a transitional gap" between the company's children and adult special needs service. For instance, she says that there should be a way to support children through teenage and then adult life, perhaps as part of a supported living model.

Increasingly important, moreover, are respite models whereby operators help to transition patients from a hospital setting back to their homes. This is something that Embrace is already doing for people with complex dementia needs in the south west, but is also a service that they would like to offer to more people.

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Masterminding Embrace's future must be scheduled in alongside the more prosaic demands of the present, though. The bewildering number of services offered by the company means that Lee must have dealings with Ofsted, CQC and the care inspectorate Scotland.
She is first to admit that spinning all these plates is by no means easy, but insists that having such a multitude of services will allow Embrace to create an effective care pathway for its users. "Whether an individual requires more or less assistance, Embrace will increasingly be able to provide effective, personalised care." Talk of a care pathway fits in well with the sentiment across the sector more generally - that there should be a more holistic approach to care provision in Britain.

Lee has one big advantage when implementing these changes: the fact that she has frontline experience on her side. She has risen up the career ladder from her first role as a nurse. This means she usually knows which ideas could have a negative impact on frontline carers.

"There's not a day where I don't use an element of my experience as a nurse. Every time I'm making a decision, I always ask what the consequences of that decision will be throughout the organisation." For instance Lee is looking for an automated system which will replace the current "cumbersome manual process that staff must go through when an incident happens".

Though more than happy to talk about future improvements, Embrace is still pretty defensive when it comes to discussing its finances. Noting that it is "very early days", the finance director David Manson will not divulge anything else.

Lee is confident, however, that in the next three years profitability could treble: "A lot of the strategy will be around organic growth, so investing in the company and filling the capacity we already have." Some would say this is a very ambitious target, but Lee does have the management experience and determination to help make this a reality.

Yet, aiming high is not as important for Embrace as perfecting the infinite balancing act between producing solid finances and quality services. On the one hand, quality is vital. There has been an increase in expectations by bodies like CQC, which Lee welcomes. Indeed, ECG had an increased number of embargoes on its homes which affected returns before the rebrand. "The regulator has stepped up its inspections across the sector as a whole" Lee admits, "and it's my job to bring this company ahead of those expectations so as not to be on the back foot."

Business acumen, though, is key to a sustainable company. "If I just focus on the finance, as we all know, quality will drop. But if I just focus on platinum service provision and ignore the finances, we're in trouble." It is this multitasking that Lee acknowledges Embrace must become better at. And as the firm's previous owners found out the hard way, it cannot be either or. "For the firm's sake, it has to be both."

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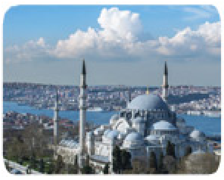

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