## Finances

Successful networks must explore new ways of costing, pricing, financing and managing their services. They must also develop offerings that drive positive outcomes and deliver a meaningful [return on investment (ROI)](https://www.aginganddisabilitybusinessinstitute.org/resources/roi-calculator-for-social-service-partnerships/) for their health care partners, while adding value for all of the organizations involved. It is often up to the network’s leadership to ensure that the financial processes, systems, and competencies needed to succeed in this complex environment are well established. This worksheet helps network leadership evaluate financial planning, management processes and systems for operating a network and managing service contracts. Helpful resources for this worksheet include the Aging and Disability Business Institute’s suite of [Assessment Tools](https://www.aginganddisabilitybusinessinstitute.org/assessment-tools/) which includes the [Opportunity Assessment](https://www.aginganddisabilitybusinessinstitute.org/assessment-tools/opportunity-assessment/), [Competition Analysis](https://www.aginganddisabilitybusinessinstitute.org/assessment-tools/competitor-analysis/) and the [Network Readiness Assessment](https://www.aginganddisabilitybusinessinstitute.org/assessment-tools/network-readiness-assessment/). Additionally, you may want to review The SCAN Foundation’s [Pricing Guide: A Resource for Community-Based Organizations to Value and Price Services](https://www.aginganddisabilitybusinessinstitute.org/resources/pricing-guide-resource-community-based-organizations-value-price-services/) and other [financial resources](https://www.thescanfoundation.org/resources-tools/).

**Questions to Consider:**

* Pricing structure for each line of business (LOB) your network would like to offer:
  + Has your network determined its fixed costs for starting a LOB? Doing so is critical as your network develops pricing models to respond to various volume projections.
  + What are your CBO’s actual costs?
  + Does your network have pricing for comparable services by potential competitors? If so, how competitive is your network’s pricing?
* Capital and other start up requirements:
  + What unmet capital needs does your network have in the short and long term?
  + What is your network’s plan to meet those capital requirements?
* Invoicing and billing processes for contractors:
  + Does your network have a standardized process for handling invoicing and payment?
  + Can this process accommodate the differences between billing procedures for current programs and those you intend to propose offering to health care entities?
  + Does your network have a payment management system? If not, does your network need one?
  + How will your network manage its cash flow?

**Questions to Think Through**

* Considering your responses to the questions on this worksheet, what are the two biggest challenges facing your network?
* What are the two steps your network needs to take immediately (within the next three months) to address its challenges?
* What are two steps your network needs to take over the next six to 12 months to move forward in its development?