

# Boosting Sales and Census in Long-Term Care Communities

Taken from *The SeniorCare Investor* Webcast:  
“Simple Steps to Perfection: Achieving Optimum Occupancy and Cash Flow”

## Expert Panel

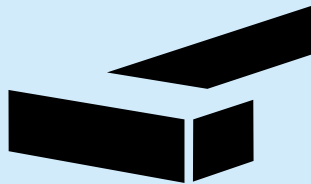
**Michael Wallace** (Moderator), Vice President, Sales & Marketing, Spectrum Consultants, Inc.

**Bonnie Blair**, Founding Principal, Retirement DYNAMICS, Inc.

**Susan Dickson-Moyer**, Vice President-Marketing, The Asbury Group

**David Moreland**, Vice President of Sales and Marketing, Shell Point

**Pati Saulig**, Vice President of the Senior Division, Moving Station



**IRVING**

**LEVIN ASSOCIATES, INC.**

*Reliable and timely business intelligence on M&A and  
finance in health care and seniors housing since 1948*

[www.levinassociates.com](http://www.levinassociates.com)

## Introduction

It may be true that the general economy and housing market are stagnant, but one thing that is certainly true is there are players in the Long-Term Care industry who are increasing their cash flow and occupancy during these hard times. They make timely adjustments to their strategies, pinpoint warning signs, take advantage of innovative technology, and set up organized systems to improve their results. By placing an emphasis on increasing referrals, expanding facilities, and re-envisioning sales structures, companies are setting new standards for boosting occupancy and creating cash flow.

## Recession and Post-Recession Marketing Techniques

### Susie Dickson-Moyer

I've been in the industry for over 20 years. What I'd like to do today is talk about marketing tools. I'm going to give a quick overview for the first five minutes, and then I'd love some input from everyone else.

There are many standard techniques and tools that people have been using for years, but with this new dip in the economy, it has really produced a tremendous amount of challenges for all of us, and a lot of finger-pointing. It really exposed a lot of people that were not selling, that were really just kind of sitting back and letting the product sell itself, taking referrals and taking checks.

What we've had to do is we've really had to look at all the things that we have in our toolbox—old term—but the things that we have that will move the process along. I always like to look at everything at 40,000 feet first, and I think that it's really, really important to look at your product first. I could not agree more with what Bonnie referred to as the show-ready inventory.

When individuals or families come to us to look at our products, typically they have had a brush with an event. We all would love to think that they're younger and healthier, but the reality is they're a little bit older and perhaps a little more frail than we would like them to be. Everyone is certainly after a younger clientele, but people have waited to make these decisions. They are presenting because they have had a brush with an episode.

What we are doing is answering those issues for them and providing solutions. If you take someone into an environment, a cottage, let's say that

needs to be upgraded and we say, "Now, just envision that this can be done," immediately in most cases their response is negative. It's like "oh my gosh, here's another heartache I've got to make decisions on. Here's another situation that's not perfect."

“I don't like promissory notes that are 20 pages long; I like a simple promissory note that is notarized.”

What I like to have is an environment where they walk in and it's those magic words, "I can see myself here." Many times, the adult child will say that before the parent, but that's a segue to yes, we are move-in ready, this can be yours, we can make it happen. And I'm so glad when they start talking about where does the buffet go and will my couch fit here? So I am very, very much in favor of show-ready inventory. If it is impossible to have everything show-ready, just as Bonnie said, I require six to ten to be show-ready, and I don't like anything else shown. I don't like rough inventory shown.

We are in many instances deferring entrance fees. Deferring entrances fees with promissory notes that are pretty simple, just we will let you move into an environment with a promise to pay the note in the future. I don't like promissory notes that are 20 pages long; I like a simple promissory note that is notarized. It relieves a lot of stress, and it's along the same lines of what Mike was saying about just extending the entrance period. It relieves a lot of pressure. It allows them to get the process moving. I've used it in very affluent markets. I used it in Greenwich, Connecticut, when we had a dip in real estate values years ago. In reality, every piece of property sold. I never got in a bad situation. Never got stuck with a promissory note. I've used it in New York State very successfully. I've used it in Connecticut, as I said, and in other parts of the world.

## Sales Structures and Move-In Marketing

### Mike Wallace

Susie, do you generally charge interest, or is there a time period where the interest is waived and then it kicks in over a period of time? How do you do that?

### Susie Dickson-Moyer

Well, I've never gotten to the point where I had to have the interest. Initial promissory notes I do for 90 days, and then I can extend them for a month to month beyond that. Beyond six months, there is an interest that starts from the six-month time period, but I've never had to go beyond that.

Also, part of the promissory note relationship is that the house is appropriately priced, that it is show-ready, and that the support services for any move-in, what Pati does, that people have been in and made sure that it will move in the marketplace. I honestly have never gotten stuck with a promissory note.

### Mike Wallace

So part of the agreement is you're going to require them to take appropriate action in the sale of their house in order to pay the entrance fee?

“I have done very significant discounts for move-ins for very specific amount of times.”

**Susie Dickson-Moyer**

Yes. And that it's a true value that they're asking for, yes. Absolutely.

Also, discounts for move-ins that have to be time restricted. I have done very significant discounts for move-ins for very specific amount of times. I did it recently in Pennsylvania. We had inventory in a not-for-profit, really a mature property, where the reputation had more value than the actual bricks and mortar. Pretty much an aging situation in the property itself, but the community itself, it was a Quaker environment that produced the most wonderful lifestyle and supportive environment, so it was very easy to sell the environment and not the bricks and mortar, and the long history.

And so what we did was we took inventory that had been on the market for over a year. We discounted every piece of inventory \$30,000 on the entrance fee. We got them all show-ready. We did just what Bonnie said with targeting specific audience with direct mail and a plan of action to get those individuals that were really essentially

pre-qualified for that inventory, and we did it for a specific amount of time. At last count, since we started the program, they have 20 move-ins by the end of July, which is a pretty significant number. As inventory comes online, once it passes that one-year mark, they're pushing it into the program.

The other inventory that's selling, the attractive two-bedrooms, two-bathrooms, typically I haven't had to reduce those. It's the ones that don't seem to sell.

The other thing that I do at most communities is I will take the team on an open inventory tour, and a lot of things that we feel personally we project into our sales. Like, "Well, you probably wouldn't want this one because it doesn't have the best view," or because it has a view of the parking lot or it's the farthest from the dining room. So I take everybody who's selling on a team tour, and we go to every piece of open inventory and openly discuss all the positive aspects of that open inventory. We put it on a spreadsheet, and everybody uses that spreadsheet. For an artist that needs northern light, a northern exposure that wouldn't typically sell quickly is perfect for an artist. I mean, we can all go through different scenarios for different specific individuals that that would be a good match for. It really opens the eyes of the team of how they've been selling and how they have been presenting specific inventory.

The other thing that we've been doing is a lot of monthly service fee waivers. Very time specific, true value on those for individuals. We all have different scenarios about that.

“I think we should sell packages of upgrades that are consistent, and I like to have our baseline inventory look a step above what is expected.”

I have very strong feelings about upgrades, and upgrades and options. When we're building new inventory, the upgrades and options I think we've all found is a construction disaster. It doesn't give us the projected revenue stream. It is time—oh, it is so needy, so costly, on a time perspective. If we have a very expansive upgrade and options package that has too many choices in it, what happens is our inventory in the sales in the future, the whole community ends up looking like a patchwork quilt, which I'm not real happy about, and I think it's more difficult to sell.

So I think upgrades should be consistent. I think we should sell packages of upgrades that are consistent, and I like to have our baseline inventory look a step above what is expected. So we've mentioned on the call before that if we do the appropriate upgrades to have them in our models, it's very easy to sell those. So I think that that's really important so that people walk in and say, "Oh, this is great. This is wonderful."

In some instances, when we do too many upgrades, we have to understand that a lot of people moving into our communities are coming out of huge old homes. They've got slipcovers they've had for 20 years on 40-, 50-year-old furniture, and sometimes things that are a little too slick are intimidating to them. We need a softer, more comfortable palette, and their personal items will look appropriate in them.

Certainly I feel that moving allowances should be used if the driveway needs to be resealed, if things need to be painted inside the home. I think that moving allowances should all be part of the closing process. Don't give anybody cash up front for anything that needs to be done. I do feel that you say, "Okay, we'll give you \$5,000 for anything you do to make your environment easier to sell. Just bring the receipts to us at the closing, and we will credit your closing costs." I've really found that the more flexible we are in the downsizing assistance, the better it works for us.

### **Mike Wallace**

Susie, are you crediting that against the entrance fee or the monthly fee?

### **Susie Dickson-Moyer**

I'm doing it against the entrance fee. I really feel that the downsizing assistance is important. It is important from Day 1, the minute we take that deposit, the minute they have their eyes on a specific piece of inventory, sometimes even prior to that, to get people into the mode of making a plan, starting it, moving slowly through the process and getting things done.

“...the minute we take that deposit, the minute they have their eyes on a specific piece of inventory, sometimes even prior to that, to get people into the mode of making a plan.”

I still am a huge, huge fan of the stickies, of those little circles we all buy from Staples. The red one goes to Salvation Army, the yellow one goes to family and the green one goes to my new environment, or whatever. The yellow one is to be sold. What we do when we start this process is we interrupt sleep patterns. Everyone is waking up in the middle of the night, going, “Oh my god, what have I gotten myself into? How am I going to do this?” And I really feel that the moving support that comes from the outside of our environments is very, very positive.

David, I love that you have in-house real estate support and moving support. Not everyone has that.

Referrals

### **Mike Wallace**

Susie and Bonnie, you may weigh in on this. I know in some of our communities, we have aligned with people that we know and trust, who are professionals within our market, but that specialize in helping people with the move and the downsizing. We utilize them for presentations as part of our luncheon series to get people thinking. Do you do that as well?

### **Susie Dickson-Moyer**

Yes, we do.

### **Bonnie Blair**

Absolutely. Absolutely.

### **Susie Dickson-Moyer**

I think we’re all doing that, across the board. I recently had a presentation and I can tell you from the presentation, it was a national real estate firm. In the interview process, they did really well on what they were going to present to the residents. In this particular environment, someone was sick, someone filled in, and they talked about all the negative aspects. So you have to be really careful on your presenters from real estate and from outside. You don’t want to hear war stories. You want to hear success stories. I’m a real believer in the power of positive thinking, and I think that emanates throughout every contact that people have with us.

“I really am finding residents don’t want the cash... they want to make a donation back to the community fund.”

Other things that we are using are resident referral programs. Nothing new there, except that I really am finding residents don’t want the cash. I am finding in the higher-end communities and even in the lower-end communities, they don’t want the cash. They want to make a donation back to the community fund. They want to make it to one of their favorite charities. They are just very proud of presenting their contacts to their residents now,

and they are proud to be able to build the neighborhood. Does anybody else have strong resident referral programs, where they're really looking for the cash?

**Bonnie Blair**

I did have one in the Maryland area that did really well with a cash program. It was a new community, opened in the depth of the recession. But I've found the same thing with an existing community, that particularly the upscale communities, they don't want the cash. In fact, I've had some in the New England area, Susie, that are a bit skittish about even referring. They just feel a bit strange about it. So I think that resident referral—because they should be probably 35 to 45 percent of your leads in an existing community, I think we have to work really hard on crafting a program that the residents will support.

**Susie Dickson-Moyer**

Yes, Bonnie, I agree completely. Sometimes in a very affluent market, they're almost offended by the offer of cash, and they never want any of their friends to think this is like an Amway program. They're offended by that. One way that I've gotten around that is having ambassador programs. Having them host events, having them very deeply involved in the social aspects of our outreach and our marketing, and then being very careful to honor those ambassadors, to highlight them in our newsletters, and to use them as ambassadors, not as a referral source where there would be any money generated.

**Bonnie Blair**

A takeoff on the resident referral program is to have a welcome to our home, and once the resident has gotten moved in, settled and is very comfortable with things, is to allow them to invite about 20 people to a little cocktail party, or cocktails and dinner. It can't be family and what have you, but it needs to be their friends that has worked pretty well. That is a way around feeling like they're quote, referring and taking money for referrals.

**Susie Dickson-Moyer**

Bonnie, sometimes something as simple as a move-in incentive, that we'd like to give you a private party in the private dining room for 12 of your guests and have them bring in a few neighbors, their family. I mean, treating them well at move-in is such a good marketing tool. It's just like treating them well when they go to health care. I think that we need to really keep our arms around our residents. When they leave the community, I think it's really important to have good relationships with emergency medical services. I think that we really need to honor those people. We need to give back. We need to go visit residents in the hospital and give them an appropriate gift for a hospital stay. It really lets people in the medical part of the world see that we really take care of them, that they are a part of a community, and that they are coming back home and their home really cares about them.

So, I think that the marketing really is—it's the good old slogan, "Everybody sells." I liked what Mike said, that you like to have upper management be a part of the sales process when necessary.

Everybody sells, from the CFO, the CEO, down to housekeeping.

### **Mike Wallace**

Well, we agree with that. Actually, we endorse it from a marketing standpoint, but our research through Michael Starke and our company has found that people are eager to hear about the finances and the CEO's involvement in managing the community. So that's part of a team-selling approach.

“Our company has found that people are eager to hear about the finances and the CEO's involvement in managing the community.”

### **Susie Dickson-Moyer**

The only real financial incentive for a referral program that's worked for me is employees. If you get an employee referral from someone in the building that you don't have their name and they come in and say, "My aunt really would like this, and I think it's a good thing," I think that's money very, very well spent. I do not think it should be \$50. I think it should be very significant. I think that that's a really good way to help morale. I think that people will start promoting you in their own home environments.

Professional referral programs, it's all about good PR. And it's all about having good product knowledge. And for all those people that refer to us, all the health care, all the private groups, all the educational things that we do, intergenerational events, having them understand who we are and being good players in the community at large. I think it comes back tenfold.

## **Case Study: Shell Point**

### **Mike Wallace**

David's going to continue the discussion on marketing strategies. David, we've all been leading up to talking more global and the work that we do around the country, and you're right there at one community, one very large community, so you can tell us about Shell Point and your work there.

### **David Moreland**

Yes. I'll make a few comments about where I am. My comments will come largely, not exclusively but largely, from my experiences gained in my work at Shell Point for more than 25 years. Shell Point's the largest CCRC in the State of Florida and among the largest single-site facilities in the country. We have 1,204 independent living, 255 assisted and 219 skilled nursing. We really have grown in the last 20 years from about 650 residents in one neighborhood to about 2,300 residents and 900 employees in three neighborhoods. So this has kept our organization really in the center of the tension between operations and expansion for two decades. And it is a challenge when you are growing over a long period of time to keep your operations stable and at the same time occupancies



high as well as pre-selling all the new units that are coming up.

**Mike Wallace**

David, how many residences do you resell or sell in any given month?

**David Moreland**

I'll tell you the way we budget. We assume a 10 percent attrition, so we have to budget for 120 sales. We have to sell 2.3 units a week, 52 weeks out of the year, to realize 120 sales a year. That is in a time when we're not expanding. We have not expanded in the last five years, for obvious reasons, but during our years when we were expanding, we would sell between 150 and 210 units a year. So we did that consistently for about 18 to 20 years. It's been a wonderful experience.

As you can imagine, in my work here as I move around the communities, people frequently ask me, "How are sales?" That's like saying "how's the economy" or another broad question. It's hard to answer. So I've had to learn to develop sound bites to answer the question because things have been so terrible, and I would say, "The economy is very bad," and then in the last three years, I've been saying, "Things are less bad." And about a year ago, I began to say, "Things are actually improving," and now my answer is, "Actually, things are much better." I know that in a few places they may be booming, but they're not booming here yet.

But I will tell you that in the depths of the bad times, we dropped below 90 percent, and that is for us very severe. Our optimal occupancy that we budget for most of the time is 97 and 98 percent fee generating. We keep track of occupancy on two levels. We have first of all the level of fee-generating occupancy, and then we add to that the deposits, and so that's what we call our sold occupancy. We publish that to ourselves internally on a weekly basis, and we think that's an important strategy for sales, to track your occupancy. We do it to a one-hundredth of a point, or actually, we end up rounding it to a tenth of a point.

But even in other facilities I have worked at that are not as large as we are, I think keeping those two statistics on a weekly basis is a very important part of oversight and the fiduciary role as leaders and sales and marketing.

What I'd like to do is frame the discussion about lead generation with a few comments. They're

“In the depths of the bad times, we dropped below 90 percent, and that is for us very severe. Our optimal occupancy that we budget for most of the time is 97 and 98 percent fee generating.”

global comments of having been here in excess of 20 years. I think we all agree that the way that the customer receives and processes information is changing, and we're all struggling with new possibilities through technology, such as the social media, and how to weight all of that. It seems appropriate for me as I've studied and thought very deeply a lot about sales, I think it's safe to say that selling life care in the late '80s at least was pretty much a monologue. The sales person did all the talking. Then in the '90s, the industry learned how to appropriately engage the customer in the process, which is appreciated, and so it became a dialogue.

I think since the new millennium, selling life care has become an extended conversation. No longer is the sales presentation and what you give in a sales presentation adequate. Before the great recession, our sales cycle was 25 months. Two years ago, our sales cycle went up to 48 months, and as things have been getting a little bit better, last year our sales cycle dropped to 41 months, and we're hoping to get it down into the three-year range in the next year or so.

“A lot of the strengths we can't take any credit for. We're on the water. We're in Southwest Florida. We do have a golf course.”

That's what I mean when I say it's a conversation. People want to talk about more than only their apartment, more than only their proposition. Now, I think we're a little bit different because our average age is probably much younger than most of the facilities. I know in CCRCs, in most cases it's 80 to 83 point of entry, and we're at 74. So, that will—I say that only to say that that will color some of the things I'm saying that may enable you to sort out what may be appropriate for you and what may not.

### **Mike Wallace**

Do you feel like your golf course is a big draw for that?

### **David Moreland**

Well, I think there are certain things over which you have control. I must admit, Mike, that a lot of the strengths we can't take any credit for. We're on the water. We're in Southwest Florida. We do have a golf course. We have 70 boat slips. There are a lot of things here that attract a younger person. So we are a destination community.

But I have to remind my boss often that people are not standing in line to give us money. We still have to sell. Before the great recession, it was 25 months and six visits and nine follow-up calls, and now, it's probably double that as far as the visits and the follow-up contacts and the touches. It is a big deal.

**Bonnie Blair**

You must be doing a good job to be able to attract these folks and to get them there at average age 74, and I commend you for that.

**David Moreland**

Oh, thank you.

**Bonnie Blair**

You can attract my husband, I can tell you, with a golf course and 70 boat slips.

**David Moreland**

Well, honestly, that's why I have to be frank with you and say that we can't take credit for that. We are very blessed to be where we are. We have a great value proposition. There are a lot of things that go into it. But let me move ahead.

Lead generation, then, is the quest for appropriate individuals with whom we are anticipating having an extended conversation about a preferred future. I think that all of us have to say that selling life care is selling a preferred future, and I love the concept because what we're really trying to say to people, that the decision to purchase life care is indeed the next logical step in careful life planning.

People say, "How do you close a life care sale?" I think the bottom line is you close a life care sale through enough conversation, allowing people to see that this is the next logical step in a careful life plan. So the conversation is not about a sale. It's not about a transaction. The conversation is about life planning.

We have found that taking that position truly puts us in the teaching role and causes us to be the teacher, not the salesperson. And there's a different character to those two things. But it is a very long conversation.

The question has been raised whether or not the new social media has replaced the need for what many of us who have been doing this for a lot of years consider to be a foundational tool in generating leads, I think it's safe to say that direct mail continues to be a viable tool for generating leads. I think that my colleagues would agree with that.

**Bonnie Blair**

Absolutely.

“We are finding people are coming to us with much more information. They know much more about us than they ever have in the past.”

**David Moreland**

I'm glad to hear that. Direct mail carries the capacity to target geographic zip codes that have been important to you in the past. One thing that all of our clients share in common, every client who will ever move in comes from a zip code. I think we don't pay enough attention to zip codes, and direct mail is rooted in one of the more serious issues of understanding the marketplace, and it is zip codes.

So I would suggest that every CCRC and every effective sales organization must spend a fair amount of time on examining and on an annual basis creating a zip code analysis, where you list the zip codes of all the people. We do it every year, and I love looking back at them and what's intriguing to me is the similarity year after year after year of the percentages. We know, our staff can quote the top five zip codes. In fact, when someone walks in, when a walk-in comes in, if they find out certain zip codes, they swarm over that person, trying to get them.

**Bonnie Blair**

I love it. I can see them drooling right now, David.

**David Moreland**

Mining good zip codes for more prospects is an important strategy. So if you find zip codes, those five zip codes I referenced, work those zip codes and go deeper into those areas because there are more people like the ones who have already moved. And people want to live near people who are like them. And so, if you find a particular zip code is good, mine it.

If you are in a growth mode, you then have to begin to widen the footprint of your zip code base, and I would say that's when you experiment with new zip codes and go to another county, perhaps. But I would focus a lot on that as you're generating leads, mining good zip codes, expanding the footprint. I will say that direct mail does both. I want to make a few comments on the Internet.

I'm assuming that you all have a website.

Obviously, if you don't, you really need to make getting one a priority. Driving people to your website by every other piece of printed advertising is essential. To me, the website is a part of the conversation. People want to learn about us in their way, in their timeframe. So, we are finding people are coming to us with much more information. They know much more about us than they ever have in the past. Sometimes, they let us know; sometimes, they don't tell us. They examine the nursing surveys. They know where we rank in the state on everything because it's all online.

“To me, the website is part of the conversation. People want to learn about us in their way, in their timeframe.”

I would say that most clients check us out ahead of time and all adult children when they are involved. We have a little less of that because of the younger average entrance age, but it's heavier of course at assisted living and skilled nursing.

**Bonnie Blair**

David, don't you find that if you are Medicare certified, they've certainly probably been to that site and checked you out in that regard.

**David Moreland**

Oh, no question. And there are no secrets anymore. You can't hide anything. So, a huge effort and emphasis on transparency is so critical in today's world where information is king and information reigns.

**Mike Wallace**

David, do you put your prices on your website?

**David Moreland**

We do. I know that is not popular, and I know that there are consulting firms that advise against that. I think frankly, Mike, that in this generation we're kidding ourselves, it's only a matter of time till everybody does that. I know the reason. We always say people don't understand the proposition. CCRCs are getting much more known, and frankly in areas like Pennsylvania, everybody knows what they are. I think that we are finding the customers get angry if we don't tell them everything.

We put out a 38- to 42-page magazine every month, and frankly, we have every magazine of the past six years as long as we've been publishing the book on our website. So we find the more information that we can put out there, the more people love us.

I think it's a great thing to say, "We want to tell you everything about us because we believe that the more you know, the higher the probability you will come back to us." It's great to be able to say that the people who know us the best love us the most, and I think that's a great proposition at the point of sale. It emphasizes transparency and it makes you believable.

Now, I know that the websites are cost—there's a cost factor, and one of the things I would just say about the website is I think that all of us have to come up in our own minds and create what I would call an obsolescence policy with regard to the appearances of our websites. We're so quick to

“Learning to speak the life care-continuing care language and weaving it into the language of the copy is so important in increasing our ranking with Google.”

spend big bucks and get a website, and when the website is done, I would ask an important question and encourage you to ask it: when will this image that is on the front page be obsolete? Unless you determine that, you will only be driven by people saying, “When are you going to change that website?”

We need to determine what we believe obsolescence is, and in generating leads, as people come back to you over and over again, there’s got to be newness to your site, at least in each section, the first page of each section. Perhaps it’s six months. Maybe it’s four months. But I would just say that it’s appropriate for all of us to ask the question how do we define obsolescence, and then set up a policy so that we automatically know that we’re committed to keeping our websites fresh and we define what that means.

Then on the website, there are numerous links, obviously. Some you pay for; some you get free. Tracking the analytics reports are so important. Obviously, creating language on the website, learning to speak the life care-continuing care language and weaving it into the language of the copy is so important in increasing our ranking with Google. Bringing people back, bringing us to the top of the list.

## **Summary**

The impending demand for seniors housing as the global population ages is creating opportunities for growth in the long-term care market, despite the general housing market woes. The marketing strategies in this report illuminate the types of conversations that long-term-care companies must have with their board, associates, and prospective residents in order to increase their cash flow and strive for higher occupancy rates. Companies must also be mindful of the evolving needs of future seniors in order to attract a higher number of residents.