

# **MDS** Moore Diversified Services, Inc.

*Serving Senior Living Clients For Over 37 Years*

*There Is No Substitute For Experience*

*“You’ve Got Questions . . . We’ve Got Answers”*

*May, 2009*

## **IT’S TIME TO FOCUS ON ORGANIC GROWTH** *Professional Referrals – A Largely Untapped Resource*

New sound bites are emerging to reflect the status our industry and the current economic dilemma:

- **“Strong Headwinds”** – Implying that forward progress and positive growth is becoming increasingly difficult to achieve.
- **“Flat Is Up”** – This means if you can just realize and sustain last year’s results, you are probably performing like many of your peers.
- **“A Recession Is A Terrible Opportunity To Waste”** – During these challenging times, astute businesses are redoubling their efforts to enhance and sustain “organic growth”. This means optimizing your existing operations.

Past newsletters have addressed organic growth initiatives like occupancy enhancements, expense reductions, market positioning and capital investment strategies.

### **Status of the Industry**

Let’s first look at a snapshot of the current situation in our industry. Senior living occupancy declines since late 2007 have been more modest than originally projected. However, there is growing evidence that there is a correlation between slowed home sales velocity and decreasing home values leading directly to lower senior living unit absorption resulting in declining occupancy rates.

It has become very clear that there will be some *delayed demand* and absorption for senior living units during current recession due to the credit crisis, depressed home sales, significant consumer savings/investment portfolio losses and low consumer confidence. However, this delayed demand should result in a relatively strong upside once the housing market stabilizes and investment portfolios recover from current losses.

The economic recession recovery time could be extensive. There will be a number of external economic factors that will continue to impact the current senior living market. The existing high unemployment rate will likely prevail for several quarters. Normal employment levels will

likely take substantial time to fully recover. Many companies may not – at least in the intermediate run – return to their previous employment levels even after a reasonable economic recovery. Consumer spending and the availability of consumer and business credit will likely involve more cautious and conservative lender decisions in the future.

This could have at least a modest impact on the demand for seniors housing in the short-run. Discretionary decision delay in independent living and, in some instances, lower acuity assisted living could have a growing impact on reducing stabilized occupancy.

### **Professional Referral Source Potential**

Regardless of the product or services, most every sales and marketing initiative should place a heavy emphasis on referrals. In Senior living, there are two broad categories of potential referrals:

1. Existing residents and their family members.
2. External third-party professional organizations.

In my assisted living work, I have observed significant lost marketing potential because of a lack of focus and intensity on professional referral sources. Review Exhibits 1 and 2 and consider the following questions for each and every source listed:

1. Is the referral source relevant and likely to have a potential impact on my operation?
  - Why?
  - Why not?
  - How – specifically?
2. How should I prioritize these sources in terms of direct potential, since I can't deal with all of them simultaneously?
  - Top Five
  - Second Five
  - Etc.
3. What is the best way to connect these sources?
4. What are the realistic expected outcomes involved with a linkage with each third-party source on your priority list?
  - What is in it for them?
  - Why is it likely to be a win-win situation?
5. What will be my specific plan?
  - How many contacts per month?
  - Specific approach
  - Planned follow-up
  - Etc.

## **The Big Take-Away**

We will have some *delayed demand* during this difficult period in our industry. However, we can also experience *stimulated demand* by more pragmatically penetrating a broad spectrum of relevant professional referral sources.

*Jim Moore is president of Moore Diversified Services, Inc., a national Senior housing and health care consulting firm based in Fort Worth, Texas. He has written several books about assisted living and Senior housing, including **Assisted Living Strategies for Changing Markets**. A new book titled **Independent Living and CCRCs** will be available soon. Jim Moore can be reached at 817-731-4266 or jimmoore@m-d-s.com.*

**To visit Moore Diversified Services, Inc. – [www.m-d-s.com](http://www.m-d-s.com)**

**To visit WALA – [www.ewala.org](http://www.ewala.org)**

## EXHIBIT 1

### OUTREACH/NETWORKING - REFERRAL SOURCES<sup>1</sup>

#### **I. Medical:**

1. Medical Practitioners
2. Medical Discharge Professionals:
  - Hospitals
  - Nursing Homes
3. Home Health Agencies
4. Visiting Nurses Organizations

#### **II. Fiduciaries:**

1. Bank Trust Officers and Other Key Staff:
  - General Bank Officers (smaller organizations)
  - Senior Bank Service Program Coordinators
2. Other Fiduciaries:
  - Attorneys
  - CPA's
  - Estate Planners
  - Insurance Professionals
  - Investment Consultants

#### **III. Religious:**

1. Clergy
2. Key Lay Organizations within Church
3. Congregations

#### **IV. Local/Civic:**

1. Social Service Professionals/Senior Consumer Groups
2. Neighborhood, Community, and Civic Leaders

#### **V. Real Estate Professionals:**

- Home Sales
- Apartment Locators
- Corporate Relocation Specialists
- Economic Development Organizations

---

<sup>1</sup>See Exhibit 2 for a more expanded list of categories of community outreach opportunities.

## EXHIBIT 2

### EXPANDED CATEGORIES OF COMMUNITY OUTREACH OPPORTUNITIES

#### 1. Advocacy

Programs designed to be the advocate or liaison for Seniors with concerns or problems:

- County ombudsman
- Disability advocacy services
- Alzheimer's and related disorders group
- Senior citizens coalition
- State department of aging and adult services

#### 2. Consumer/Health Education

Health or non-health related education or materials:

- County assessor
- Adult learning centers
- American Association of Retired Persons
- American Cancer Society
- American Diabetes Association
- Arthritis Foundation
- Council on Aging
- Public library home services
- Senior centers
- Financial services
- Seniors in Action
- Stroke support groups

#### 3. Employment/Volunteer Opportunities

Employment referrals or volunteer work opportunities:

- Retired Senior Volunteer Program (RSVP)
- United Way service groups
- Foster grandparent programs
- Green Thumb - gardening, park services

#### 4. Equipment/Assistance Services

- Arthritis Foundation
- Medical supply companies
- Surgical/prosthetic supply companies

#### 5. Financial

- American Cancer Society - financial assistance
- American Diabetes Association
- State emergency financial assistance
- Health and welfare - Food Stamps
- Estate planners, brokers
- Medicaid eligibility - state health and welfare
- Veterans services division
- Social Security Administration

#### 6. Health Screening

- American Diabetes Association
- Medical clinics
- Home assessment services
- Hospitals

#### 7. Home Health

Services of skilled professionals such as registered nurses, physical therapists, social workers; occupational therapy; personal care:

- Dial-a-Nurse organizations
- Continuing care programs
- Home health care

#### 8. Hospitals and Medical Centers

- Major hospitals
- Clinics
- Medical centers
- Pharmacy services

#### 9. Housing

Residential care in service centers; i.e., retirement centers:

- Your retirement center
- Adult rehabilitation program - Salvation Army
- Local reliable realtors
- Local reliable moving company

#### 10. Legal Services

Planning for estates, wills, guardianship, power of attorney, conservatorship:

- State legal aid services
- Local attorney referral service
- State bar pro bono program
- Senior citizen - legal/tax counseling

#### 11. Meals

In home or at service centers:

- Rescue mission
- Food banks
- Meals-on-Wheels programs
- Senior Citizen Center
- Senior nutrition programs

**Exhibit 2**  
**Expanded Categories of**  
**Community Outreach Opportunities**

**12. Miscellaneous Human Services**

- County Medical Society
- Continuing care planning
- Discharge planning (medical centers)
- Family service planning
- Home hair care
- Salvation Army
- Association of Realtors
- United Way
- Veterans Administration
- State health and welfare community services

**13. Nursing Homes**

- Local nursing homes
- Outpatient therapy
- Veterans homes
- Alzheimer's special care units

**14. Physicians/Specialists**

- American Medical Association
- American Optometry Association
- American Dental Association
- Physician referral services

**15. Rehabilitation Services**

Inpatient and in-home services designed to assist client to regain/maintain maximum physical ability:

- Adult rehabilitation program
- Arthritis Foundation
- Physical therapy services
- Discharge planning (medical centers)
- Outpatient therapy groups

**16. Socialization/Recreation**

- Local Council on Aging
- Local YMCA
- Senior Centers
- Senior exercise programs
- Golf clubs/courses
- City parks and recreation programs

**17. Support Groups**

- Alzheimer's Disease and Related Disorders Association
- American Cancer Society
- American Diabetes Association
- Arthritis Foundation
- Cardiovascular support groups
- Diabetes support groups
- Pain management program
- Stroke support groups
- United Ostomy Association
- Outreach ministries and major religious groups
- Catholic community services

**18. Transportation**

- Local metro bus/van services
- Senior services
- Cab companies
- Dial-a-Ride programs
- Hospital/medical centers