

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”

November, 2009

CREATING A COMMUNITY OF CHOICE

Ten Steps to Avoid Becoming a “Price-Sensitive Commodity”

Last month I discussed the benefits and rationale for creating a senior living *community of choice*. The less desirable alternative was to be perceived as yet another *price-sensitive commodity* – just like your competitors. A true community of choice must deliver at least three superior benefits:

1. Provide an attractive physical plant.
2. Offer flexible value-enhanced services.
3. Deliver an extraordinary quality of life experience.

In return, you should enjoy increased resident satisfaction leading to higher occupancies, optimum value-based pricing and improved financial operating margins.

Quality of Life Defined

Defining quality of life is, at best, an elusive concept. Most of us are on a constant search for self fulfillment. And residents of senior living communities have more limited options and a shorter lifespan in order to achieve this lofty objective. In my consulting work, I indicated that I’ve lived briefly in over 130 independent and assisted living communities. While the typical stay is only several days, I always mingle and dine with the residents. I try to gain a deeper understanding of their real life situation. Seniors have stories to tell involving a lifetime of distinguished achievements. They want to share these accomplishments with anyone who will patiently listen. Many also have untapped artistic and intellectual talents that, properly structured, would significantly enhance their life satisfaction. Many ladies want you to sit and hold hands while some of the men want to reminisce about war and workplace battles won and lost. The staff hugs them, calls them by their first names and monitors their well-being. But as an 85-year-old lady told me at dinner one evening, ***“I just want to talk to someone from the outside world who is really interested in what I have to say”.***

Ten Steps Toward Creating a Community of Choice

Providing a value-enhanced community of choice won't be easy and it can get moderately expensive; but the payoff can be significant. As a sponsor or owner/operator, you must first create unmistakable value. Here is a ten point program for starting down this difficult, but highly rewarding, path:

- 1. Give your community a modest make-over.** Optimize first impressions of your community in areas such as signage, landscaping, building exteriors, rejuvenation of interior public spaces, and improvements to individual living units. The cost will vary depending upon the age of your community. The required cost recovery may not be that significant.
- 2. Zero-base your existing operations.** A true community of choice must be able to report a secure financial foundation to its residents. Efficient operations should deliver financial ratios consistent with recognized industry benchmarks.
- 3. Get inside the minds of your residents.** First, talk to your residents, both individually and in small groups, to get their practical ideas on how to enhance value and improve their quality of life. Next, sample some of your residents' individual backgrounds. Determine how you could make each of their *individual* lives more meaningful.
- 4. Walk in your residents' shoes.** Project yourself into the future thirty or forty years and ask the defining question, "*What would I really want out of life at age 80?*" It's safe to say your answer might be, "not exactly what I find in my community today." Explore this hypothetical further by considering what would be acceptable (and necessary) changes in areas such as living arrangements, services, affordability, value, quality of life, financial peace of mind, and staff responsiveness. Use these items as a punch list to identify your community's short comings.
- 5. Focus more activities on your residents' individual daily life.** Quality of life attributes that are really important to Seniors include; adventures, nostalgia, new experiences, individual recognition, intellectual stimulation, self expression, and the overall feeling of self-fulfillment. If each resident was your Mom, what would you do differently? How would you want her to spend her day?
- 6. Promote health and wellness activities.** Don't overdo it with highly restrictive, structured programs. Provide them with practical advice, flexible programmatic content, and a realistic expectation of favorable outcomes. Where possible, place a high priority on supporting and enhancing individual quality of life rather than an excessively heavy focus on regimented and institutional medical routines.
- 7. Leverage, motivate and train human resources.** After determining how to enhance quality of life on your campus, you must encourage your staff to take ownership into this changed philosophy and new initiatives.
- 8. Revisit structured volunteerism.** It's time to revisit volunteerism. While successful volunteerism exists on some campuses, it has not worked for many others. The reasons are two fold; lack of a structured master plan and inconsistent performance on the part of non-family volunteers. The new era of volunteerism involving specific family members may well be the

answer. These individuals are more committed stakeholders who have a vested interest in their loved one at the community. Using their time and talents in an organized and carefully planned manner can result in not only enhanced quality of life for their loved one, but their efforts could possibly impact the lives of many other residents. Also consider using some of your talented residents as volunteers. Helping others could well enhance their quality of life.

9. Every resident should have an advocate. Some progressive sponsors have assigned a specific staff member to act as a “personal advocate” to look after the unique needs and interests of each individual resident on an ongoing basis.

10. Develop a “You talked, we listened” market positioning strategy. Your external market positioning could be: *“The Gardens at Westridge – The Community of Choice, Anytown, USA”*. Develop a creative communications campaign with central themes focused on the first seven steps.

Figure 1 recaps these ten steps while Figure 2 identifies ten favorable objectives and expected outcomes for your residents.

FIGURE 1
CREATING COMMUNITIES OF CHOICE
Ten Steps To Avoid Becoming
A Price-Sensitive Commodity

1. Give your community a modest make-over.
2. Zero-base your existing operations.
3. Get inside the minds of your residents.
4. Walk in your resident’s shoes.
5. Focus more activities on your residents’ individual daily life.
6. Promote health and wellness activities.
7. Leverage, motivate and train human resources.
8. Revisit structured volunteerism.
9. Every resident should have an advocate.
10. Develop a “You talked, We listened” market positioning strategy.

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FIGURE 2
THE OPTIMUM SENIOR LIVING EXPERIENCE
Ten Desirable Expected Outcomes For Residents

1. Experiences/Adventure/Nostalgia
2. Comfort/Peace of Mind
3. Affordability and Financial Security
4. Quality and Value
5. Optimize Independence
6. Health Maintenance
7. Socialization
8. Individual Recognition
9. Intellectual Stimulation
10. Self-Expression and Fulfillment

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Call to Action

For senior's, time is not simply money – it's their remaining life! As their time horizons shorten, seniors certainly think about leisure activities. But many place an even higher value on the quality of the remaining time in their lives. This should be your central focus when developing your community of choice strategy.

The senior living industry has a tremendous challenge, opportunity, and responsibility to enrich the lives of hundreds of thousands of seniors living out their final years in retirement communities. Many are experiencing the peak of their social, financial, and health challenges. The pay-off for residents will be the enhancement of their individual quality of life. And sponsors will be taking that big step toward becoming that uniquely desirable *community of choice*.

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