

Five Tips for Maximizing Senior Housing Sales

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It's a tough market right now for senior housing. The National Investment Center for Seniors Housing & Care (NIC) second quarter 2017 senior housing data release shows that occupancy fell 50 base points and assisted living occupancy is at its lowest rates since 2009. However, respondents to the 2017 NREI/NIC Senior Housing Market Study still favor senior housing over other types of commercial real estate investments. Almost half believe the industry is in a recovery and expansion stage while believing new competing properties are the number one threat to occupancy—above the U.S. economy or housing market. In the end, this means that investors will continue to invest and build in senior housing, further increasing the occupancy pressures of all providers.

Now is the time for senior housing providers to implement and embrace sales fundamentals in order to reach or maintain their goal occupancy levels. Following are some observations on potential pitfalls that senior living providers make in their sales approach that adversely affect their occupancy success.

Hire a Sales Professional

Many senior living communities rely on the housing manager or hire a marketer to sell to potential residents and their families. This sounds like a great way to be budget friendly or to avoid the dreaded word “sales.” It's time that an industry that is becoming more and more competitive embraces the concept of sales.

What difference does it make you may wonder—plenty. A great housing manager should be operationally sound in their skillset. They should be responsive to current residents' needs and be able to manage the on-site staff, activities, and issues that need to be addressed on an ongoing basis. That's a full-time job in itself, but many providers want to add the responsibilities to handle all incoming inquiries, build a pipeline of prospects, and sell the open units. Sales needs to be responsive. A salesperson is literally at the beck and call of the timing and demands of the incoming prospect. All of this is in direct conflict with the demands of running the operations of an entire senior housing project. Further, priority almost always falls to the residents that currently are paying your fees rather than the person that may or may not move in.

Now let's look at the difference between sales and marketing. Marketing is a skillset and profession. Sales is a skillset and profession. If you advertise for a marketer, people with a marketing background apply. If you advertise for a salesperson, people with a sales background apply. Why does this matter? Because of the fundamental differences in the skillsets and position in the buying cycle that each role is responsible to manage.

A marketer is responsible for messaging and awareness. They use the funnel approach where they speak to a broad audience and create awareness of your product or service. They provide benefits that can appeal to a wide range of individuals in order to turn as much of the public as they can into prospects. They are looking for longer term success through advertising, messaging, and public relations.



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A salesperson is the professional who manages the direct 1:1 connections. Their goals are to meet with all prospects individually and move them along the buying decision by handling the qualifications, conveying benefits that meet the needs of that particular individual, handling any objections, and moving to a lease agreement. Salespeople turn prospects into residents.

From this, you can see the distinct differences in skillsets and job duties between a housing manager, a marketer, and a salesperson. If you want to run a well-managed senior living operation, you need people skilled at each. But, if you want someone who is going to chase down every lead and turn prospects into residents, you need to hire a professional salesperson.

Make a Plan

A fundamental in business development and growth is to set short-term and long-term goals, then develop strategies and tactics that move you towards achievement. Many providers set overall strategies and goals but don't take them down to the various departments that are responsible for achieving the goals, like sales for occupancy.

Sales departments need direction and a goal to achieve. They should know the occupancy goals from pre-fill to lease-up for every service offering and every type of housing available. Once the goals are established, a plan should be made in the same way and should mirror your overall business strategy. The leadership at the senior living campus and the salesperson or sales team should work together and put an annual sales plan in place that addresses the major strategies and tactics necessary to accomplish the occupancy goals. Strategies could include the unique selling proposition, definition of prospect categories for hot-warm-cold, product and service knowledge, referral source targets and management, outreach activities, move-in

incentives, market seasonality, and prospect/sales cycle management.

Know Your Metrics

Once you have a salesperson or sales team in place and have a plan to execute, you need to measure and know how to manage the metrics. If you ever hear a housing manager state that the salesperson is really busy but doesn't know the metrics and outcomes of all the busyness, then you still don't know if it will impact your occupancy. In order to achieve occupancy success, familiarize yourself with the following sales metrics:

- **Effective Indicators**—these measure effectiveness of sales efforts:
 - Cost per lead
 - Daily sales activities
 - Prospect movement along the pipeline (moving from cool to warm to hot to deposit)
- **Lead Indicators**—these tell you if your pipeline is moving in the right direction:
 - Inquiry-to-tour
 - Tour-to-close
- **Performance Indicators**—these reveal if you are meeting your goals
 - Deposits
 - Move-ins
 - Census

Set Expectations

Develop a sales process and make sure that sales personnel adhere to it. This does not mean create sales scripts and make sure no one deviates from that. The best salespeople change their approach to match the needs, demeanor, and stage of the prospective residents. In other words, they meet each individual where they are at and guide them through the process.

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What it does mean is to set standards on activities and outreach. Answer important questions such as: what are your expectations for responding to inquiries; how many responses to reach a potential prospect; what are the expectations and time commitment for professional referral outreach; and how often to maintain contact with the prospect list for each category—hot, warm, and cold. Make sure expectations and accountability are an integral part of your sales process.

Pay Attention to Referral Sources

Many senior living communities have processes and plans to handle incoming inquiries from prospects. And they leave the contact with professional referrals to the skilled nursing providers/partners. However, professional referrals play a large role, particularly in service offerings such as assisted living and assisted living memory care. Unlike senior living providers where the customer base is almost exclusively seniors, seniors are just a portion of the patient, customer, or congregation mix for most professional referral sources such as primary care providers, business/community leaders, and local clergy. It is imperative that part of your plan and expectations for sales is a portion of their time dedicated to connecting with a targeted list of professional referrals so that your community will come up by name when a conversation happens.

You also need to work together to brainstorm and expand your referral base. Definitely include the usual suspects such as those mentioned above. But, look to your community and see where there may be individuals or groups who deal with life-changing events that can cause someone to seek senior living services. These may include support groups, dementia groups, membership organizations (such as Lions or Shriners), and other providers of senior care and services such as transitional care and home health providers.

Overall, success in senior living sales to reach occupancy goals is based on being disciplined in the fundamentals of sales employed by many of the for-profit industry sectors—hire the right personnel, set strategies and a plan, monitor the right metrics, and set and adhere to clear expectations. While this may appear simplistic on the surface, it takes time and dedication to effectively deploy this sales approach. However, those providers who are willing to take this approach should see an increase in their sales effectiveness.