



SENIORITY WHITE PAPER

Believing in Senior Living

*Leveraging Confidence in Our Communities
for Sales Success and Service Excellence*

Executive Summary

The senior living profession faces a crisis of confidence. One challenge after another has confronted the industry since 2008: declines in occupancy, slower sales process, tighter capital markets, and now government reductions in Medicare and Medicaid reimbursement rates. The challenges are taking a toll on our profession. Leaders are anxious and exhausted, uncertainty hovers over many communities, and our optimism about the future of senior living has dimmed. Most troubling of all, however, is that these challenges have revealed an unpleasant truth. Pushed by circumstances to the core of our beliefs about this work, some of us are coming up empty. The reason: We don't fully value our products and services.

This lack of conviction does not bode well for the future of senior living. Our success depends on confidence in our communities; our future hinges on the faith that our products and services make a difference. Seniority is publishing this white paper because of our belief and because we know that dedicated professionals in many places share our concern. We want to sound the alarm, but more importantly we want to encourage the committed and motivate the uncertain.

This white paper is first and foremost a call to believe. The paper details the necessity of belief in senior living. We lay out the content of our convictions, and we explain the reasons why many of us have genuine faith in this profession. But belief in the abstract is not sufficient. It must be embodied in practice. So the paper shows how belief enters into the sales process and how conviction shapes service. Finally, we build on our earlier white papers on hospitality and culture formation by offering five steps to cultivate belief in a senior living organization. Can our profession overcome this crisis of confidence? We believe we can.

Introduction: A Crisis of Confidence

Every senior living leader is familiar with the reasons why we struggle mightily to sell our communities today. Slow home sales are hampering prospective residents. People are nervous about investing when the economy is so uncertain. Our customers are taking a wait-and-see approach. The reasons sound reasonable, and they may be valid. But is there more to the story?

Most senior living leaders would agree that tough times have eroded confidence in our profession. The Great Recession and the slow recovery have tempered our future forecasts, which were so optimistic just a few years ago. Our enthusiasm, built on the promise of aging baby boomers, has dimmed as reports show that many in this generation lack the financial wherewithal to retire. More than ever before, leaders are openly expressing doubts about the long-term viability of the entrance fee-based model. Some organizations are moving quickly to



introduce new entrance fee arrangements, including 100 percent-rebateable contracts, which begs the question, Will our industry be able to sustain the refund liability introduced over the last decade? All of the maneuvering on agreements has the feel of desperation, and the multiple options may even have the effect of confusing and turning away customers.

Yet more troubling than all of this is the following reality: Our profession's confidence was low even before the economic downturn. For some leaders, sales staff and community team members, there is a kind of self-doubt in senior living that few admit, a degree of embarrassment about our work, particularly in skilled nursing. For years many of us have extolled the virtues of our communities while privately saying, "I would never move here." Some of us might soften that position by saying we would make the move but only to a special community – one that hasn't been built yet. Either way, the statements reveal a disturbing truth about our profession, our dirty little secret: We don't fully value our products and services.

It's our profession's dirty little secret: We don't fully value our products and services.

This lack of conviction does not bode well for our future, especially given present circumstances. Consumers, buffeted by fierce economic winds, are turning toward other options. State and federal governments, desperate to cut expenses and pay down debt, are reducing reimbursement rates because they know the public will not rise up in defense of nursing homes. Would *we* rise up? Could senior living leaders offer a genuine, confident, passionate defense of our profession?

The Necessity of Belief

To succeed we must truly believe in the value of our communities. Other industries understand how essential belief is. Southwest employees believe theirs is the best commercial airline in the U.S. today. Ritz-Carlton team members believe they have the power to create peak experiences for guests. Disney cast members believe in the magic. At Seniority we have always said, "You can't preach until you're baptized," which means our sales and our service must be rooted in conviction about the value of senior living. Belief is central to healthy culture formation, effective management, sales success and service excellence. The path to success is paved with confidence in our products and services.

For these reasons we are paying attention to the power of belief in our company and the wider profession. In the second year of Seniority Spirit, our groundbreaking hospitality and culture formation initiative, it has become abundantly clear that belief fuels our every effort to deliver exceptional service. So we are keen to discover how belief arises and how it is cultivated among our team members and across our communities.

We define belief as *conviction that shapes action*. There is confidence in this conviction. You hear it in our Seniority Spirit motto: "We are exceptional people providing exceptional care and services." This is neither hype nor hyperbole. We are not trying to convince ourselves of the



quality of our work. And this is not merely a feel-good effort. This is about the success of our business.

Our goals require belief. We aim to deliver on our commitment to create one-of-a-kind positive experiences for our residents and families. We want to deliver on our promise to clients, which is to build enduring relationships that are based upon mutual respect and integrity. And we seek to honor our team members by supporting creativity, compassion, positive attitude, respect and teamwork, all to encourage individual growth and maximum potential. We have to believe to succeed.

We must believe in each other, and we must believe in the value of our products and services. Our people must believe they create communities where residents not only enjoy newfound freedom but flourish. Our nursing staff must believe their care improves quality of life. Our sales teams, which face very real challenges every day, need to believe they can achieve 100 percent occupancy. Our success, then, depends on conviction that shapes action.

Our success depends on belief – conviction that shapes action.

What We Believe

Imagine saying with pride, “I’m a chef at a retirement community,” or “I manage a skilled nursing facility.” Imagine telling an older adult in all sincerity, “You’ll never regret moving here,” or, to an adult child, saying with the utmost confidence, “Your mother will thrive here, which means you can reclaim the role of a daughter, not your mother’s caregiver.” We say these things at Seniority because they are true. And because these statements are true, we believe in our work, which means we have great faith in our communities. Our team members, and our colleagues elsewhere who lead from conviction, know the value of our profession. Indeed, we share a common set of beliefs:

- 1. We believe in the purpose of senior living.** In the U.S. and around the world, senior living communities play an essential role in meeting the needs of older adults and their families.
- 2. We believe in the value of senior living.** Residents and their families enjoy the predictability of costs plus greater freedom, security and peace of mind when they choose our communities.
- 3. We believe that mission drives everything.** Across our profession, mission is the motivator to serve. And mission should guide our every action.
- 4. We believe in creating communities with our customers.** Our profession’s future shines brightest in those places where our desire to serve complements our customers’ desire to choose and to shape their own future.
- 5. We believe in excellence.** We know we have the ability to create exceptional experiences for our customers, so we believe that excellence is always within our reach.



Yet we also know that excellence is not a goal obtained but a path pursued. As Aristotle said, “We are what we repeatedly do. Excellence, then, is not an act, but a habit.”

All five of these beliefs are essential to success in senior living. And the beliefs apply to all team members. However, if your community is struggling with a crisis of confidence, make sure that at least one group of team members is full of faith: your sales team. Sales leaders must be true believers. They are your evangelists, spreading the good news in your market and stirring up belief within your community. If belief is lacking in your sales team, your customers will know. They can pick up on doubt and insincerity, says Seniority Vice President Joy Nance. “If the sales team doesn’t believe in what they are selling, it is plain and simple: occupancy decreases and the back door opens widely,” Nance says. “People who visit can quickly recognize your genuine care and concern for them personally. Conversely, your insincerity is even more recognizable when it comes to selling something you don’t believe in.”

Why We Believe

What is the basis for our belief in the value of senior living? In our profession *seeing is believing*. Senior living professionals who lead from conviction know the value of their communities because they see that value every day in the positive impact on residents and their families. “You see the peace of mind in new residents’ faces,” says Seniority Vice President Teri Conklin, who has worked in senior living for nearly 20 years. “The stress from their lives is reduced or gone, they are laughing and meeting new friends. And the best reward of all is when a resident or an adult child comes back to the salesperson and says, ‘I wish I would have done this sooner. This is the best decision I could have made.’” Resident satisfaction surveys confirm this positive impact, as do the testimonials of adult children. But witnessing first-hand the difference our communities make is what really grounds our belief and reinforces it over time.

Seeing is believing, and the inverse is true, too: *Believing is seeing*. Belief sharpens our vision, bringing into focus the customer right in front of us. Because we believe, because we are confident about the value of our community, we are freed of the anxiety of persuading a customer. Instead, we can truly pay attention to the customer and help that prospective resident make a decision that is best for him or her.

Because we believe, we are freed of the anxiety of persuading a customer.

Moreover, belief inspires imagination. We can easily imagine how beneficial our communities will be to residents and their families. We know research shows that older adults in retirement communities live longer, happier and healthier lives; and because our experience confirms the research, we can imagine that others will benefit, too. That conviction, then, fuels every presentation to prospective residents and every sales call. It couldn’t be otherwise, for just as the Christian apostles said of their witness of good news, “We cannot help but speak of what we have seen and heard.”¹



Finally, belief shapes our vision for the future of senior living. At Seniority we are optimistic about the viability of the CCRC and lifecare models. Looking ahead, we see the ongoing need for campuses built around a continuum of care, and we see a market that will continue to choose this product. Yet this is not wishful thinking.

Consider our present situation. Residential occupancy declined in many parts of the U.S. during the downturn, but occupancy is now inching upward in certain markets. The decline was due, in part, to the delay of prospective residents in selling their homes or their reluctance to invest while their financial portfolios weakened. During this time, communities experienced an increase in average age at admission, given the financial environment and the introduction of services and products that enable frailer residents to stay in their homes. Increased entry age, not surprisingly, led to increased attrition. It was, as they say, the perfect storm. The good news amid all this is that sales are up in many places, so the sales system is not broken. Indeed, this sales success shows that CCRCs and lifecare communities will continue to attract a portion of the market. Unfortunately, for many operators, sales have not outpaced attrition. Thus, the challenge is to stay ahead of attrition or, more specifically, make our communities appealing to younger customers.

There is more good news along these lines. We are seeing an increase in “greenfield” sales – developments in markets that were previously not served. Prospective residents make a future commitment, grounded in the sound belief that their homes will increase in value while their community is being built. That kind of savvy strategizing is characteristic of the generation that is now the focus of senior living marketing, the roughly 40 million-strong “silent generation,” which is between the ages of 66-86. Without a doubt, this is the most ideal cohort for the CCRC and lifecare models.

This generation is a rational, analytically oriented cohort. They are accustomed to doing a cost-benefit analysis for every transaction. So it is not hard for them to see the value of a CCRC or lifecare community. They get what LeadingAge CEO Larry Minnix calls “risk mitigation”: “When you think about it, it’s an insurance policy. ... If I were to pick a list of risky things seniors can put their money in, this would not be on it. If I were to pick a list of risk-mitigating things seniors can put their money in, this would be at the top of it because it provides them a place to live and levels of care for the rest of their life ...”² The logic makes sense to the “silent generation,” which bodes well for CCRCs and lifecare communities.

One member of this cohort, a CCRC resident since 2005, put it this way to the New York Times: “When my wife and I decided to move into a CCRC, just before Christmas, we told each of our six children that our decision represented the most significant gift we had ever given them. Never will they experience the gut-wrenching anxiety of trying to figure out what to do with us. We are in a safe place now. No matter what the future brings, we can receive the level of end-of-life care that we needed.” And to his generational peers, he offered this advice: “Don’t burden your children with your elderly care. They will be anxious and troubled enough as they walk with you to the end.”³



The Dynamics of Belief in Sales and Service

“Any company trying to compete ... must figure out a way to engage the mind of nearly every employee,” says Jack Welch, former CEO of General Electric. We would tweak that statement: Companies must find a way to engage the hearts *and* minds of *every* employee. In other words, we have to build our enterprises upon belief. Why? We see three reasons:

1. Belief engages employees.

Belief brings the whole person into the business. When we ask team members to serve with passion we are asking them to be fully present – to show up with belief in themselves and confidence in our products and services. We want team members to bring their highest values and aspirations to work every day. The permission to believe coupled with reinforcement of belief hooks team members, and it shows. “We tell people we love our job,” says Marge Pope, a Seniority marketing director at The Terraces of Phoenix. “They say, ‘It’s so obvious.’”

What we are describing is “employee engagement,” a hot topic in business for more than a decade. The Gallup Research Organization popularized the term in the 1990s. Gallup’s researchers define employee engagement as “the ability to capture the heads, hearts, and souls of your employees to instill an intrinsic desire and passion for excellence. Engaged employees want their organization to succeed because they feel connected emotionally, socially, and even spiritually to its mission, vision, and purpose.”⁴ Gallup has demonstrated that engaged employees contribute significantly to the bottom line. At the same time, Gallup’s research shows that less than 30 percent of employees are truly engaged. For that reason, employee engagement is “what every company wants, but few get,” as author Tony Schwartz says.⁵

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We want fully engaged team members at Seniority, and we are committed to shaping a culture where full engagement is the expectation. To do this we start with belief on the first day of employment. At Day One orientation the conversation focuses on belief – what our new team members believe and what our company believes. We baptize these new team members into Seniority Spirit, which is the attitude, behavior and standards enabling us to provide exceptional service and positive experiences to our residents, team members and clients. Orientation continues through Day Two, Day 21 and Day 365, with support in between via the Daily Huddle and frequent coaching. It’s a catechism of sorts: We begin with the tenets of our belief and keep digging deeper into the implications of belief, reinforcing why we believe and what difference our convictions make.

2. Belief engages customers.

Genuine belief is attractive to prospective residents and their families. Because the senior living sales process is fraught with anxiety, the customer is drawn to a salesperson who is not anxious.



What puts the customer's mind at ease is a salesperson who is confident. That salesperson becomes a still point amid the chaos and confusing array of choices that confronts the customer.

Furthermore, belief engages prospective residents because their entire decision-making process is rooted in belief. Our customers are attempting to act on their own values and aspirations. The decision to move to a senior living community is a higher-level activity when considered in light of Abraham Maslow's hierarchy of needs. Maslow's framework begins with basic physiological needs – food, water, and shelter – then moves upward to safety needs, social needs, esteem needs, and finally to that apex which is about the need to make sense of one's life, to flourish as a person, to be whole – “self-actualization,” Maslow called it. The senior living experience, while addressing basic needs, really encompasses these higher needs. Therefore, it is incumbent upon the salesperson to engage the customer at this higher level. When that happens, when a salesperson understands the significance of the sell, the customer moves from “shopping around” to full engagement.

3. Belief connects employees and customers in relationships of trust.

When engaged employees meet engaged customers, magic occurs. Indeed, when belief is operative in the sales process, we move from skepticism on the part of the customer and persuasion on the part of the salesperson to genuine connection. That's a relationship built on trust.

Stephen Covey says we have an “innate propensity” to trust. Another way of saying this is that we are predisposed to belief. Even in those situations where our doubts would naturally be highest – the used car lot, for instance – we are ready to put aside doubt and believe. We hold out hope that the salesperson will be trustworthy. We yearn for the experience to be positive. That we yearn is itself a sign of belief: We believe our yearning might be answered.

Consider how much further we can get on belief. If a customer is predisposed to belief, the customer will travel far with a salesperson. If the salesperson genuinely believes in his or her product, and believes that it can truly benefit the customer, he or she will go far with the customer. In this light the sales process is a mutually beneficial experience; it moves toward the satisfaction of each participant's needs and aspirations. Moreover, the quality of belief expedites the process. That's what Stephen Covey means by “the speed of trust.”⁶

Relationships of trust begin with belief, and they grow as confidence increases. Our beliefs, those convictions that shape action, demonstrate integrity and thus establish and reinforce trust – between sales teams and customers, between management and frontline employees, between members of a team. And trust makes all the difference in our work. Indeed, we cannot succeed without it.

That's why Covey calls trust-building “the key leadership competency of the new global economy.”⁷ He writes, “Trust brings out the best in people and literally changes the dynamics of interaction. While it is true that a few abuse this trust, the vast, vast majority of people do not



abuse it, but respond amazingly well to it. And when they do, they don't need external supervision, control, or the 'carrot and stick' approach to motivation. They are inspired. They run with the trust they were extended."⁸

Encouraging Belief

How do you cultivate belief in a senior living organization? We recommend the following five steps:

1. Hire true believers.

Passion-driven team members make all the difference. Passionate people are fully engaged advocates for the value of your community. True believers want to give great service because they find that doing so is fulfilling. Indeed, that's the reason the Ritz-Carlton does not provide cash rewards for good service. "(W)e don't think that money sponsors the kind of behavior we're looking for," says President Simon Cooper. "We believe ladies and gentlemen should be making each guest's stay memorable because they want to do that, not because they get compensated for doing that."⁹

When hiring new team members, Seniority looks for true believers who possess the following characteristics:

- **Passion for older adults.** We look for people who cannot imagine a more interesting market to serve. We want people who are curious about the lives of older adults. We hire people who are sensitive to the challenges of aging yet also open to great possibilities.
- **Commitment to excellence.** We look for people who are zealous about aiming high, people whose spirits soar when we raise the bar on performance.
- **Balance.** We look for people who can stand at the end of the day and savor the quality of the work completed that day. To do so requires balance, which is the marriage of drive and gratitude.

2. Form a believing culture.

Confidence is catching. So how do you unleash belief? Again, we say at Seniority "You can't preach until you're baptized." We want all our team members to be immersed in experiences of the community. We encourage team members to eat a meal in the dining room, work out in the fitness center, and have coffee with residents just to get to know them. Someone who has experienced the quality of the community will naturally believe more strongly in the value of the community. For that reason we make sure team members have authentic experiences of their campuses.

At Seniority we understand that a believing culture is a celebrating culture – an environment where even the smallest wins are recognized. So we celebrate often. Every day begins with a



Daily Huddle, where we provide education and inspiration to team members plus celebrate with a “Stellar Story,” an example of a colleague who made a difference.

And how do you engage team members across an organization in expressing and deepening belief when personnel, financial, service and physical plant challenges confront the community? Such challenges, while they are a concern, do not have to hinder belief. “At the end of the day, we’re not selling the granite countertop,” says Roberta Godden, a Seniority sales manager. “We’re selling the peace of mind, lifestyle, and the security of the community – and that doesn’t change. Even communities that are in redevelopment communicate ‘we’re in this together.’”

3. Practice belief.

It’s one thing to say we believe. It’s another to walk the talk. First and foremost, practicing belief means keeping our word. “Unlike a lot of businesses, we live with our customer,” says Godden. “We’re going to see them everyday. So it’s important to us that we keep our word.”

Godden says she knows when people really believe: They are the ones who practice listening. “Tour, brochure, door is the method some of our competitors use, but our people make the sales process very personal,” Godden says. “We listen to the person first and find out what’s important to them.” The fact that our salespeople do not rush to the pitch underscores belief in our products and services. Indeed, after listening intently to the prospect and understanding their needs and aspirations, we may recommend that the person go elsewhere. That’s confidence. “This goes back to integrity,” Godden says. “It’s not just about filling apartments. We want to make sure this is a good fit.”

4. Create disciples for quality.

True believers always want to make things better. Because they see value in the present product, they also see potential. So they want to work toward improvement – what St. Paul called “the most excellent way.”¹⁰

For this reason, those who are charged with selling a product or delivering a service must have a hand in shaping it. Salespeople have something to say about the product of the future. Housekeeping team members have ideas about how to strengthen their workflow. Ask them. In doing so, you will show confidence in your team members’ thinking and skill and, thereby, deepen their belief.

5. Share the good news.

We want to be evangelical about the value of senior living. That means being passionate advocates, true believers who aren’t shy about connecting prospects with any part of the community. Godden recalls a recent sales process in one of our communities. A couple from out of town responded to a direct mailing, and they needed education about how a CCRC works plus information about lifestyle opportunities for them in the community and the wider area.



The sales counselor listened to the couple's concerns, then she proceeded to arrange for meetings with just about every department on campus. Moreover, the sales counselor facilitated conversations with residents, who, without coaching, validated everything the sales counselor had been saying about the value of the community. "It's a real example of walking the talk," Godden says.

What's most striking in this example is that the sales counselor's convictions shaped her actions. She could have operated on fear rather than belief – fear of revealing too much information, fear of introducing the prospective residents to other team members outside marketing, fear of what other residents would say about life in the community. Instead, she proceeded by belief – by faith, we might say, in the power of her community – and that made all the difference.

Conclusion

"When you believe a thing, believe it implicitly and unquestionably," said Walt Disney.¹¹ Knowing how much our own belief impacts the service we provide and the success we achieve, Walt Disney asked for full faith, the kind of conviction that brings the whole person into the work without hesitation, hedging or holding back. We cannot ask any less of each other in senior living. While our profession faces a crisis of confidence, Seniority has faith that all of us can turn this around.

In this white paper we have outlined steps a senior living organization can take to encourage belief. Toward that end we have included below a series of questions to foster dialogue in your team or community. Ultimately, however, belief begins with each individual, with you, the reader. So to you we say, Have faith. Know that your work makes a difference. Remember the passion that first brought you into this profession. Above all, as the band Journey puts it, "Don't stop believing."

Questions for Further Discussion

- What does your organization believe about senior living?
- What are your highest values and aspirations?
- Does your board, leadership and sales team truly believe in the value of your product?
- Will you move into your community? Would you recommend that your mother move into your community?
- To what extent do you show up with all that you believe? What prevents you from being fully engaged?
- How would you assess team member engagement in your organization?
- What concrete steps can you begin to take today to make clearer your beliefs and your organization's beliefs? What support will you need from your colleagues?



Learn More

We are eager to share the lessons of Seniority Spirit, our journey in hospitality and culture formation. We offer educational presentations and facilitate board, senior leadership, and organization-wide explorations of these issues. Visit us on the Web at www.seniorityinc.com, or call Seniority President Sloan Bentley at 925-924-7187 to learn more.

¹ Acts 4:20.

² From Fox Business News interview, August 2010.

³ Quoted by Paula Span in “The Bright Side of CCRCs,” The New York Times, The New Old Age Blog, <http://newoldage.blogs.nytimes.com>, Nov. 6, 2009.

⁴ John H. Fleming and Jim Asplund, “Where Employee Engagement Happens,” Gallup Management Journal, <http://gmj.gallup.com>, Nov. 8, 2007.

⁵ Tony Schwartz, “What It Takes to Be a Great Employer,” Harvard Business Review Blog Network, <http://blogs.hbr.org>, Jan. 3, 2011.

⁶ Stephen M.R. Covey, *The Speed of Trust: The One Thing That Changes Everything* (New York, NY: Free Press, 2006).

⁷ *Ibid.*, 21.

⁸ *Ibid.*, 319.

⁹ Jennifer Robinson, “How the Ritz-Carlton Is Reinventing Itself,” Gallup Management Journal, <http://gmj.gallup.com>, Oct. 12, 2006.

¹⁰ 1 Corinthians 12:31.

¹¹ Quoted by Bill Capodagli and Lynn Jackson in *The Disney Way: Harnessing the Management Secrets of Disney in Your Company* (New York, NY: McGraw-Hill, 2006), 30.