



## Overcoming 3 Anchors That Hold Occupancy at 87% or Below

By Pam McDonald

I wouldn't say we at Senior Housing Forum *harp* on the idea that the traditionally acceptable goal of 87% occupancy just isn't good enough . . . but some of our readers might. We talk a lot about raising the bar on occupancy. \*

**On Thursday, October 20th at 11am Pacific (2pm Eastern), [Caring.com](https://www.caring.com), the largest online resource for seniors and family members considering senior living and a Senior Housing Forum partner, will host a webinar that takes up this subject again.**

Katie Roper, VP of Sales & Marketing for Caring.com, will be joined by renowned sales leader Anthony J. (Tony) Mullen, Founder, Advanced Sales & Marketing Summit, for a webinar titled **"100% Occupancy or Bust! Why 85% Isn't Good Enough."**

As Katie points out, ". . . The last 13% of occupancy is the most profitable for any company, allowing a for-profit company to return more money to its shareholders or a not-for-profit company to do more to help others of those in need.

"Up to about 50% occupancy you are just covering fixed costs, like building maintenance, loans, and property tax. Then, up to about 87%, you are covering the variable costs – the salary of the executive director, the activities director and other staff; the cost of electricity to keep the lights on, etc.

"But you don't need additional activities directors or a second ED to support the additional 13% of occupants – so their rent flows straight to the bottom line."

Katie and Tony will be providing insights into and offering tips for overcoming some of the common reasons communities stop at 87% full, including the following:

### **"I don't have enough good leads."**

This is the eternal salesperson's complaint. But mystery shop after mystery shop confirms that many senior housing salespeople don't actually work the leads they do have. Do your salespeople know industry best practices for working leads? Are you measuring progress on sales opportunities, or just counting phone calls that don't go anywhere?

### **“I don’t have any more marketing budget.”**

Sure, you may not be able to run a television ad. But if you work out the return on investment of, for instance, paying a company like Caring.com a few thousand dollars to get you from 90% to 91% occupancy, you’ll see that a no-risk dollar invested to bring in a resident would generate \$500 for your community over the time that the person lives with you. Caring.com has a blog post on how to do the math, here: [What Do You Know About ROI and Lost Revenue?](#)

### **“I’ve already hit my budgeted census.”**

This objection shows a real lack of initiative as well as a misunderstanding of math. An average or budgeted census number is used for planning purposes, and assumes that some months you’ll be higher and others you’ll be lower. If you stop when you hit your goal, what will you do if you get two move-outs next month?

Katie implores, “If you want to move from a culture of 85% occupancy to one of 100% occupancy, join Tony and me for ‘100% Occupancy or Bust! Why 85% Isn’t Good Enough.’”



\* Links to other 2016 Senior Housing Forum articles spotlighting 100% occupancy goals:

- [99% Occupancy In A 90% Market](#) ~ By Steve Moran
- [Is Flawed Thinking Hurting Your Occupancy?](#) ~ Part 1 by Anthony Mullen
- [Do You Know What It Takes to Master Your Closing Ratio?](#) ~ Part 2 by Anthony Mullen



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