



## **44% Less Cost and 58% Higher Quality: Who's Doing That and How?**

*By Susan Saldibar*

First of all, here's a multiple-choice question for you.

The senior living marketplace...

1. Is growing to accommodate a large aging generation.
2. Has become more competitive as new players emerge and "leapfrog" existing providers.
3. Needs to meet the demands of a more informed, discerning generation.
4. Needs to make more strategic use of emerging technologies.
5. Is experiencing price pressure due to seniors with tighter budgets.
6. Needs to attract and engage a new generation of workers.
7. All of the above.

We all know the answer here. Whether you are new to this industry or a veteran provider, you have to ask yourself how you are going to manage to scale up your community to meet demand, while upgrading to provide the level of service and innovation your clients are now demanding. Oh, and at less cost.

### **High quality services without raising costs. How can this equation work?**

[Sodexo](#), a Senior Housing Forum partner, has done quite a bit of research and I got a sneak peek at their upcoming white paper. The topic is "partnering". Not a new concept to be sure, but one that is seeing a surge of new life. Here's why:

- It delivers best-in-class services
- It saves internal resources and overhead
- It keeps costs low
- It helps senior living communities compete

Now for those of you out there who are quick to dismiss partnering as a viable strategy, consider the following stats. The 2016 Deloitte Global Outsourcing Survey found that outsourcing services resulted in:

- 58% increase in quality
- 44% lower cost of delivery

If that's true (and why would we doubt Deloitte), it's easy to see why more senior living communities, both large and small, are reconsidering partnerships to help them achieve the seemingly impossible: Provide greater quality and innovation at a lower price.

### **A new kind of partner is blowing the traditional model out of the water.**

Many senior living operators are still fixated on an outdated form of partnering --- one in which you give up control over a big chunk of your offerings with the sole purpose of reducing your overhead.

The model has changed, according to Sodexo. And fairly dramatically. As communities replace the more transactional model with a more strategic one, they are finding that the partnership gives them more quality control and accountability than they may have had with their own in-house team.

And what I thought was interesting, in the true strategic model, is that the costs, risks and benefits can be shared by both parties.

### **“All of the above” can no longer be tackled alone.**

Given the “all of the above” challenges and expectations ahead, it's hard not to believe that senior living communities would start looking more seriously at new models to provide services. Strategic partnering may be the best way to get a competitive leg up and maintain it.

What do you think? Could this be the next big “win-win” move in our industry?

We'll let you know when the white paper is out. In the meantime, for more articles on topics relating to running a more effective and efficient community, you can visit Sodexo's resource pages at [Sodexo Insights](#).



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