



Your Sales Reports Are Vicious Lying Beasts

By Susan Saldibar

It happens every year. Almost no move-ins over the holidays. That's what you expected. But leads are up in January. Also, what you expected. So, your plan is to pull in every sale you can this month to make up for the holiday slump; then to jumpstart the aggressive goals you set in first quarter. Except, when you look historically at your sales results, you notice a pattern which isn't exactly what you expected.

According to Katie Davis, Chief Strategy Officer for [Sherpa](#), a Senior Housing Forum partner, and former Chief Operating Officer of Senior Living Communities, unless your sales goals include "surviving" on the most urgent, highest acute leads, that pattern tells you more about your team's sales behavior than it does your lead generation efforts!

Driven by numbers. The wrong ones.

As a former senior living operator, Katie has witnessed what can become a vicious sales cycle for communities. The problem, she says, is in the numbers. "We're driven by quotas: how many inquiries did you have this week, how many tours did you have, how many calls did you make and so on and so on," she says. "Naturally, we all respond by meeting our quotas, not on acting on what is most effective in advancing our prospects."

Why is that? For one thing, Katie explains, it's just easier. "The industry has responded to lower absorption rates and occupancy shortfalls by creating layers of reporting. Operators should consider the last time their regional sales managers actually connected face-to-face with a prospect," she said. "We should be coaches and sales professionals, not data analysts."

Focus on the behavior, not the quotas.

So, how can we get this right? The key, according to Katie, is to understand how to measure and reward effective sales behavior. "Although traditional check points (inquiry, tour, deposit) are important, don't focus on those alone." Instead, she asserts, you can focus on how much time your sales teams are actually spending with prospects, or how (in a scalable and measurable way) your sales teams are building trust in their communications with their prospects. These are all advances, she says.

It Takes Work

But, Katie acknowledges, it takes work to effect this kind of change in the industry.

“We have to change our language and ask our financial partners and C-level leaders for executive patience,” Katie said. “I was fortunate as an operator in that I was given time to perform and re-work what we were measuring. Over 60 days, we transitioned from listening to every incoming call into our communities so we could identify ‘lost leads’, to measuring quality time spent with prospects and advances with those prospects. As the COO, I was supported by the CEO and maintained a strong, value-added relationship with our REIT owners. Ultimately, our sales professionals were the heroes. When given room to execute, they responded by outperforming all expectations.”

5 Steps To Turn Things Around

Here is how she recommends turning things around:

1. **Stop it with all the reports already.** “Recent history has given us two great examples of the danger of collecting too much (or the wrong) data: the housing market collapse and the NSA surveillance system.
2. **Pick your pony.** Find a metric that your sales teams believe in and monitor performance against that metric for 90 days. We measured time spent in the Selling Zones and prospect advances each week. We cumulatively set goals for our teams with the community leadership team headed by the Executive Director. It created mutual accountability and ultimately, a sense of camaraderie between the corporate support team and the community teams. We were one team.
3. **Enough with the blaming.** Change is hard. It’s easier to create a scapegoat when you miss a sales goal than it is to take a chance on trying something new. I’m sure I fired people who didn’t deserve to be fired and rewarded teams that I knew weren’t fully engaged in our new process but happened to be located in a great market and thus had a lot of move-ins. I tried to remind myself daily, “What would happen if you were willing to fail “quickly” in the pursuit of greater results, instead of losing market share or profitability over an extended period of time?” It helped me stay the course, even when I made mistakes.
4. **Focus on “advances” and change how you define them.** Instead of the typical checks, such as get a brochure, schedule a tour and so on, try measuring things like “getting a call back from the prospect”, “getting permission for a home visit” or “getting permission from an adult daughter to contact her mother”.
5. **Hire more sales people.** You probably need more sales people than you realize. Instead of investing in external sources (paid referral sites, call centers) to make that all-important first connection with a prospect, consider adding resources to your existing sales team. No matter how good the telemarketer is, there’s still a handoff, and that’s awkward for the prospect.

The senior living community sales machine continues to chase the quick fixes. And, we’re becoming more sophisticated in our efforts. Now, more than ever, we can spend millions of dollars on misguided marketing strategies without questioning our industry’s historically poor conversion rates. In doing so, we will only continue to fill our rooms with acute need residents and leave valuable long term resident prospects by the wayside.

“At some point, you have to stop the madness and say, ‘I want to stabilize our sales occupancy,’” says Katie. “To do that, you have to connect with all your prospects, not just the ones who are ready right now. When you get to that point, you’ll be ready to start celebrating advances, not initial inquiries.”



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