



## Who Will Be the Senior Living Winners and Losers in The Next 5 Years and Beyond?

By Susan Saldibar

There is a lot of talk in this industry about the future. And, with that talk, there is plenty of doom and gloom to go around as operators grapple with the reality of dwindling occupancy rates. All this, in an era where demands for high quality must be met at affordable prices.

### How do you win this crazy game?

I sat down with Dana Wollschlager, a senior living consultant for Plante Moran, one of the largest CPA and business advisory firms in the U.S. Dana heads up their senior living consulting division. Plante Moran often recommends [PointClickCare](#) (a Senior Housing Forum partner) to help streamline operations for senior care providers.

We talked about the changing landscape of senior housing and some of the challenges that may ultimately separate the “winners” from the “losers”. Here, in a nutshell, are Dana’s thoughts.

### The Winners

- **Smart about technology:** They will not be afraid to embrace proven technologies, but they will be strategic in how they deploy it. They will be able to tie each piece of technology to how it improves quality of care, enhances the resident experience, and increases outcomes. If they don’t see a strong ROI, they will be smart enough to walk away.
- **Run their communities like the businesses they are:** Keeping tight control over costs doesn’t mean you have to reduce the quality of care! Winning senior living communities will make use of an integrated technology platform, such as PointClickCare, to improve their margins, by tracking costs that often slip through the cracks. These are the costs associated with residents who require more care as they move through the care continuum. There are a multitude of chargeable services that can be tracked and billed. Collectively, they can make a huge difference to margins. Smart operators will take advantage of this.
- **Using technology to save resources:** Winning communities will make use of technology, such as sensors, to better protect residents and manage by exceptions, rather than dedicating full time staff members to follow residents who may not be at a safety risk.
- **Define what the consumer truly values:** Those who are able to clearly define what the consumer truly values will get out in front of the competition. “We’re good at giving them the swimming pool, multiple dining

experiences, and elaborate common spaces. But these are amenities that can skyrocket capital costs and operating expenses. Are residents really willing to pay an additional \$500 for multiple dining venues? Ask better questions about what they value. There is a ceiling on what we can charge,” says Dana.

- **Able to integrate to the broader community:** Residents don’t want to feel isolated in a building located outside the ebb and flow of the broader community. Winning operators will be able to create environments integrated within the community. “People aren’t going to nursing homes to die, they are moving to a senior living community to live!” says Dana.
- **Unlock ways to attract and retain good employees.** Winning communities will acknowledge that younger generations are seeking to work at senior living communities that are willing to think outside the box to prosper and grow. “You can’t continue to face the day-to-day operating challenges with traditional operational solutions. Our younger employees have valuable insight into better solutions – we just need to be willing to listen,” says Dana. And, many younger workers cannot be bought with monetary incentives and bonuses. Winners will be able to tap into the deeper motivations that drive this generation.

## The Losers

- **Unable to get above the fray to strategize:** Those who aren’t able to disentangle themselves from day to day challenges will constantly be putting out fires, not growing their communities. “You have to be able to ask, ‘Where are my priorities?’ Those who continue to operate in ‘hair-on-fire’ reactive mode will remain trapped,” says Dana.
- **Fail to recognize that senior living is now a consumer-driven marketplace:** Losers will be unable to move beyond the “This is how we do it” mentality. They will continue to take actions that are based purely on controlling their environment. But consumers, now more than ever, have choices. Those operators who don’t recognize and adapt will get passed up by those who do.
- **Continue to take a “short-sighted” technology stance:** Those who think that having a website checks the “technology” box, will lose to those who are fine-tuning their digital marketing strategies. And those who continue to put off infrastructure upgrades, such as WiFi and digital record-keeping, are even more at risk. They will continue to drain valuable resources conducting low value work. That’s not a winning strategy.
- **Treat senior living like a real estate transaction:** Those real estate investors who think senior housing is just another iteration of commercial real estate development will ultimately fail. “Their attitude is ‘Hey, it’s hospitality; we’ve done that, no problem,’ says Dana. But senior housing is not just a real estate transaction. It is health care first. Those who don’t get that will fail.”
- **“Single-shingle” operators who can’t transition:** To be competitive and survive, these smaller independent operators will need broader resources behind them. If they cannot merge or affiliate with larger providers or secure third party management contracts, they will be passed up by larger communities with more resources.

What do you think? Where does your community fit in? Winner? Loser? Somewhere in between?

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