



# Want to Improve Occupancy? Try This!

By Pam McDonald

*[The following is Part 1 of 2 and an edited version of a Senior Housing Forum podcast interview with sales leader Paul Peck, conducted by Pam McDonald, the podcast producer and co-host.]*

**PAM:** Paul Peck is a regional sales and marketing director for Pacifica Senior Living. He's been guiding sales teams with several multi-facility companies over the past 15 plus years. In September 2017, we published a blog by Steve Moran about Paul's strategies for achieving high occupancy. The title of the article was "In an 88% Occupancy World is 98% possible? Paul Peck says, 'Yes.'" We've invited Paul to the podcast to describe how executive directors can help increase sales.

**Hi Paul, thank you for being here today. I understand you believe that communities' executive directors should lead their sales teams, is that correct?**

**PAUL:** Yes. The executive directors in most companies are seen as operational leaders and their primary focus is, and always has been, whatever their field of comfort is. So, if they came out of food service, they tend to spend most of their time focused on food service. If they've been caregivers or come from the clinical side, they're going to spend most of their time there – in their comfort zones.

One of the things I have seen over the last 17 years is that a lot of executive directors that come to communities with that mindset, especially if they have no sales background, will look at the sales department as a department they don't need to focus on because their primary focus would be on operations. Unfortunately, I have also seen that those communities where the ED stays focused on operations and doesn't understand that they are the sales leader – and have to incorporate a culture of sales -- those communities end up having struggles with their census.

If we liken sales to or use an analogy of someone digging a hole, every time we took a shovel full out, we would be losing a resident. And every time we placed a new shovel full in, we'd be getting a new resident. When our operational team focuses on customer service and making sure our residents are well cared for and staying active, as much as they can be, through clinical and activities program, plus we maintain a relationship with our residents and their families and keep them as safe, happy and productive as we can, we're going to have lower turnover and that lower turnover, we find, will keep our communities full.

**PAM:** It sounds like you're implying that when the executive director is uncomfortable with this process, the sales team just kind of runs itself. How do you suggest that an executive director who doesn't necessarily understand the sales process become the leader? Do you have a step-by-step system?

**PAUL:** Absolutely. That's a great question because for a lot of executive directors, as I mentioned, that's not their comfort zone. So, a good strong regional sales director would help in working with them on understanding their role as the sales manager. They'd meet weekly with their sales team, identify new leads that have come in from the week prior,

and identify the timeliness of their follow-up. Eighty percent of their time should be spent on the leads that have come in during the last 90 days, making sure the team is doing that follow-up.

**PAM: You mean 80% of the EDs time?**

**PAUL:** No, the sales staff and making sure they're spending 80% of their time doing follow up on those newer leads. Then 20% would be on those leads that are more than 90-days-old. And, if the team maintains that follow-up and the ED follows up with the sales staff by making sure through whatever CRM they're using that staff is actually doing that follow up in a timely manner, then the ED can help the sales team stay focused on what they need to stay focused on and be successful.

Then, the ED can shift gears to the other department heads. In weekly meetings with them, EDs can reinforce the idea that each department has a critical role in keeping our residents safe and happy. They're there not for only their paycheck but because, yes, they have a caring gene, and they care about our residents and they care about their families.

**PAM: If the ED doesn't know how to follow up on leads, how can they become the leader of the sales team?**

**PAUL:** That's a good point. But they can start by going over three very simple things with all the hot leads:

1. why did the lead initially inquire?
2. what was your last follow-up with that family; what did that look like? And,
3. what's your next step?

If they just ask those three basic questions and continue to do that with all those leads on a weekly basis, they keep the sales staff focused on their follow-up because staff knows next week my executive director's going to ask where those things are. The ED will be able to manage that process a whole lot better.

**PAM: Is there anything else that the executive director needs to be doing on a continuing basis to first, gain the leadership role and, second, maintain it with a group of workers who are pretty autonomous?**

**PAUL:** That is correct. I think they need to trust but verify. Our CRMs are great sources of data. And so, knowing how to use the database is critical. They'll probably be trained by a regional to do that and then they need to be able to pull the reports that enable them to manage that sales process. When the sales staff are aware that executive directors are looking at that data, that tends to keep them focused because, for the most part, they want to be successful and want to please their executive director. The notes and the data in the CRM will tell the ED that and, again, I always say trust but verify. So, they'll tell you they've done that follow-up, but you need to verify in the database and have the reports ready in hand when you have your meetings weekly with your staff.

**PAM: So, what of those metrics do you suggest the ED focus on? Is that specific as well?**

**PAUL:** Yes, oh, absolutely. On a monthly basis, I try to have the executive director's focus on a couple of ratios. One is the inquiry-to-tour ratio. That is, looking at those who have inquired over a period of time and then noting how many have come in to tour. There are standards in the industry and we try to stay in that 50-60% range. That ratio has decreased over the years due to a lot of web leads. Web sources tend not to convert as quickly as a lead which called directly or came through your website.

Secondly, we look at the inquiry-to-move-in ratios. Those that have inquired over a certain period of time and how many actually moved into the community.

Then we look at tours and the number of tours that were scheduled from those new inquiries and the tour to move-in ratio. In my case, I look at the tour-to-deposit ratio because so often we may receive a reservation for a family and then, for whatever reason, health-wise, we cannot accept that resident at the community if we cannot provide the care needed.

But that tour-to-deposit ratio is critical too because you can find very quickly that we spend a lot of money generating leads from the marketing side of our industry. If we're not doing proper follow-up and getting visits, and when they come to our community, advancing the prospect along, it will affect you financially by spending a lot of money on generating leads.

Look for Part 2 in two weeks!

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