

Five Questions for POTENTIAL PARTNERS

Because full-service management should have all the answers.

The last five to 10 years have seen a migration away from freestanding or self-managed senior living communities to a merged affiliation or third-party manager, particularly for Life Plan Communities. This trend is expected to continue in the coming years with increased industry complexities, changing demand for resources and cost burdens for scalability.

That's why we wanted to provide the key questions that boards of directors or sponsors should ask a potential senior living management partner.

1. ARE YOU WILLING TO TELL US WHAT WE NEED TO HEAR VS. WHAT WE WANT TO HEAR?

Candor and transparency are key characteristics of a successful senior living management company. You want a partner who will ask tough questions and be able to challenge the norm to help optimize your position in your market.

Tip: Work with a management company you see as a partner, not a vendor. You want a partner who will come alongside in almost a risk-sharing nature, who will be there during the best of times as well as during challenging times to help your community succeed.

2. HOW WELL EQUIPPED ARE YOU TO HANDLE THE COMPLEXITIES OF THE SENIOR LIVING INDUSTRY?

Increasing CMS and government regulations, new corporate compliance policies, the Payroll-Based Journal, Affordable Care Act, post-acute care changes, bundled payment plans, wage pressures. There have been unprecedented changes in the industry, particularly for skilled nursing providers and Life Plan Communities with a skilled nursing component. It's critical to have an experienced team and strategies in place to compete on the winding road ahead.

Tip: Life Plan Communities with skilled nursing and Medicare participation as part of your business model need a strategy in place to compete for patients who are discharged from a hospital for post-acute care, whether they're residents or seniors from the general public.

3. ARE YOU A FULL-SERVICE SOLUTION FOR A SENIOR LIVING COMMUNITY?

In other words, do they provide systems, people and resources that can be integrated as a one-stop option? Not all senior living management companies are able to cover the full spectrum of operating disciplines. The right management company creates efficiencies in how sponsors and boards access resources for communities to deliver the best results and highest value. Outsourcing services and using various vendors can incorporate different cultures that aren't aligned. It can lead to inefficiencies and a lack of synergy.

Tip: Partner with a management company offering comparative data that enables you to make better decisions. It's important to review fiscal and performance metrics of other senior living communities in your market, trends across the industry and key indicators to drive financial success.

4. WHAT IS YOUR APPROACH TO STRATEGIC PLANNING?

While it's a senior living management company's role to leverage standards, best practices and expertise, your partner must respect the individuality of your community and its marketplace. You don't want a franchise manager or a cookie-cutter solution. Look for a partner who will work arm-in-arm with your community's leaders and boards to develop strategies that best serve your stakeholders.

Tip: You should never feel a loss of control in partnering with a senior living management company. In fact, you should feel the opposite. Your management partner should give you greater control by providing you with better data and information to make decisions. The right management partner allows community leaders and boards to focus on vision and strategic initiatives for the future, rather than being consumed with day-to-day operations.

5. DO YOU KNOW, STUDY AND UNDERSTAND THE NATURE OF THE CHANGING CONSUMER?

You want a management partner who grasps what's important to seniors and is prepared to support senior living communities to deliver the right product and services at the right time. Baby Boomers have different expectations than the Silent and G.I. generations. They demand more choice, flexibility, health and wellness services, and a greater voice at your community.

Tip: Focus on the participatory role of residents in governance at your community. Historically, senior living communities haven't always embraced residents in the governance process. Baby Boomers will expect more involvement, and organizations that embrace this will be better for it.

THE ONE THING THAT MATTERS MOST:

Above all, it comes down to relationships. It starts with a senior living management company's relationship with boards and owners and being equally yoked to meet expectations aligned with your mission and vision. At Life Care Services®, An LCS® Company, we also work to grow relationships with three other critically important audiences: residents, residents' families and community staff. The way to separate your community as the market leader is much more than its physical qualities. It's about the experience we create through our relationships.



Capital Square | 400 Locust Street, Suite 820

Des Moines, Iowa 50309-2334

Phone: 515.875.4500 | Fax: 515.875.4780

Website: LCSnet.com | Email: LCScompanies@lcsnet.com

©2019 LCS

1944335797-006