

# rd<sup>®</sup> Works

**THE 2.4 MILLION DOLLAR CHALLENGE**  
**\$2.4+ MILLION CLOSED IN 101 DAYS**

**AUDITS WORK!**  
**A PATH FOR YOUR COMMUNITY'S FUTURE**

**FUN WITH NUMBERS**  
**A (PRICE) SENSITIVE SUBJECT**

**Bonnie Blair, Founding Principal, Retirement DYNAMICS**

*Bonnie brings over 21 years of her signature style to her clients. A graduate of the University of North Carolina at Chapel Hill with a BS degree in Nursing, she lent her passion to patient care in pediatric nursing before founding Retirement DYNAMICS with partner Bobby Sumner over ten years ago. She continues to enjoy the privilege of working with people to better older (and younger) lives!*

*Bonnie enjoys snow skiing with her children and grandchildren and savoring fine food and wine. She lives in Charlotte, NC with Jim, her husband of 41 years.*

# rd<sup>®</sup> What we do & how we do it.



## Sales:

---

All communities invest their resources to create something that people are attracted to and will ultimately invest in. Together we build sales teams and systems that encourage demand, converting strategic efforts into results and revenue.

- **SALES MANAGEMENT:**
  - Onsite experienced experts to ensure results and make the most of opportunities and overcome obstacles
  - Offsite review and oversight of key performance metrics and reporting
- **SALES SYSTEMS:**
  - Organizational sales flow process and procedures
  - Lead and customer relationship management tools
  - Cloud based solutions from REPS to newer breed software solutions. Implementation, training, conversions, updates and audits
- **SALES STAFF:**
  - Temporary Sales Teams: Sales specialists to augment your effort or provide continuity during periods of change
  - Attraction, retention and training of campus and corporate level team members
  - Sales Training: Personalized to your organization or based on our Strategic Sales System
  - Mystery Shops: Interactions and detailed reports provided by experienced age and income appropriate shoppers
  - Customer Service Training

## Marketing:

---

Ideally, marketing should listen so closely to the customer that the products or services do sell themselves. RD believes that designing the right community or service is the key to approaching this ideal. The next step is to create a unique and powerful message and direct it to buyers, influencers and decision makers to create demand. RD embraces the art of marketing and relishes the science of using feedback, research and measured results to continually approach this ideal.

- **OUTSOURCED MARKETING MANAGEMENT:** Do you have a great sales team but need someone to help generate the right leads? RD partners with communities from an advisory level to being on site as a direct part of your organizational structure to make your marketing effective and efficient.
  - Product, program, and pricing reviews (“the Three Ps”)
  - Positioning, repositioning and branding for campus or corporate level
  - Marketing plan and budget services
  - Depositor, wait list and occupancy retention, conversion or creation
- **CREATIVE SERVICES:**
  - Whether our team, your team, existing creative partnerships or the need to search for new creative partners, RD will evaluate and help identify your best options for immediate and long term results
  - Logo design, Web, Print, Collateral development, Social Media, Direct Mail campaigns

# If you build it, will they come?

## Research:

---

Experienced, conservative methodology is used to answer what to build and to predict the potential for success and the degree of risk for new construction or additional services.

- Market studies for “greenfields,” expansions or new offerings
- Competitive studies
- Market penetration and saturation studies
- Consumer Research: Mailed or Internet surveys and focus group interviews to confirm market studies, clarify product design and substantiate demand including risk analysis

## Development:

---

### DEVELOPMENT TEAM NEEDS ANALYSIS:

Your team has great strength and capabilities but do they have the time and expertise for your project?

- Advice on turnkey developers as well as the à la carte approach to development
- Board education and development
- Strategic positioning
- New revenue opportunity analysis
- Sale or acquisition advisor

## On a scale of one to 10...

2011 marks our tenth year in business—a great milestone for any company. We would like to acknowledge that our success would not have been possible were it not for the support and friendship of our clients and their talented teams with whom we work. Most of all, we are indebted to, and in awe of, the source of our inspiration—*the seniors we ultimately serve.*

RD’s secret to lasting success is in creating and offering a unique message—and communicating it to the people who are the right customers. Each group we have the privilege of working with gets focused attention by seasoned veterans (averaging 20 years in senior living) that customize proven industry leading solutions to fit the particular opportunity or challenge. From research to development, from marketing to sales systems, from board education to customer service training RD maximizes the mission and margin of your organization. We look forward to working with you to better the lives of older adults through your community.



# Necessity is the mother of *reinvention*.

## A COMMUNITY REINVENTED

Located in a resort development in Florida, Glenmoor opened in early 2001. In 2003, Retirement DYNAMICS was engaged to perform a marketing audit and was subsequently hired to provide full service marketing consulting. Within 18 months, the community achieved 95% occupancy and remained at that level or higher for the next 3 years. Then the real estate market began to deteriorate. Also stung by the financial upheaval in 2007-2008, occupancy began to slide. Nevertheless the community maintained an average occupancy near 90%.

Fast forward to 2010 - lead generation slowed and the sales pipeline began to shrink. Additionally, only half of the move-ins during 2009 and 2010 were coming from the PMA. Dramatic action was called for: the community would

**Dramatic action was called for: the community would have to reinvent itself.**

have to re-invent itself. Retirement DYNAMICS was hired once again to provide marketing and sales management services. RD made several recommendations that management approved which led to significant changes resulting in achieving new marketing heights.

Although traditionally a life care community, management allowed marketing to offer two types of Type C Contracts: bundled and unbundled. We used the term "Life Choice." This program reawakened some "dead" leads in the database—"Tell us about your new program..." Some Entrance Fees were adjusted to "market" conditions and more financial options were offered.

Knowing the community would need to increase leads by 50%, management agreed to a substantial increase in marketing budget. Without this commitment, the program may have failed. We changed the "message" to focus more on lifestyle, Life Choices and options which enabled the prospect to remain in control of the decision making process.

## HOW DID WE DO IT?

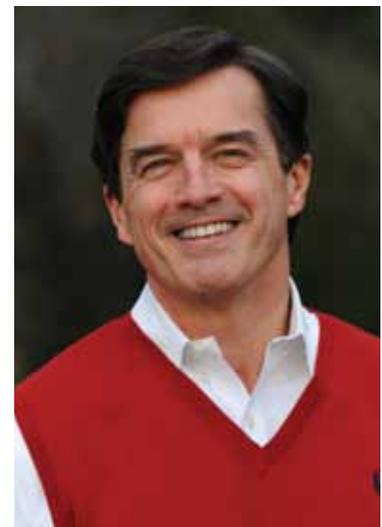
- E-blasts to purchased lists in the PMA, key areas in the Northeast, Midwest and South Florida
- E-blasts to adult children in the PMA
- Newsletter to purchased list in the Northeast, Midwest and South Florida
- "Saturation" mailings to targeted areas within the PMA
- Doubled efforts in "hot" markets
- Search Engine Optimization
- Direct mail
- Some newspaper advertisements
- Events at the Community
- Events outside the PMA
- New "lifestyle" brochure
- New DVD

## THE RESULTS ARE NOW IN!

**Leads to date have almost doubled over 2010 and sales to date have doubled over last year. For 2011, the community is on target to triple 2010 sales.**

*Bobby Sumner, Founding Principal of Retirement DYNAMICS, is a graduate of The College of Charleston with a BS in Business Administration. He received his MBA from the University of South Carolina.*

*Bobby lives in Gastonia, North Carolina with Beverly, his wife of 38 years. He enjoys spending time with his four children and two grandchildren.*



# A high performance model

## BUILDING SKILLS = BUILDING SALES

Abernethy Laurels in Newton, North Carolina, opened in 1971 as part of the United Church Homes and Services family of communities in North Carolina and Virginia. During 2007, RD and the sponsor completed a community repositioning initiative that added a community center, casual dining, a wellness center with indoor pool and fitness center and an 18-unit expansion that increased IL residences on its 120-acre campus to 134 homes and apartments. That effort was successful but by late 2010 the economic downturn and marketing staff changes contributed to a slow sales pace that resulted in missed sales targets as well as budgetary concerns. Abernethy again made staffing changes and in early 2011, reconnected with RD to implement a performance improvement plan.

Following a review of its systems and processes, Abernethy management requested that RD:

- Implement an intensive sales leadership and sales skills development plan to jump-start sales,
- Create a sales training manual,
- Support and train the new Marketing Director to set the bar for existing sales staff who felt demotivated and unchallenged by previous campus marketing leadership,
- Complete the task within 4 months and meet budgeted sales goals

**THROUGH ONE-ON-ONE SKILL-BUILDING, RD AND THE ABERNETHY TEAM MET ALL THE OBJECTIVES, ACHIEVING:**

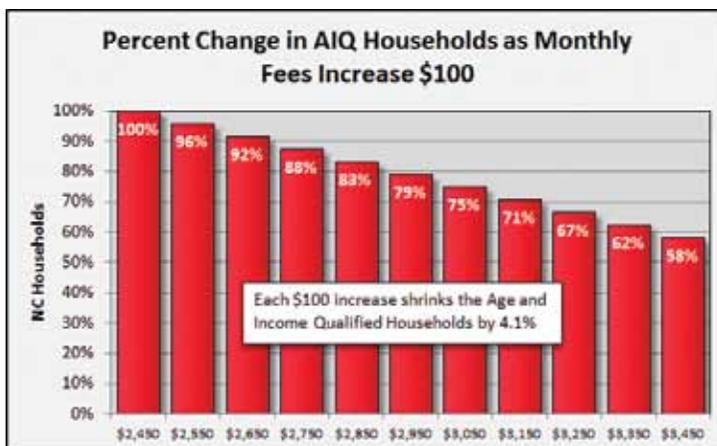
- **A 70% increase in sales over the previous quarter,**
- **A 45% total sales increase over the prior year,**
- **Completion of a community-specific, written sales training manual, and**
- **Attainment of budgeted sales goals.**

## Fun with numbers

### A (PRICE) SENSITIVE TOPIC

CCRCs, with all their values and benefits, do not serve the masses of buyers. Roughly 16% of the 75+ households in North Carolina could afford a CCRC even if the average monthly fee were only \$2,500. Obviously, that leaves 84% of the people who could not qualify financially.

The CCRC market is remarkably sensitive to price. The graph below is based on 2010 households in North Carolina, so when applied to a local market we'd see differences, but the pattern is the important thing here. If average monthly fees (for the same year, not annual increases) go up \$100, the size of the qualified market drops by about 4.1%. The numbers work in a positive way, too. A \$100 fee reduction should expand the qualified market by 4.1%.



Even seemingly modest fee adjustments can make a significant difference in the number of potential customers. Reducing fees without reducing value is never easy, but exploring alternate health care agreements or examining the refundability of Entrance Fees are just two of the ways that can increase the number of prospects for your community.



*Jeff House has worked with Retirement DYNAMICS since 2005. He earned a B. A. in Psychology from Earlham College in Richmond, Indiana and a Master of Public Administration from the University of South Carolina.*

*Jeff lives in West Chester, Pennsylvania with his wife Kathy of 43 years and loyal dog Senji. They have a son Bailey, working on his Phd. at UCLA.*

# The \$2.4 million challenge

## \$2.4+ MILLION SOLD AND CLOSED IN 101 DAYS!

*Whether you call it \$24,381 per day, or \$3,047 per hour based on an 8-hour day, or \$1,015 per hour based on a 24-hour day—any way you do the math, selling and closing \$2,462,500 worth of Entrance Fees within just 101 days given the current economic climate is an impressive feat for any CCRC sales team. The fact that Entrance Fees aren't modest and that the road to success has been paved with many challenges during the past few years only makes the achievement realized this summer that much sweeter for the team at Retirement DYNAMICS and at Trezevant in Memphis, Tennessee. Special thanks to Trezevant's leaders who challenged the team to reach this goal!*

With five-star rated nursing care, CCAC-CARF accreditation and a 2010 state-of-the-art expansion that included 92 new independent living residences, over 200 health care accommodations and a complete renovation of its existing health care residences, all common areas and the majority of the legacy independent living apartments, Trezevant today is the jewel of the mid-south.

Sales quotas were in place in order to reach the grand opening. BANG! Hello economic downturn.

However, back in October 2008, the entire site was one muddy, unattractive construction zone. Concern for current residents' safety and quality of life as well as the breadth of community changes dictated that the project be developed in phases, with occupancy of the legacy residences intentionally lowered in order to allow for connections between the new and old buildings. Sales quotas were in place in order to reach the grand opening. BANG! Hello economic downturn.

How does a community survive economic upheaval, construction delays and a host of other surprises to reach financial milestones such as collecting more than \$2 million in revenue in a three month period? Successful communities like Trezevant adjust plans repeatedly, are led by educated and

flexible management, and possess a keen understanding of how to use all types of professional services firms to their best advantage.

As Trezevant's outsourced Director of Sales and Marketing, RD worked with the community to develop a balanced recipe for success composed of the following:

- A complete marketing strategy (advertising, PR and referral tactics)
- Motivated sales staff
- Cost-effective incentives (moving assistance and upgrades for short-term move-ins)
- A specific inter-departmental (finance, facility operations, resident services, management) communication plan that allowed the organization to approve new applications quickly as well as to prepare new residences for fast occupancy

## CONGRATULATIONS TO TREZEVANT ON MEETING THE \$2.4 MILLION CHALLENGE!

*Ann Marie Ladis, a Retirement DYNAMICS Senior Consultant and Principal, is a graduate of Brandeis University and has an incisive and insightful marketing background in real estate and the retirement industry.*

*Ann Marie lives in Charlotte, North Carolina with her three adorable kittens.*





# Audits work

## PLANNING YOUR WORK, WORKING YOUR PLAN

Virginia United Methodist Homes (VUMH) has 6 CCRCs in the Commonwealth of Virginia. The organization's newest community, WindsorMeade in Williamsburg, opened in July 2008. Like many of the other CCRCs in the United States that opened during the recession, WindsorMeade faced a rapidly changing market:

- Values and the pace of home sales in the PMA dropped by 25% before opening
- Entrance Fees in the community were more than double the average home value in the PMA
- The percentage of depositors and residents from the PMA dropped below 60%
- Attrition of 10% depositors was more than 60% higher than projected
- Established and respected competitors offered lower Entrance Fees

For many of the new communities that opened in the last four years, these facts are painfully familiar... the good news is the results since VUMH asked RD to work with its team on the audit have far surpassed most of the communities in similar situations.

VUMH President and CEO Chris Henderson and his corporate, campus and consulting teams deserve much of the credit for the success at WindsorMeade. Chris focused the work of the key participants to provide a plan and a financial package that was compelling to the residents, prospects and financial partners of the community. RD is proud to work with Chris and be a part of his larger team. We are pleased to share a few key recommendations, the process and the success:

- Blend the opinions of the current marketing and sales leaders with RD's to present a concerted opinion on projected results
- Combine the revised move-in projections with financials, showing that lower Entrance Fees would increase revenue and occupancy
- Adopted suggestions as to sales process, compensation plans and home sale program

**Results: Sales and, more importantly, move-ins increased from less than 1 per month to over 4 per month.**



*Perry Aycock is President of Retirement DYNAMICS and a graduate of Davidson College. Perry lives in Chapel Hill, North Carolina with his wife Kara and two young children.*

# Does size matter?



## RD CAN PROVIDE THE PERFECT FIT

In consulting, size can matter. Too big and you may not get the individual attention your community needs—too small can mean the same results. Retirement Dynamics is the best partner for many senior living communities simply because we are small enough to create customized solutions to fit each client's needs and big enough to manage significant challenges.

We are agile enough to react quickly and large enough to place the right person for the right project. We bring together a deep and diverse pool of experience to craft community services and deliver targeted messages. Messages that the market will want to invest in. Try us on for size. We will tailor-make a solution to fit your needs.

We are agile enough to react quickly and large enough to place the right person in the right project.



The company we are—is because  
of the company we keep...



Life Care Pastoral Services  
*St. Augustine, Florida*



Trezevant  
*Memphis, Tennessee*



Jefferson's Ferry  
*Long Island, New York*



Virginia United Methodist Homes  
*Williamsburg, Virginia*



Westminster Canterbury Chesapeake Bay  
*Virginia Beach, Virginia*



The Cypress of Raleigh  
*Raleigh, North Carolina*



Crane's Mill  
*Lutheran Social Ministries of New Jersey*



The Oaks  
*Orangeburg, South Carolina*

RD values the close relationships we have developed with so many of the great retirement communities throughout the country. Our experiences have provided us all with valuable insights into the unique needs of the Senior Living Industry. We will continue to strive with our clients to achieve their goals, both for business and for those residents who call these communities home.



**Retirement DYNAMICS®**

Defining the Future of Retirement Living

P.O. Box 667986 ■ Charlotte, NC 28266-7986 ■ 888.897.7768

[www.retirementdynamics.com](http://www.retirementdynamics.com)

