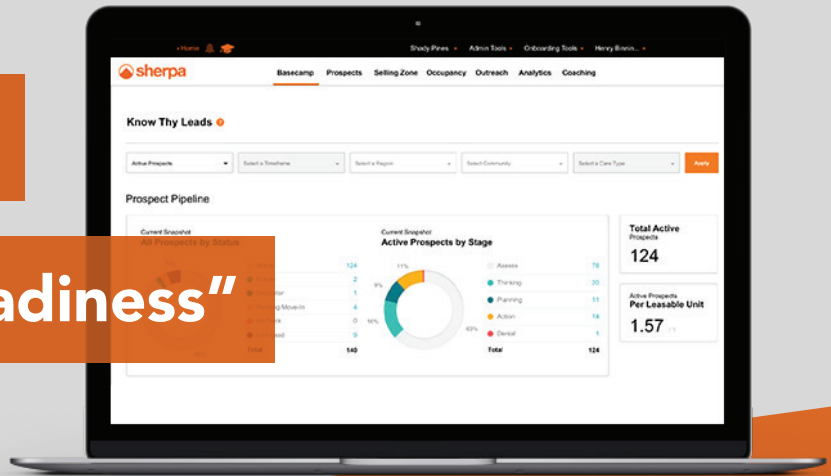


# Inside the Science of Senior Living Sales



# Senior Living Sales:

# The Science of "Readiness"



Sherpa CRM dashboard

When it comes to high-functioning senior housing prospects — ones considering a move based on desire as opposed to crisis — the impact of sales counselor activities on industry conversion rates has been historically unreliable.

Now, using a scientific analysis of sales activity data extracted from Sherpa, a senior housing customer-relationship management (CRM) system, research suggests there are key, predictive micro-metrics that drive a prospect's decision to ultimately move in. These metrics can also be used to guide the quantity and type of effort a sales professional should put forth for maximum effect.

This white paper explores the metrics that define a successful senior housing sales process, and provides best practices from senior housing sales leaders.

## The science of senior living sales

Research conducted in 2016 by global market research and advisory firm ProMatura Group dispelled the theory that more sales activity yields more and better conversions. Analyses of source CRM data from Sherpa identified behaviors of highly effective sales professionals. The study examined data from more than 300,000 sales encounters of 500-plus sales counselors to find optimal methods for converting prospects.

The study revealed two important insights about how to sell in senior living.

- **Prospect engagement matters.** Top performers generated 7.5 times the number of call-ins from existing prospects than their less successful colleagues.
- **Face-to-face is best.** Of the six types of sales interactions studied, face-to-face interaction between a salesperson and a prospect had the greatest impact on conversion ratios.

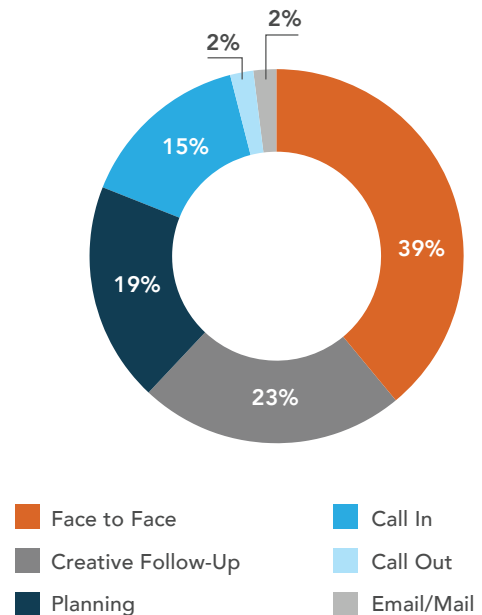
The study further categorized activities for sales professionals into three distinct zones, encouraging providers to think proactively about maximizing the time spent in “The Selling Zone.” Roughly defined, Time in The Selling Zone® refers to time spent on activities used to generate sales, as opposed to activities for marketing or operations.

The ProMatura study revealed that investing time in planning prior to each and every prospect interaction roughly yielded a return nine times greater than the oft-used tactics of calling or emailing prospects after an initial visit.

While the inherent talent of the salesperson still matters, a prospect-centered process and methodology matters more. [Additional research](#) sponsored by the American Seniors Housing Association (ASHA) is now underway.

## ProMatura Study

IMPACT OF ACTIVITIES ON CONVERSION RATIOS BY TOP SHERPA PERFORMERS



### INCREASED CALL-INS

 **7.5x**

Top performers generated 7.5x the number of call-ins from existing prospects for every call-out they made

### STUDY SCOPE

**302,159** Sales Interactions

**502** Salespeople

**23,480** Leads

**25** Companies Across **25** States

**106** Communities

Source: Sherpa, ProMatura Group

## What is The Selling Zone?

Salespeople in senior living operate in three zones: The Marketing Zone, The Selling Zone and The Operations Zone. The most successful sales professionals spend a bulk of their Time in The Selling Zone® — i.e. on tasks tied directly to prospect engagement.

This includes time spent face-to-face or voice-to-voice with a prospect as well as time spent planning advances and creating personalized follow-ups.

THE MARKETING ZONE	THE SELLING ZONE	THE OPERATIONS ZONE
Advertisement Placement	Creative Follow-Up	Move In/Move Outs
Event Planning	Face to Face	Operations Meeting
Mailing Campaigns	Prospect Planning	Paperwork
Professional Referrals	Voice to Voice	Resident Satisfaction
Social Media		Unit Readiness

This approach has proven successful in multiple industries outside of senior housing. In 2006, the *Harvard Business Review* published an article “The New Science of Sales Productivity,” in which the authors conclude that businesses paying more attention to a data-driven sales process can improve sales productivity by up to 200%.

“The goal isn’t to replace rainmakers,” the article explains, “but to narrow the gap between the top 15% or 20% and the rest of the sales force.”

In 2015, salesforce.com released the article “The State of Sales Productivity,” with one of its most important findings that productivity suffers when sales reps spend only a third of their time selling.

Keeping your team in The Selling Zone is crucial for success.

### SALES PRODUCTIVITY

↑ 200%

Businesses that pay more attention to a data-driven sales process can improve sales productivity by up to 200%.

Source: Harvard Business Review, 2006

## Micro-metrics that matter

Every business has its own sales metrics — the key performance indicators that drive better sales conversions. What's different with a prospect-centered approach is the focus on micro-metrics — what happens during and between prospect interactions. Among the most important micro-metrics in senior housing sales are:

- **Time Spent Selling** — Time in The Selling Zone®
- **Time Spent Per Prospect Worked**
- **Time Spent Planning** — Actions that create next steps for reaching specific prospects
- **Advances** — Small steps from the prospect that move the sales process forward
- **Stages of Readiness for Change** — How the prospect navigates the change process, across an evidence-based readiness continuum, from Denial to Thinking to Planning to Action.

## A Case Study

Dial Retirement Communities in Omaha, Nebraska — which operates more than a dozen care-continuum communities in four states — has used this new data-driven and prospect-centered approach to achieve powerful outcomes. Most notably, the organization saw a 20% increase in occupancy in the first year of use at one community, an increase in sales closing rates (from visit to move-in) from 25% to 35-40% and a significant decrease in sales staff turnover.

When Reed Davis, corporate director of sales and marketing, came to Dial six years ago in his current position, the company's sales culture and data management processes were inconsistent. Dial used multiple systems to track results, but nothing proved overwhelmingly successful. Just as significant, no one on the Dial team was tasked with owning the result.

**“As soon as Sherpa was up and running, we tested it at one of our communities and we saw a significant increase in sales.”**

**Reed Davis**, *Corporate Director of Sales and Marketing, Dial Retirement Communities*

Davis helped the sales team get acclimated to journaling what happened and what was learned during each prospect interaction, and to the larger idea of monitoring their time spent on selling activities. To accomplish this, Dial switched to Sherpa, which was in its early stages of development.

“As soon as Sherpa was up and running, we tested it at one of our communities and we saw a significant increase in sales,” Davis says.

That community, Elk Ridge Village in Omaha, saw a net loss of 26 residents in five months due to 600 new units coming on the market. But beyond the market forces at play, Davis believes that his team had not done its due diligence, especially when it came to analyzing key factors that drive the sales process.

“I think that oftentimes, planning [in advance of calls or visits] is one of those things that feels like a waste of time,” he says. “For people who don’t understand the value of [planning], it feels like you’re sitting around and just having a conversation. What they don’t realize is that that’s where the [prospect’s change or readiness] process really begins.”

After switching Elk Ridge Village to Sherpa, Dial saw a 20% increase in occupancy in the first year. They rolled out Sherpa to the rest of their communities within five months.

Now, instead of casting the widest net possible, the Dial team looks for prospects that are the best fit. With the new approach, Dial team members have trimmed nearly 85% of their leads, and instead focus their time in The Selling Zone on building trusting relationships, building prospect awareness and motivation to change — before offering product- or service-based solutions.

#### OCCUPANCY INCREASE

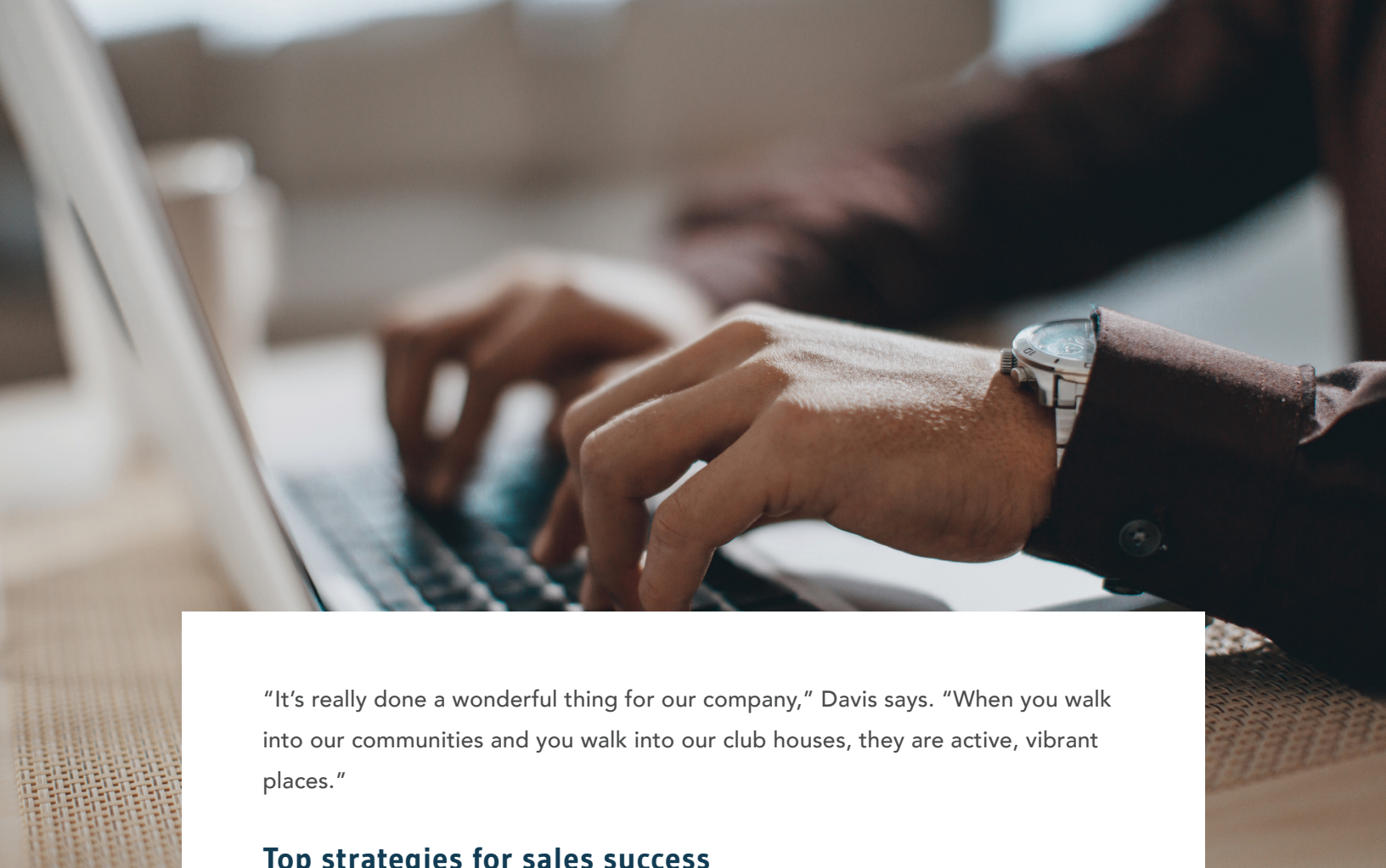
**↑ 20%**

In its first year using Sherpa at one of its communities, Dial Retirement Communities saw a 20% increase in occupancy.

#### TRIMMING LEADS

**↓ 85%**

Using Sherpa, the Dial Retirement Communities sales team trimmed nearly 85% of its leads, allowing it to focus on only the best prospects.



"It's really done a wonderful thing for our company," Davis says. "When you walk into our communities and you walk into our club houses, they are active, vibrant places."

## Top strategies for sales success

Reed Davis is no novice — he has been in senior living for close to 15 years. But even he was impressed by how embracing new sales metrics impacted not just the sales outcomes, but also the mindset of a sales team.

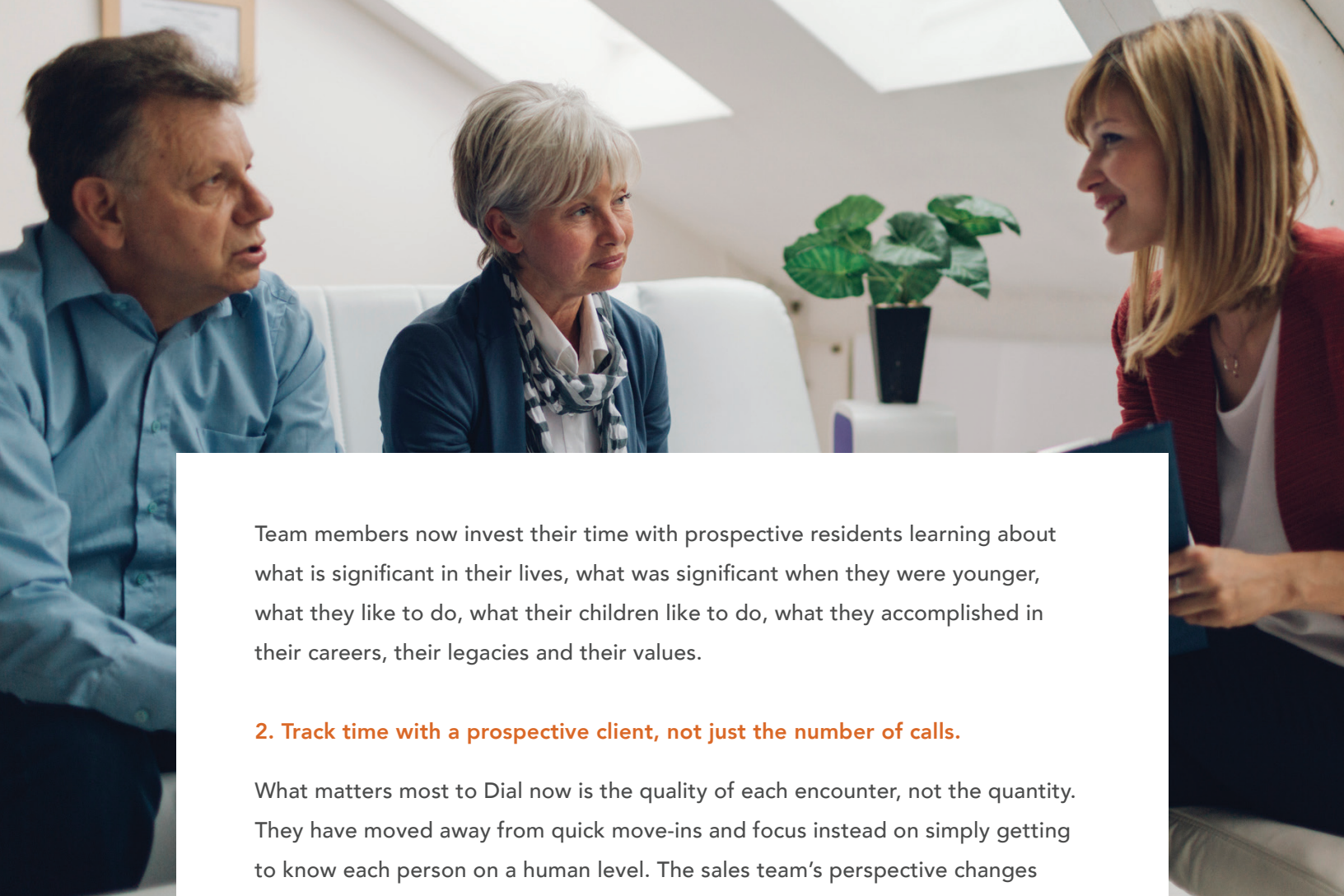
He's come away with three top strategies for sales success in senior living.

### 1. Discover a prospective client as a person, not as an ailment.

When a potential client calls, the instinct for a sales team member is to identify his or her physical limitations and needs, whether for independent living, assisted living or memory care.

"This is another way of [asking the prospect], 'What's wrong with you?'" Davis says.





Team members now invest their time with prospective residents learning about what is significant in their lives, what was significant when they were younger, what they like to do, what their children like to do, what they accomplished in their careers, their legacies and their values.

## **2. Track time with a prospective client, not just the number of calls.**

What matters most to Dial now is the quality of each encounter, not the quantity. They have moved away from quick move-ins and focus instead on simply getting to know each person on a human level. The sales team's perspective changes from "Oh my gosh, I have to make 50 calls!" to "How can I spend quality time with this person?"

"We know every resident in our community like we know our grandparents," he says. "I don't look and say, 'How many deposits do we have?' Or, 'How many tours do we have?' I look and say, 'Are we spending an appropriate amount of time with this prospect?' Because that leads to what has been proven to increase the number of tours and the deposits. There is a direct correlation. If you're not spending enough time with your prospects, they are less likely to buy from you."

## **3. Expand the approach beyond sales**

The biggest surprise to Davis has been the impact Sherpa has on his hiring. He has changed the way he recruits prospective Dial team members for any department in the organization.



**“... our most successful people are the people who slow down and take the time to get to know the person. ... If they can’t have a conversation with me, they can’t have a conversation with a family.”**

**Reed Davis**, *Corporate Director of Sales and Marketing,  
Dial Retirement Communities*

“I conduct [candidate] interviews almost the exact same way that I would conduct a tour with a lead that has come in,” he says. “I’m not asking interview questions: ‘What’s your 10-year goal?’ I’m conducting interviews as if we are having a conversation like I would with a family sitting across the table. I want to make sure that person can have a genuine conversation.

“That’s the biggest thing that I think with our sales team: our most successful people are the people who slow down and take the time to get to know the person. ... If they can’t have a conversation with me, they can’t have a conversation with a family.”

## **Achieving Senior Living Sales Success**

The senior living sales approach can now be measured by actionable data focused around sales behaviors, thus helping advance the prospect’s readiness for change. Providers who have tools at their fingertips to measure, track and analyze relevant sales performance metrics are best positioned to implement best practices and optimize their sales teams in an ever-increasing competitive landscape.

## Contact

Contact Sherpa to learn more about the senior living sales tools available to help your team succeed.

[sherpacrm.com/contact](https://sherpacrm.com/contact)

