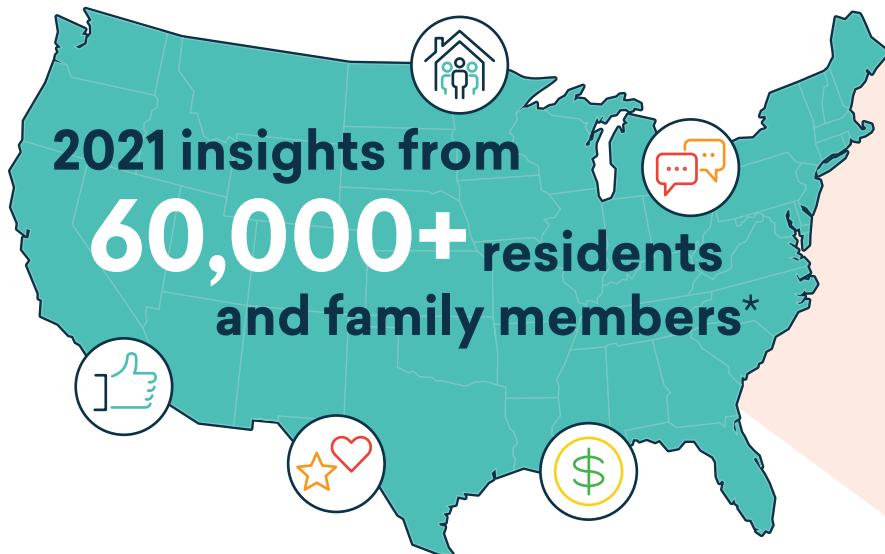


# Blind Spots: The \$3 Million Per Community Opportunity



Activated Insights



This survey data reveals **2 major blind spots** that CEOs and Leaders often miss

Costing senior living companies up to

**\$225,000** of EBITDA

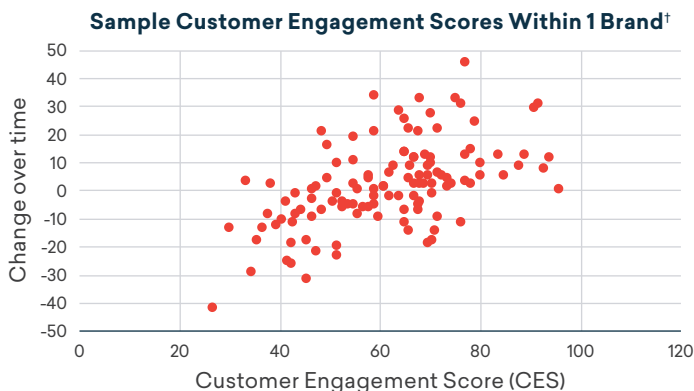
or

**\$2,800,000** of value per community

**Blind spot #1:** Not knowing which communities or centers are not representing your brand well

**Implication:** In these lower-scoring communities, word-of-mouth referrals are much lower and resident move-outs due to dissatisfaction are 3x higher.

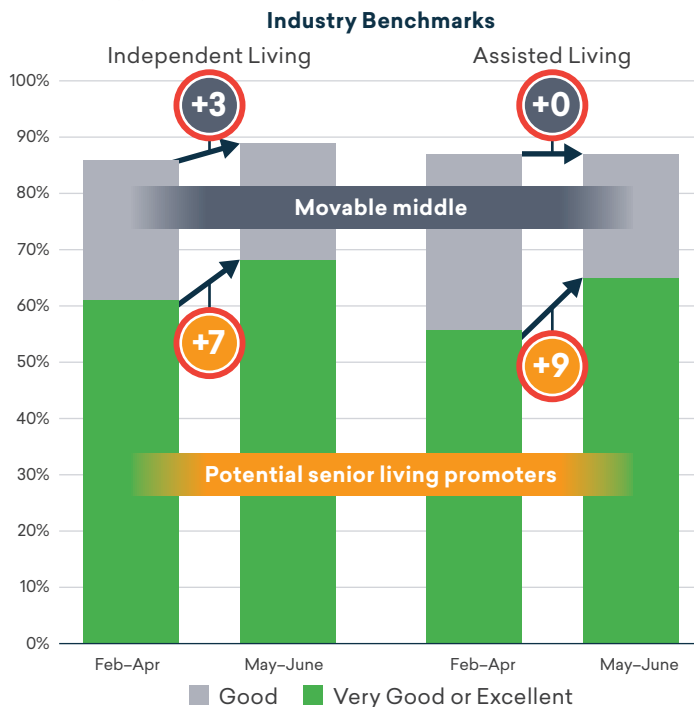
Within one brand, CES<sup>®</sup> scores often range from the 20s to 100.



Imagine if your experience with one Starbucks location was a 20 (on a 100 scale) versus a 90+ with another Starbucks location. **Would Starbucks have the same brand reputation?** Probably not. And neither do most senior living brands... except it's a blind spot. We do not know it!



**Blind spot #2:** A community's high scores may be disguised by the "movable middle" – and not reflective of having great customer promoters<sup>‡</sup>



**Implication:** With 2021 average Net Promoter Scores for seniors housing averaging a negative 8 i.e. on par with CVS/Cigna/Comcast customer experiences, CEOs are missing the data to forecast profitability.

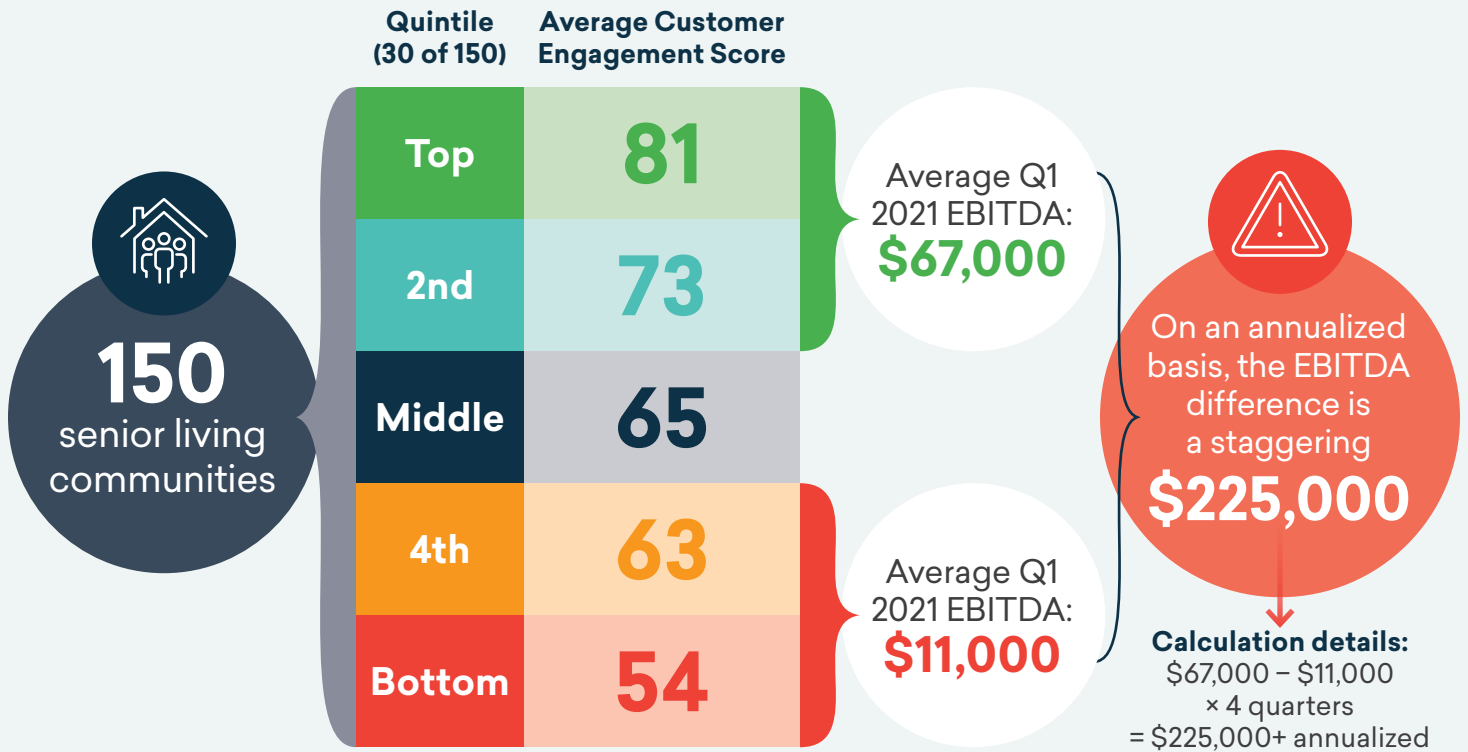
\*This report is based on surveys of 63,807 residents and family members from February to May 2021.

†Disguised data from a national senior living provider's resident survey across their 100+ communities

‡Across the industry, senior living promoters are much happier than the aggregate implies. The "Good" movable middle score flattens the overall assessment.

# The profitability story behind customer satisfaction scores

150 senior living communities who surveyed their residents and family members shared their financial performance.



## The Opportunity – and What To Do

What can senior living providers do to maximize their performance opportunities?

### 1. Baseline

Baseline your customer engagement score (CES®) – survey your residents and family members in real-time with the best technology available.

### 2. Overlay Financials

Tie CES data to community-level financial metrics such as occupancy, EBITDA, move-ins and move-outs to identify gaps in communities and segments of customers.

### 3. Plan & Improve

Create clear CES goals, monitor improvement plans with efficiency tools and "pulse check" your customers to ensure that experiences are improving.



The key is to tie how happy your residents and family members are to property-level EBITDA (or NOI for non-profits). Then, translate the figures into property valuations. Using 8% capitalization rates for senior living communities, **the \$225,000 in EBITDA means a difference of \$2.8 million in property values.**

Source: An Activated Insights study of 150 senior living communities and their occupancy/EBITDA data

For more insights and tips, please email [hello@activatedinsights.com](mailto:hello@activatedinsights.com)

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