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WHAT AAHSA WANTS THE CFO TO KNOW

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The following is a summary of the presentation given by William L. ("Larry") Minnix, President & CEO, American Association of Homes and Services for the Aging ("AAHSA"). Mr. Minnix was the keynote luncheon speaker on Thursday, April 30, at the recent Ziegler AAHSA National CFO Workshop in Chicago. His presentation follows a theme of the luncheon presentations from past years in which attendees to the Workshops have heard the perspectives of the residents, the CEO, the board, the auditor, and the investor.



Mr. Minnix greeted the nearly 150 CFOs in attendance with the announcement that AAHSA and others had successfully included "long-term care" within certain health care reform legislative efforts currently underway in Washington. This change will more likely assure that long-term care providers are better aligned with other health care providers, an important step as the lines between levels of health care become increasingly blurred. "Think health care meets the consumer on the home shopper network", Minnix humorously explained to illustrate the possible changes in store for future consumers/residents. With this backdrop, Minnix provided his list of "must-do's" for today's senior living CFO.

1. **Be a steward of your resources.** This is a time when being an entrepreneur has NEVER been more important. Take those entrepreneurial skill sets and improve quality. How? Per Minnix, the best opportunity for implementing change is to improve quality through supporting progressive human resources programs. "Cut your turnover rate," he challenged the CFOs, and know that people are your solution, not your problem.
2. **Focus on your mission.** This focus, per Minnix, can be accomplished through a heavy dose of innovation and, above all, must be supported by a clearly defined, delineated charity policy. Use the IRS Form 990 to document who you are, what you do, and why you do it. No mission, no margin.
3. **Be transparent.** Not only should you 'know your story' but also you must tell your story to those in your community--to the families of those you serve, to those that your organization touches--and, of course, that 'story' HAS to include charity (see point 2!).
4. **Fall in love with the wants and needs of your marketplace.** This commitment should preclude falling in love with your product! "In addition, fish in your own streams," per Minnix, leaving the highly unlikely consumers (aged 55+) to others (e.g., for-profit enterprises). Know that 80 percent of your potential market is staying at home, paying out-of-pocket for services that AAHSA members are not providing. An easy next step is to find out what these consumers need and want and then to offer it to them. In other words, be creative about what you offer!
5. **Learn to partner.** Per Minnix, Mark Thomas of Ebenezer Ministries (MN), has taught him that "culture may trump strategy". While this may make affiliation challenging, it doesn't mean partnering shouldn't be attempted. There are many projects for which a partner may provide the critical step to success. Partnering will be increasingly important, but successful partnering means understanding one another's culture before working on understanding one another's business strategies.
6. **Pay attention to detail but don't major on the minors.** CFOs, per Minnix, can be seen as a 'controlling and blaming' group. Use your skills to manage and coach instead, he urged.
7. **Abandon "retirement".** This note to the sector as a whole (not just the CFOs) was meant to stimulate audience thinking about the possibilities ahead should we remove the "R" from the name of Continuing Care Retirement Communities. If our focus instead moves to healthy, active aging and moves to such a degree that "retirement" is removed from our marketing, a whole new world order in senior living may result, per Minnix. (Editor's note: Ziegler looks forward to contributing to this effort to determine the best way to reference the CCRC of the future.)
8. **Use scenario planning and systems thinking to grow your strategies.** Use client/consumer-centered strategies and think systems, per Minnix. Focus first on the people you serve and how you can create networks to assist them in meeting your needs. Too much of what we do is regulation- or routine-centered care.
9. **Keep board, residents and politicians CLOSE to you.** Minnix explained that the hospice program is an example of a strong, effective program that keeps its clients and their families close... relationships formed through the hospice stay bring family members 'into the fold' and create long-standing relationships. This is a model for how senior living providers should build relationships with ALL of those with whom they work.
10. **Lighten up!** We're in a very serious business, but we're doing outstanding work with a hopeful outlook backed by fact-filled strategies. Keep both a short and long-term focus, per Minnix, but enjoy the journey as we build our strategic vision for the future!