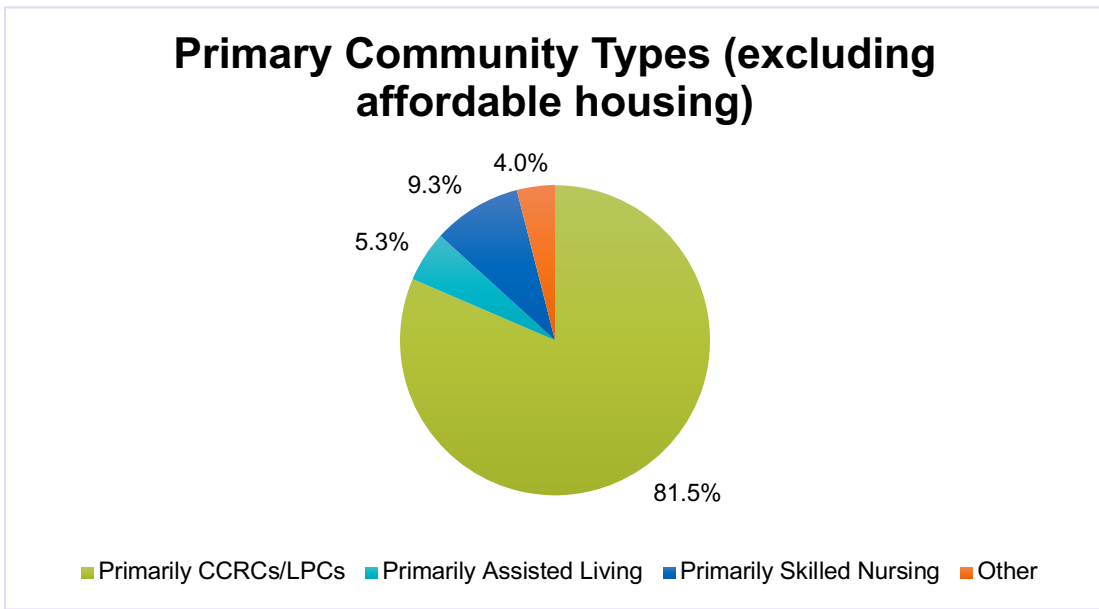


# LEAD GENERATION AND REFERRAL SERVICES

## ZIEGLER CFO HOTLINE<sup>SM</sup>

The April Ziegler *CFO Hotline*<sup>SM</sup> survey focused on lead generation and referral services. Topics included CRM software, lead generation companies, lead quality, compensation, and general opinions about lead generation and referral services. Just over 150 senior living CFOs and financial professionals from around the country responded to the survey, with an almost even split representing single-site providers (51%) and multi-site providers (49%).

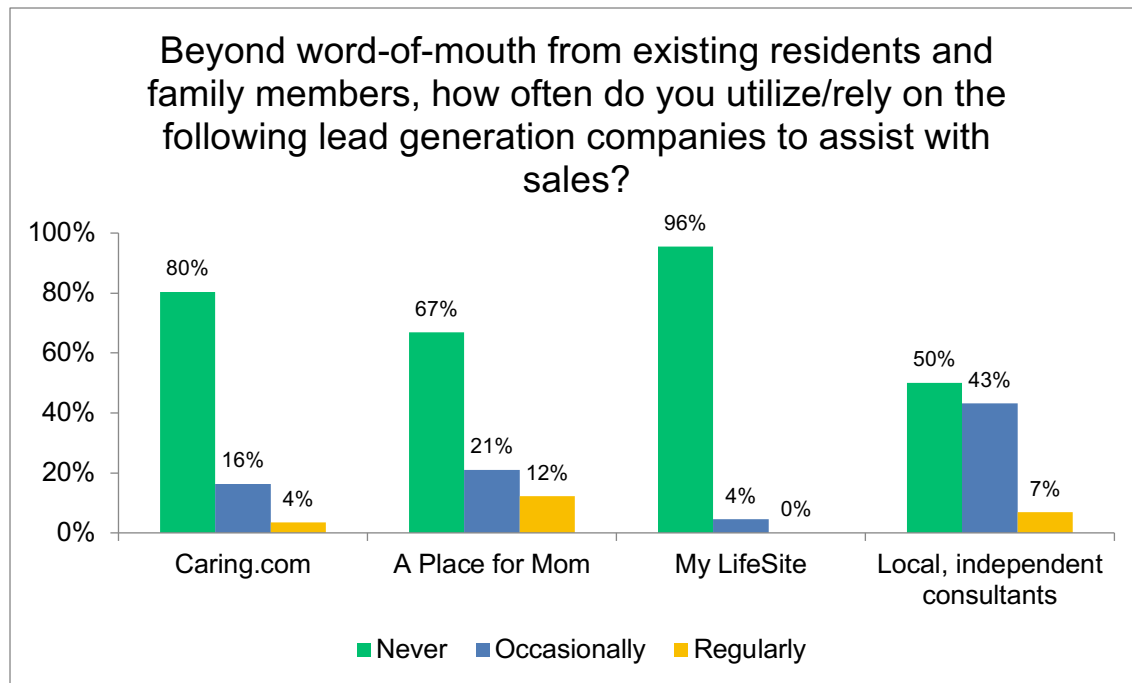
- Nearly all respondents represented not-for-profit organizations (98%).
- Most respondents represented CCRCs/LPCs (82%).



The survey asked providers which CRM software they use to track leads, potential residents and similar information; responses included more than 20 different software systems. The following table lists software systems receiving 10 or more mentions. Also, more than 20 providers volunteered that they are transitioning or recently have transitioned to a different system

CRM Software System	Number of Mentions
MatrixCare®/AOD	34
Salesforce/RHS	26
Enquire™	16
PointClickCare®	16
Sherpa	15

The survey asked how often providers utilize/rely on lead-generation companies such as Caring.com, A Place for Mom®, My LifeSite™, and/or local, independent consultants, beyond word of mouth from existing residents and family members. Half said they use local, independent consultants regularly or occasionally; less than one in five on average regularly or occasionally utilize/rely on Caring.com, A Place for Mom®, or My LifeSite™. In a follow-up question asking for additional sources for leads, respondents listed more than 30 additional companies and sources, with just five getting multiple mentions (Oasis, CarePatrol, Extended Care, NaviHealth, Morrissey). With the majority of the respondents coming from Life Plan Communities, who are less heavily focused on healthcare than perhaps other skilled nursing or assisted living providers, the lower adoption rates were not surprising.



Respondents were queried about frustrations they may be having with current lead-generation vendors. Chief among the complaints was the quality of leads, with more than half of those who commented (40 individuals) mentioning this. Other frequently mentioned issues included:

- Lack of knowledge about/understanding of community
- Leads being sent to all providers in a region, generating a barrage of calls to customers
- Leads already in the provider's internal database

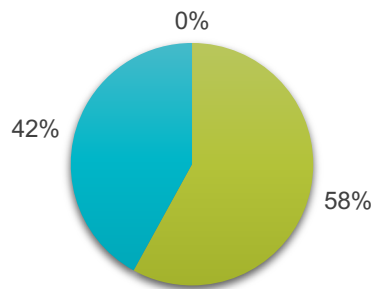
In a follow-up question, the survey asked respondents if there are lead-generation vendors that produce more high-quality leads and perform better than others. Local companies and A Place for Mom® topped the mentions.

The survey asked if providers ever have to pay two parties a fee for the same referral. Fewer than one in ten (8%) said that this has situation has occurred; of those who have, the percentage of time this occurs was fairly low.

Respondents were asked what proportion of the first month's fee they would be willing to pay for a valid lead. Most respondents said they would pay less than 75% of the first month's fee. Other fee arrangements that were mentioned included:

- Paying a flat fee (e.g. \$500, \$2,500 for a new lead, and \$5,000 plus a portion of the monthly fee for a move-in);
- Paying a percentage of the first month's fee (responses ranging from 40% to 100%); and
- A handful of respondents indicated that they were unwilling to pay a fee for this type of service.

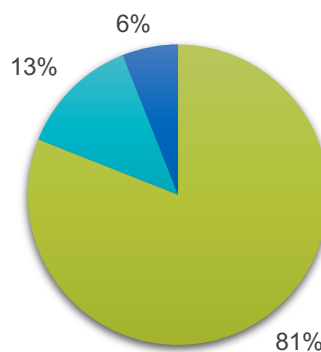
**Knowing that many lead-generation companies have a compensation agreement that revolves around a proportion of the first month's fee, what is an amount that you would be willing to pay for a valid lead?**



■ <75% of first month's fee   ■ 75%-125% of first month's fee   ■ >125% of first month's fee

The final question compared lead generation vendors results to that of internal efforts. The majority of respondents said lead generation vendors generate fewer/less desirable leads than internal efforts.

**Would you say that most of the lead generation vendors . . .**



■ Generate fewer/less desirable leads than internal efforts  
 ■ Generate leads that are similar to internal efforts  
 ■ Generate leads that generally exceed what is able to be done internally

A number of respondents shared additional comments about lead generation, referral services and fees. Below is a compilation of selected quotes.

- *Our leads come from Direct Mail, Referrals, Marketing Events, Local newspaper, Etc.*
- *We do our own marketing and lead generation and we are at 92% overall*
- *In past positions I have utilized A Place for Mom and Caring.com, it seemed that those companies simply blanketed the leads out to many communities without qualifying the lead. I was not impressed with the quality of leads. For example, we did not accept Medicaid, yet we often received leads that were Medicaid only.*
- *If marketing staff utilizes CRM system effectively by entering accurate and complete information on a timely basis, then reports and statistics can be generated and analyzed to determine strengths and weaknesses in marketing efforts.*
- *Contact with lead generation agencies would be very beneficial for this organization*
- *These leads tend to stay in our "not yet classified" category much longer than leads from other sources--difficult to contact the main referral.*
- *Most of our leads come from ALF Administrators, Community referrals are difficult to obtain.*
- *We have agreements with several lead generation companies and have never received a viable lead.*
- *I prefer working with agencies on target marketing versus paying vendors for referrals.*
- *Establishing a relationship with a lead source, and cultivating that relationship to produce more qualified leads over time is a valuable addition to our sales program.*
- *Our community is full most of the time, mostly through word of mouth with some print and digital marketing in place, mostly to stay top of mind*
- *It's frustrating to pay for leads that would have found us anyway. - particularly when there is more than one family member participating in a search and any one of them can trigger a referral fee. Residents we have paid fees for sometimes had no idea that we did because a family member might have inquired with a place for mom and the resident never really worked with them.*
- *We generate our leads via our website presence and our own referral network of residents, professionals, and families. We do not have a need to pay other agencies for leads at this time.*
- *We try to generate qualified leads through advertising, marketing and outreach as well as referrals versus paying directly for them. I have only heard horror stories from colleagues who have used this type of service.*
- *We do not require the services of lead generation companies.*
- *We have a strong inbound and digital marketing campaign which has increased our leads. We use Marketing Essentials as our consultants*
- *We often find that the lead is already in our system which leads to some frustration with paying for a lead we already have. However, if the company is doing their job well they can convince the person to move quickly which is worth the fee.*
- *We utilize local ads and events, and focus on IL residents, not healthcare / need based.*
- *I would use these services if they were cheaper and more customer friendly.*
- *Due to the cost per referred placement, we are currently not interested in these companies.*
- *I have had experience at my last position with A Place for Mom. The only issue was that they would throw any leads at you and we spent alot of time requalifying the lead only to find out they were not a solid lead to begin with.*
- *As we are becoming more successful generating our own leads via advertising and marketing efforts, we are pulling away from lead generation companies like APfM and Caring.com.*

*The senior living organizations' responses included in this report have been collated without verification of the accuracy of the data/comments therein. The results provided do not express an opinion of nor can they be guaranteed by Ziegler.*

PREPARED BY:

**LINDA BENDIXEN**

Research Assistant, Senior Living Research

Ziegler

Direct: 312.596.1548

e-mail: [lbendixen@ziegler.com](mailto:lbendixen@ziegler.com)