



MOM'S HOUSE HOME STUDY COURSE

CHAPTER EIGHT

Full Certification Program Available

APPLICATION LINK

Chapter Eight

So, when you ask yourself, "What is the community's goal?", you've got to remember that a referral to you is super valuable to you. Let's talk about the ways that it helps them. If you can build the trust with the communities, you're going to have this ongoing lead source. We know it's super valuable to you, because these are the houses, like we talked about earlier, these are the best leads in the industry. And so, you got to say, what's in it for the communities?

One big one is that you solve the stuff issue. If somebody shows up with cash in hand because the house was sold, you've helped him get rid of all this stuff, then you have way less to deal with as a community.

Remember my analogy?
It wasn't an analogy.

It was a story about the lady in South County and St. Louis that was helping the lady with her 27 canes. That was a real story. How is that woman going to go from a 1500 square foot condo, into this one room? If she was just left her own, she was going to try to drag everything from that condo into her room. So helping the communities with the stuff takes a giant burden off of the senior living community. So they don't have to be the person who has to fight with the patron to get rid of the stuff.

The other big one, we talked about, is the timeframe to cash. Some of these communities, they're fighting for the same people to move in.

Remember the analogy of January to August on the timeframe to cash on the house?

Some of these communities will let them get into the hole with not having the cash already ready to go. And so when we talked about that \$50,000 hole that the family gets in over eight months time, the senior living communities will grudgingly give them a loan against the future sold value of the house.

Let's say they have a house that's worth 150,000 and then eight months when they sell it and they get their money. Now 50,000 of that goes right to the senior living community for that eight months of time that mom already lived there.

So, it's almost like a bandaid to the real issue, which is they don't have the liquidity out of the house yet. Keep in mind, a proprietor of a senior living community does not want to be in the house business. We don't want to be taking care of seniors, and they don't want to be in the hospital. It goes both ways. And so you help them not to have to be in the house business and to give out these unwanted loans. They don't want to do these things. They just look at it as a necessary evil to keep people living in their communities. And so if we haven't stressed it enough, that's what you provide to them... that family moving in with the cash on hand to pay for their services.

When you look at a senior living community, what affects their bottom line the most is the turnover rate. With an average of only 28 months of someone living there, that means these people are passing away or they're moving on to the next level of care, and so they might be leaving their community. That turnover creates vacancies, and you're a real estate investor, so you know what vacancy does to an apartment building or just a single family house. You know how bad vacancy is.

If no one's there to pay for it, now you're the one stop paying for it, and you're not profitable. When you factor the lifetime value of a customer with the industry average mean 28 months, the great thing about what we do and what's in it for this community is that we add months onto the front end of how long that person might live there.

So while the industry average might only be 28 months, with your service or our service, they might get 32 months out of every person that moves in. And so that extra four months on the beginning makes a huge deal to the community's bottom line.

How much more will they make by using us as a service?

Well, really that's their day rate. These companies, these senior living companies literally figure it down to the day, they know exactly what they make per person per day. And so if you add months onto the front end, they will be able to articulate exactly how much money that you've made for them. People have other ways to pay for their care. Let's talk about some of the payment options that they have for long-term care. We'll get into that next.