

Building a Path to Profitability and Efficiency for the Senior Living Industry in the Age of Mass Data and Analytics

How today's senior living providers are leveraging advanced forecasting and budgeting technology to navigate increasingly complex data streams and create successful business strategies.



In virtually any industry, the most successful and profitable entities are those that have the tools in place to better understand their specific business environment. Yet for the senior living industry, where attempts to accurately forecast and budget hinges on multiple factors such as the unique necessities of each resident, time of year and economic conditions; the ability to predict upcoming needs can quickly become complex and afflicted with uncertainty. Couple that with the difficulty of gathering useful data on a timely basis from disparate operational systems, it becomes apparent that senior living operators face a daunting task in attempting to identify patterns and trends to accurately plan for and achieve financial success.

Yet senior living professionals are now being provided with an opportunity to implement more responsive and automated tools. These tools can automatically gather data from the

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many disparate systems, and present information in a fraction of the time it takes to produce otherwise. This report demonstrates how such forecasting and budgeting innovations are

able to sidestep the many challenges faced by the senior living industry when attempting to interpret data and analytics. Many within the industry are familiar with the lack of data integrations, labor costs and risk of human error or miscommunication when attempting to manually produce quality data. By reviewing what follows below, they can instead learn of an alternative capable of simultaneously providing access to real time information, streamlined operations, maximized resident satisfaction and profits.

Successfully analyzing the past is key when it comes to predicting future trends

The ability to accurately predict future business and revenue undoubtedly provides senior living providers with an array of critical advantages. From the ability to anticipate subsequent monthly profits after paying off expenses, to being able to judge future labor and service demands or identify an opportunity for growth, accurately forecasting revenue performance can be essential in a facility's ability to operate at peak efficiency and at the highest potential for business success.

While new residents and service purchases represent the largest source of income for a senior living business, unused living spaces or services symbolize a significant loss of value and revenue. Senior living professionals are therefore faced with a frequent need to predict revenue performance in order to ensure maximum occupancy and amenity usage levels. The

risk of incorrectly anticipating the demand and supply of revenue sources for a senior living business is that profitability may be adversely affected due to uncontrolled labor costs, inventory needs, and misjudged expenditures. Leveraging historical performance to predict future trends and earnings is a common practice. Yet, the sheer amount of data generated by a community's various systems daily, monthly and annually can fast become a tremendous undertaking for any senior living operator attempting to compile and then interpret the information. Without the use of a tool to assist in gathering and analyzing data, whole teams of revenue managers and operators spend countless hours

and days producing data and analytics that may be riddled with human error, leaving them little time to consume the results and make accurate, timely decisions that affect events in real time.

The Future is Cloud-based and fully automated

Despite the effort and time often required, forecasting is nonetheless widely regarded as an essential time investment, due to its immense potential and strategic value. In more recent years, this has led to the rise of software platforms with the aim of streamlining the process and enhancing the abilities of both revenue managers and senior living operators to gather and analyze data at a faster pace than ever before. Consequently, today's most advanced forecasting platforms are able to integrate with a multitude of disparate data-generating systems that are present at any senior living community. Given they reside in the Cloud, these solutions are able to provide instant access to real time performance data, allowing multiple staff members to review the same information regardless of their physical location.

Once equipped with a modern forecasting solution, senior living operators are finally able to sidestep the painstaking data gathering process altogether. Instead, they are able to fully focus on using quality data to implement a performance-boosting strategy in real time. A modern solution may include the ability to see historical trends along with future activity and revenue pace so that any pricing can be adjusted to accurately reflect demand on a daily basis. This feature can also offer the ability to control labor spend and expenditures, allowing senior living providers to apply the correct resources to manage operations.

Today's advanced business intelligence tools can provide the ability to analyze virtually any set of data for a single senior living community or for an entire portfolio for any time frame. Such an advantage not only allows for a more intuitive analysis of factors surrounding a specific time period, but also provides operators with the ability to simultaneously anticipate and plan for both short- and long-term trends.

When the unexpected arises, it always pays to have a

plan in place

With senior living businesses being vulnerable to external and sudden changes, such as new laws and industry regulations being passed or fluctuations in the economy, senior living providers must also be able to rely on forecasting abilities that are capable of adapting to real-

world developments in real time. By leveraging an advanced forecasting and budgeting solution, industry professionals can access a wealth of data that allows them to not only plan for potential 'what if' scenarios, but to successfully react to a change in business. From discovering a previously unanticipated opportunity or identifying a potential threat or emergency, such professionals can rely on greater flexibility in time and labor resources that comes as a result of using an automated forecasting solution. These extra resources can then be put to better use in ensuring the maximizing of profit margins or minimizing of potential losses. Should an unexpected scenario suddenly arise, Executive Directors as well as facility staff members even have the ability to add commentary and instantly share with other personnel across an organization.

A budgeting and forecasting strategy only works with effective communication and the seamless sharing of up-to-date information

As a field that deals with large amounts of data and complex analysis, budgeting and forecast planning has long been vulnerable to accuracy and report sharing errors. With data management teams and different levels of a senior living organization often having to re-verify information, the advent of automated and cloud-based forecasting solutions make inaccurate data-sharing a thing of the past.

This priceless aspect of today's latest forecasting solutions allows all personnel to have access to the exact same information, regardless of their physical location, and with any updates or notations made by one individual instantly visible to the rest of an organization in real time. Information that can be effortlessly shared and accessed in such a manner promotes team work and accountability and allows more eyes in the organization to help achieve business goals. These solutions allow visibility into transactional data from other

systems while accurately balancing to each system's results, creating for the end user one single place to go for their data and analytics. Accurate financial results can also be shared in reports and dashboards, transmitted to the appropriate personal, and budget for future years.

For any business that manages multiple business entities, the shared access and updating of data can also greatly facilitate the overseeing of both individual community performance and that of an entire portfolio. Companies in one or more industries such as senior living, hospitality cruise line, retail, and restaurants can be confident in their ability to effectively consume their information, and communicate strategy and performance with these types of solutions.

Balancing the books requires a strong link between forecasting, budgeting and accounting systems

Because financial performance is a strong indicator of past trends that can be used to plan for the future, the transference of data between accounting systems and forecast and

budget platforms is intrinsically linked, but has long been a challenge. Traditional methods of forecasting and budgeting include the manual entering, sharing, and uploading of such information into an organization's accounting platform. This process is often again subject to inaccuracies and human error or inconsistent interpretation. Yet here as well, advanced forecasting and budgeting solutions are able to eliminate risky errors by seamlessly integrating and autonomously sharing relevant information with a majority of accounting platforms that are used by today's senior living, hospitality, cruise lines, and retail industries.

This ability to share existing budget, forecast, or other relevant data with a business's accounting system ensures that all upcoming expenses are planned for and controlled in a timely and efficient manner to avoid over spending. Revenues can also be processed timely and efficiently to improve financial processes, while guaranteeing that any upcoming resident service demands are adequately funded and ready for use. This is accomplished by the platform's ability to provide accounting and operations with vital details needed to make informed decisions on line item revenues, expenses and labor expenditures; using data that can accurately project upcoming demand and that can anticipate potential decreases due to

seasonal, demographic or economic trends.

Get the most out of your data with a modern forecasting and budgeting strategy

Today's ever-changing senior living industry requires forecasting and budgeting platforms that are flexible, responsive and able to capture mass amounts of data and share the same information across an array of personnel and departments. With senior living providers facing residents with an array of expectations and with increasing demands made on their time, the potential for human error has not only increased, but has become much more detrimental to community operations and profits than ever before.

By leveraging the industry's latest advancements in automated forecasting and budgeting software, senior living industry professionals can always trust that the data they are examining is always an accurate depiction of what is unfolding in real time; whether it be at an individual community location, within a specific department or across the span of an entire portfolio. Equipped with the confidence that all levels of an organization have access to the same accurate information, senior living providers are finally able to liberate themselves from the need to go back and double-check the validity of data, and instead can focus all of their efforts to adapting operations in a way that is ready to meet upcoming market changes before they occur — so they are prepared for consistent future growth.