

Lucas

Welcome to Bridge the Gap podcast, the senior living podcast with Josh and Lucas. We are in Houston meeting with thought leaders, and we've got a great one on the show today. We wanna welcome Shawn Corzine, CEO, SilverPoint. Welcome to the program.

Shawn

Thank you very much. It's great to be here.

Lucas

Yeah, we're excited. We had a great event last night. It was good to see you and a couple of other friends out there, we did a little bit of networking. There's a couple thousand of us in Houston getting back together for one of the first times back on a mass scale. And Shawn, you're out of Texas and been in senior housing a while. How did you get started in senior housing? Did you work in other verticals before?

Shawn

It was actually by accident. I was working with a nonprofit group in New Braunfels. The hospital had sold, started a foundation. I was one of the directors of the foundation and was doing capacity building for nonprofit leaders, helping them run a better business. Even though they had kind of the heart side, a lot of times they weren't very effective on running the business side. And so I worked with them on building their business and working with a board, fundraising, all those kind of things. One of the things that the foundation did is, they were basically there for community wellness, community benefits. So they said there's not a great senior living community in New Braunfels, let's build one. We're hospital guys, surely we can run senior living, right? And so they built this great community and opened it up and it was just flat as could be. Nobody moved in. And so they said our real goal was to get it here, not to be in operations. Let's put it on the market, sell it, let somebody else operate it, we'll reinvest that money somewhere else. And there was a little break in what I was doing, so they said, hey, why don't you go over there and just see if we can get some people to move in. Wanna, you know, cut some expenses, make sure the staff is running well. I knew nothing about single living at that point. The only senior living experience I had was my grandmother back in the early nineties was in one of the first assisted living that was basically like skilled nursing at that point, and it was one of those places where, you know, I'd rather eat a light bulb than go visit her, it wasn't a pleasurable experience. And so it was new to me to get in there and figure out, okay, what is senior living about? What's the difference between independent living, assisted living, and what is this thing called memory care? And I just said, give me a map and a set of keys, and I started walking through the building, figuring it out. We had no website, we had no collateral, we had no marketing budget. I literally had a shoebox that had three by five cards that people had filled out at some point saying, hey, we might be interested in senior living. So my sales people hate me now, when I tell this story, because they think they need all those other things, I'm like, just call people back. It is a magical thing. And I ended up falling in love with it. And we turned around

that building actually within about six to eight months we'd moved from about 30% occupancy to about 85% occupancy. And the sale went through and I said, I actually want to stay here. And so stayed on with the new company, ended up going on the corporate side with them, learning the business in operations with them, then transitioned to another company, was the CEO there. And then about two years ago left there, and had an exit there, and then started SilverPoint on the other side, because there's some other things that I wanted to accomplish in senior living. I think there's a real shift happening within the industry. And I think there needs to be some new players in there that can help facilitate that shift.

Josh

Well, let's dive in a little bit on that. Tell us about the modern day SilverPoint, kind of what some of your objectives are for that shift that you see taking place.

(4:19)

Shawn

Right. Primarily, I guess I've described this as a culture driven company. Culture's very, very important to us. I tell my folks that culture is a lot like the wind, you can't see it, you can't touch it, but you can feel it when it's there. You know, when it's right. And when you're fighting against culture, that wind is blowing against you and you can have a pretty rough go at it, but when culture's really behind your back it can make a great difference in what's happening in your company and in your community. We actually started SilverPoint about six months before the pandemic hit. Not the best planning as far as launching a new company.

Lucas

You didn't know that was gonna happen.

Shawn

Right, right. And so also with starting a new company, all the communities that we brought on were either acquisitions that we had done with some development partners that we had, the reason they were acquisitions was that they were struggling communities and they weren't meeting their numbers for their other companies, so they sold them. So they're all turnarounds. The other ones that we have from other ownership groups were the same reason of the other management company wasn't performing and wanted to make a change and see some improvements. And so we had all of these communities that needed to be turned around and then the pandemic hit. So we kind of had the double whamy working against us. And I think that's where culture really comes into play is, because if we're doing the right things, then good things are gonna happen in return. Our mission is very, very simple. It's to intentionally engage our residents, our family members and our team members in such a way that each day is better than the day before. That's it. So I preach all the time of get up in the morning and don't think about 'what can people do to validate me?' When I come and see you guys, I'm not looking for how you can make me feel better about myself. I'm looking for a way that I can make your day better.

I think social media is a great example of how we're gonna be counterculture to that. Social media is basically today, 'tell me how great I am, tell me how pretty I am, tell me how smart I am,' and we're trying to turn the tables on that and make other people feel better after being in our presence. And so if our teams can show up every day for work and think about, when I'm doing ADLs with our residents, not just carrying out a task, but **how can I impact this resident's life to make their day better than it was yesterday?** How can we make these family members that come up, that are in stressful situations, that are balancing careers, kids, the pandemic, aging parents at the same time, how can we encounter them in a way that brings them relief? That brings them a moment of joy when they see us? And I think if we can begin and really approaching our days that way and the life in the community, you'll be able to feel that when you come into our communities, and I want it to be a palpable kind of thing. One of our core values is that we have fun. I like having fun. I like having a good time. And we intentionally look for moments of joy to share with our residents and our team every day. I want it to be a happy place where people enjoy coming, and in the midst of the labor challenges that we are having right now, I mean, we can continue to throw money at the problem, which we're doing along with everyone else. But the question is, is another dollar an hour really gonna make that team member stay long term? I don't think so. There has to be something more, **there has to be something within that job, a sense of purpose that we can give them that will help them stay in that position with us long term, and have opportunities for advancement, and just enjoy the journey with us.**

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Josh

So on the labor situation, I agree with you, I don't think throwing the dollar at it is gonna fix it. What are some things, I mean, you talked a lot about culture, I'm sure that's a piece of it, obviously. Maybe there is increases in wages. Is there anything else that you think, when we start looking at this big challenge in front of us as operators, what are some things that we should be cumulatively working together as an industry, that will help our industry?

Shawn

I think that's key. I think that we do need to work together. I'm actually on the board with TALA, the Texas Assisted Living Association, and we've been working together as CEOs and as operators here in the state of Texas to really bring senior living to the forefront so that people know that we're there, know what the career options are, know that they can have opportunities for advancement with us. You know, it kind of goes back to the Simon Sinek thing of, the 'why.' Why do you do what you do? We've got a very strong 'why' in senior living. There's purpose to what we do, and I think exposing people to the great environment within senior living, and that takes us doing it all together as a senior living industry, to really let people know, hey, this is a viable career option and a place that I can really build a career for the long term.

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Josh

Yeah. So Lucas, we've talked about that a lot. Our industry coming together, because it's been very unfortunate. Obviously in every industry, some bad things happen from time to time. Our industry is no different, some stories out there have plagued the national media, and I do think maybe from state to

state, even rolling up into our national associations and groups and organizations together, we can kind of help to offset that by showing all the awesome that happens. Cuz I don't know about you, but you know, it sounds like in your experience, it's very similar to ours as we're going into these communities and to our communities, it's way more positive. And if you look at the people that are actually in the industry working, they've got great experiences to share, and many of them have been working through years of, and through not only this pandemic, but other situations that have been crisis in our industry through the years. So I do think we've got amazing stories to share. Lucas, you see that all across Texas as well.

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Lucas

Absolutely. I mean, it's the people in the business that have really inspired me to even kind of create my own moniker, which is The Senior Living Fan. A fan is someone who roots on the team, right? And I can definitely see that in your leadership style. So where, talk about your footprint briefly for SilverPoint and then where do you see SilverPoint in the next 12 months?

Shawn

We started, as I said, about two years ago. Right now we've got eight communities kind of scattered all across Texas, several in Dallas-Fort Worth, San Antonio, Austin area, Corpus Christi, College Station. And we just took on a new community in Oklahoma. So we've moved into Oklahoma as of the last few months. Have some new developments we're working on, a couple up in Dallas-Fort Worth. And so we're really excited about where the company is heading and continuing to expand. You know, this has been a great opportunity at NIC, to really make some of those connections and see some folks that really may need some help on the management company side, that need to turn around a building, or continue to expand their footprint. And so it's been a great opportunity for us to meet them.

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Lucas

And I think the regional players, to me, seems like the big headline, whether it's a headline or not, it seems like the regional platform, the regional players, are really in the forefront right now, as there is a lot of shuffling of communities, portfolios, value deals from either big private equity groups, the REITs, how are those conversations going? Do you see the big, top of the food chain, REITs coming and saying like, hey, we are looking to divvy up some of these portfolios of regional players.

Shawn

Yes. There have been some of those conversations of, how do we move? And you're exactly right, they're talking about the regional operators. How do you get a regional footprint? And that's something that we are really trying to capture and also talk to them about where we feel the industry is going, where we want our communities, some things that we'd like to see change within our communities, and the way we operate and the experience our residents have within those communities.

Lucas

Yeah, it makes an impact.

(13:39):

Josh

So when you are looking at your existing communities and then the ones that are on the map for either repositioning or new developments, is there a specific sector of the industry that you are looking towards as independent assisted memory care? I know even a lot of developers and operators are even moving into some of the active adult product? What's the horizon for you guys?

Shawn

Right now, we're really focusing on the mixture of IL/AL memory care. All of our new developments have around a hundred units. Most of them being AL memory care, and then we've been putting some cottages, depending on the site. So that's really kind of been the plan we've been moving forward with, but I've also been talking to some ownership groups that have standalone independent living. I have had the conversations about active adult, and excited about some of those opportunities as well.

Josh

Well, it's very exciting to see your success starting right before the pandemic, going through that successfully and coming out on the other side.

(14:45):

Shawn

One of the things that we, if you don't mind me touching on, that I really see as a shift and I want SilverPoint to really focus on is, the experience for our residents. Because over the last 10 years, there's really been a shift in who our residents are. My residents early on in my career, they had lived in one place. They had worked in one job and moving to us was a really big deal because they never lived anywhere. Some of them, they were born in the house that they were then leaving. Our residents now have had careers all over the world. They've been watching the food network for the last 20 years, so they have different expectations about the culinary program. But the thing that we've really focused on is, in this big part of SilverPoint is this sense of purpose. And I think this has been an area that senior living has really missed, engaging with our residents, because senior living for the most part really operates kinda like a cruise ship. And we've got a list of activities, here's your room, here's the dining room, you can participate in what you want to participate in, and if you don't want to, you don't have to, enjoy the ride. And I think there's more to that. People like us and people that are here at NIC, we are driven by purpose. And we get up in the morning with things that we want to accomplish and things that we want to invest our life in. And a lot of our residents have seen the last few years of their life, a series of purposes shutting down for them. Their kids are grown and gone. Their career is over. They're retired. Many times their spouse has passed away. They're no longer able to drive, so, you know, going to church activities, civic activities, social activities, have kind of winded away. And one of the biggest issues we deal with is depression for our residents. And we want to give them a reason to get up in the morning. There's nothing in me that when I turn 85 years old, that I'm gonna turn around, flip off the light switch

and say, 'what time does Judge Judy come on? When is bingo, when are we gonna pull out the ball and do that little bouncy ball thing that we do, we pass the beach ball around each other.' That's not gonna get me excited in the morning. And we want to give our residents a sense of purpose. And so we're in the process of creating programs where we really tap into, there's such a valuable resource of retired teachers, so let's partner with the elementary school down the street and do an after school reading program or a tutoring program. We had one of our communities that there's a school that was trying to teach their third graders cursive, because they don't teach cursive in school anymore. Well our residents know cursive. And so we started a pen pal program, and then we brought the kids in and let them meet their pen pal. You know, instead of us loading up the bus and going to the Olive Garden, let's load up the bus and go work in the local food bank. So giving our residents a reason to get up in the morning and that purpose of 'I'm gonna have an impact on someone else's life today.' And I think if we can give them that, then their experience in our community is gonna be much more positive.

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Josh

I think you nailed it. And I've seen that happen so many times in individuals through the years. When the focus gets off of themselves, and inward, it gets on someone else, you see even depression start to subside, the medications that they're on are no longer needed. And so I applaud you for what you're doing. It does take effort and time, you have to be very intentional with growing that culture and growing that sense of purpose. So kudos to you guys for what you're doing there.

Shawn

Well, thank you. Thank you.

Lucas

What a great conversation. We'll make sure that we connect in our show notes to Shawn and his leadership team and organization. We appreciate you taking time with us to have this thought leadership conversation, and we appreciate seeing you at our event last night. So go to BTGvoice.com and you can capture all of our content, all of our episodes, and connect with us on social media. Thanks for listening to another great episode of Bridge the Gap.