

Like many of you stuck at home with no place to go, I've been a binge watching a few things here and there. One of the things that my 12-year-old son and I have really enjoyed watching is the ESPN 10 part series called the Last Dance about Michael Jordan's, mid nineties bowls. It's a great expos and all the things that made them great and all the things that cause drama. But we learned a lot about those years, but as great as those teams were, and as great as Michael Jordan was clearly, I was struck by the fact that he could actually be better. He could have actually been marginally better than he was. And why do I say that? The one thing Michael Jordan could have done to be an even more effective basketball player was to learn how to shoot his free-throws underhand. For any of you all who've had any passive interest in basketball ever in your life, you know what I'm talking about. I'm of course talking about the granny shot. Usually it's something we do as a silly exercise as kids, or we do it at the end of practice, or we do it as a game of horse, but no one actually takes it seriously. But did you know that the granny shot is actually a far more effective way to shoot a free-throw than the quote unquote traditional method of shooting free throws? So why doesn't anybody do it? Well, it's the same reason in football. We almost always punt on fourth down. It's the same reason in baseball, we use a closer in the ninth inning and why for over 150 years, we've measured baseball players on things like batting average era and errors, all these are assumptions that we've had that we think make us great. In reality, it's the wrong way of looking at the world. It's also the same reason we in the senior housing and care industry are paralyzing ourselves because we are limited to the same thought processes that consistently fail us over and over and over again. Welcome to Bridge The Gap contributor Wednesday. My name is Charles Turner. I am the CEO of Kare and that is care with a K a rapidly growing digital labor marketplace for the senior care industry. I also own and have operated senior housing communities in several states and over the past decade or so, I have invested in several companies, startups, and fortune 500 companies who are all in the forefront of aging and technology. So when Josh Lucas and Sara asked me to do a series of podcasts on technology, I said, absolutely not.

They decided to send me a microphone anyway. And I agreed to do this under one condition that we do not do a podcast series on technology and why not technology? Because the question itself presupposes that technology is somehow different than our normal business, as if it were quote one more thing we have to do an addition to the care that we provide. We have landline telephones in our communities. Do we talk about that in our business? Not really, no, it's still a technology. What about door hinges or roofing systems or light switches? These are all technologies. We don't talk about them. Why not? Because there are technologies that are already a part of our day to day vernacular and they are essential to what we do every day. And we don't ever think about them. The question we really need to be asking yourself is not about technology, it's the question is why as an industry, can we not innovate, to innovate is an action it is a verb. We can't quote unquote technology technology is a tool. It is a noun. It's how we use technology that will allow us to innovate how, if we can innovate using a simple big chief tablet and a number two pencil. Let's do that. Now what is innovation? Well, first let's talk about what innovation is not. It is not the act of completely scrapping the old in favor of the new. That is a revolution. No innovation is the act of making small improvements upon what is already established in order to produce better outcomes. I'm not one for revolution. There's so much we as an industry do well, but there's so much we can improve upon. So over the next few months, we're going to talk about innovations. We will identify people and processes and ideas in our industry who are trying to approve our industry and ultimately are building a new paradigm to improve the quality of care for our seniors. We may talk about people who are providing better care, how we are exploring new markets. How can we tackle the labor issues? We may even talk about COVID-19 I would rather not. I think everybody's sick of talking about that, but who knows? Everyone's talking about it. Maybe we will.

So let's go back to the beginning. Why did I start a podcast about senior housing and innovation and talk about granny shots? You must forgive me. I generally find sports analogies to be very lazy. They don't

require much thought and are incomplete and are often dismissed as quickly as they are. And dear Lord do not get me started about golf analogies, but the reason I am blatantly stealing this from Malcolm Gladwell's revisionist history podcast. I'm going to a pause here. And if you haven't listened to that, I definitely recommend you doing that. It's a great use of your time. So I stole this idea for him blatantly, but he uses this idea to talk about how we do things that may or may not be in our best interest or in the best interest of those around us, our teams or in our case, our residents, as great as those late nineties and early 2000 Shaquille team, Shaquille O'Neal teams were think about how much better they would have been. Had the guy been able to actually shoot a stinking free throw and not been a liability at the end of the game, Michael Jordan had a very respectable 83% free throw shooting percentage throughout his career. But Rick Berry, who's a NBA career preceded Michael Jordan by about a decade or so, had a free throw percentage at that peak at about 95% one year. So what if Michael Jordan had used the granny shot? It's not a crazy logical leap, but he could have possibly increased his scoring average by almost an entire point. He shot on average, over eight free-throws. Again, going from 83%, say 93%. That's almost a full point per game. What if his entire team switched to the granny shot? The math works out such that teams that an entire team's entire average number of points scored per game would increase by about a little over one point per game.

Only one point per game. So why am I talking about this? Every year only about 4% of all NBA games have a margin of victory of a one point that doesn't sound like a lot. Each team plays 82 games in the regular season, and those that make the playoffs end up playing around a hundred games per season. But what if a team scoring average went up just by that one minuscule point, just that one point? Switching this for one point losses, two wins would have made a huge impact on several teams. Let's look at last year's Charlotte Hornets, four wins by just using the granny shot would have meant the difference from missing out on the playoffs to being the sixth seed and the Eastern Conference. It would have meant greater paychecks for the players. More joy for the fans and more revenue to the Charlotte Hornets owner. And who is the owner of the Charlotte Hornets one? Michael Jeffrey Jordan.

One thing I learned while watching all 10 episodes of the last dance is that Michael Jordan's work ethic is relentless. He was clearly determined to be a better basketball player and all aspects of the game by sheer and work ethic. But what if Michael Jordan had decided instead of necessarily working harder than everyone all the time, instead, he slowly walked up to the free throw line, stared down the front of the orange rim and delicately cradled the basketball between his legs and simply tossed it. That is the definition of innovation, not revolution. So in this hour and nocular your episode, we're going to use this analogy to talk about the reasons why we have not been able to innovate as an industry. What is holding us back and what can we do to build a culture of innovation?

Well, Chamberlain was arguably the greatest center of all time. Well, is also is the only player to score 100 points in a game. Well he was a horrible free throw shooter, 51%. But did you know that the year he scored his 100 point game, his free throw percentage skyrocketed from 51% to over 61%. Why? During the 1961-62 season, it was the only year that Wilt Chamberlain shot the granny shot. In fact, what is almost always overlooked in that one game where he scored 100 points is that Wilt went 28 for 32 from the free throw line, almost 88%. So you would think after such an amazing milestone that he would have stuck with the granny shot forever, right? Wrong. The next season, he went back to shooting overhand. "I felt silly" he said like a sissy. So despite all of his success, what why would he do something so ludicrous, this brings me to my first reason why I believe we struggle with innovation in the senior care industry.

I've been fascinated with what behavioral economists have termed loss aversion, or in some cases, prospect theory. If you got a chance read, Either Thinking Fast and Slow by Daniel Kahneman based on the work for which he received a Nobel prize in economics, or simply read The Undoing Project by Michael Lewis, which is the story of Daniel Economa and his academic partner, Amos Tversky, and how

they created this groundbreaking study. One of the things that comes out of this study, which I think is fascinating and applies to not only senior care, applies to all aspects of life, it applies to our economy, and it applies to almost all of our decision making. One of the things that comes out of it is that they say that the average human will spend two to three times more time, money and resources limiting their downside than maximizing their upside. There are stories after stories of this behavior every day. For instance, how often do we go into a restaurant, a new restaurant that we've never been into and we order the same thing we always do? How often do we avoid interesting travel because of what could go wrong? How hard is it for folks to grow their career because they're afraid of the unknown? Right now in this era of pandemic, there's a lot of change going on. There's a lot of risks and I've talked to a lot of people that simply don't want to make a move because the world is too scary. How often in our organizations do we not speak up because we worry about what others may think about us?

Look at Wilt Chamberlain, he had already achieved success with a granny shot, but what did he say? He felt silly. If you went back in time to the fall of 2018 and told Michael Jordan and the Charlotte Hornets that they would win four extra games and become the sixth seed in the playoffs if they all switched to the granny shot, would they? I seriously doubt they would. Why? Because they would fear what they would lose more than what they would gain. And what would they lose? They would lose the respect of their peers, maybe in the respect of their fans. They would worry about that far more than what they would actually gain. I.E wins. But do we do this in our industry? Of course we do. Every day. How often do we hire the executive director is 20 years experience versus the untested outsider from another industry.

How often do we still perform one hour bed checks and memory care when there are passive technologies that will do this for us and far less invasive ways. We know that sleep deprivation is the leading cause of episodic behavior in our residents. But what do we do? *knock knock* Mrs. Jones, you okay in there? How many of us are really exploring working with a Medicare advantage partner to transform our paramedics and our partner mix very, very few of us. Why? Change is hard? What if it doesn't work? What if people call us silly? And let's not blame the operators here? How often do our landlords struggle to pony up \$15,000 to install a pervasive wifi system because they fear they won't see a return on that, on their investment or it'll affect their short term dividend. Heck I see it in my business all the time. I see it in lots of businesses. Here's an example. Let's say you're buying broccoli for a dollar a pound. I have no idea how much broccoli costs, but let's say you're buying it for a dollar a pound. What if I came to you? And I said, I'm going to sell you that exact same broccoli for 90 cents. Would you buy broccoli for me? You would think that you would, but in reality, that doesn't happen all the time. Why? Well, I may be a new vendor. I may be different. I may get it to you in a different way. You are not what I know. So I'm going to overpay simply because of what I know. And my business with Kare, we see this all the time. We have a digital labor platform that provides care labor for about this price of a fully burdened FTE. So way less than a staffing agency and way less than overtime, then we are culturally aligned. You can hire our people for no cost. There's very few, if any logical reason, not to at least sign up for us, even if you never use us, but some people don't. Why? Because it's different. And so we are always having to fight against the different fight against the change. It's okay. We understand we don't expect a revolution or frankly, innovation to happen overnight, but these things grow over time.

Ask yourself, where do innovations go to die in our space? Now these are anecdotal stories, and I really wish I had more data to talk about this. And maybe one day I'd love to do some sort of full psychological study, even though I'm not really qualified to do that. But this is where I see innovation go to die. I usually don't see it go to die at that frontline caregiver. They usually want change. And frankly, even usually at the community leadership level, they often want change. And frankly, I think most CEOs are always pushing for change, but where does it go to die? More often than not, it's usually that middle management level, the regional director or the head of recruiting or the head of HR, or the company controller. And why? One of the trends I've noticed is that these are folks that have worked themselves

up the ladder over the last several years. They work very, very hard. They're very, very good at what they do. They know the regulations, they know the processes, they know the business very, very well. But oftentimes, when presented with a new idea, their first reaction I tend to see it all the time. The first reaction is no. Why? Well it's different, what if I fail? I worked hard to get where I am. I don't want to lose this. I get it. I understand. A lot of times we see innovation gets stifled. As soon as it leaves the CEO's hands, he or she may pass it off to a direct report and hopefully it gets implemented. But if that direct report doesn't have the same level of emotional equity as the CEO and doesn't see the vision of it, it often dies on the vine, especially if that direct report has more to lose than they do to gain.

When I consult with businesses, I often ask CEOs this question, especially when we're talking about things like culture, I ask them this question, will your direct employees be disproportionately penalized for failure more than they would be rewarded for success? Then I ask them this question. Would your direct employees be disproportionately penalized for failure more than they would be rewarded for success? My bet is that most CEOs would say that this is not true of their organization, but in reality, the mass speaks for itself. Most people are going to spend two to three times more energy time and resources limiting their downside, then promoting their upside.

It happens time and time again. So over the next few months, we will explore this idea about innovation in our industry. We will explore the limitations and we'll discuss our opportunities. So at the risk of sounding fairly insipid, let's think about our own granny shots. What are those things that are really holding us back because of fear, fear of failure, fear of ridicule or simply fear of change? Thanks for listening to this. Week's BTG Contributor Wednesday. If you have thoughts on this, I'd love to hear about your "granny shots." So please connect with me at btgvoice.com.