

Lucas: Welcome to Bridge the Gap podcast, the senior living podcast with Josh and Lucas. Another exciting show. We're bringing on a leader in the industry that's been around a very long time from his family business roots into senior living. We want to welcome the CEO of Frontier Management, Greg Roderick. Welcome to the program.

Greg: Thank you so much for having me.

Lucas: Awesome. Well it's been great to get to know you recently and your business continues to grow and expand in so many different directions. I was fascinated to learn of your deep roots in this business. Tell us more about your background.

Greg: Sure. It would be my pleasure. My grandfather actually entered the senior housing communities business through a good friend of his named Carl Campbell up in Wenatchee, Washington is where Carl Campbell was from. My grandfather, believe it or not, was an IRS agent. One of our most favorite people for all the rest of us. He realized in his own auditing that the nursing home business and back then convalescent hospitals was a great place to find a kind of relatively a tax haven of sorts and his friend, Carl Campbell, was an owner operator and landlord of many skilled nursing or convalescent hospitals back in those days. I'm going back into the fifties and sixties. Carl Campbell then ended up building a few buildings for my grandfather to operate and lease from him. And I think he did something about three, maybe three or four skilled nursing facilities and some dormitories at a seventh day Adventist hosp college up there in Washington state. And unfortunately my grandfather passed away at a relatively young age with brain tumors. But in that time, my family, that was the launch, my dad and his three brothers and my grandmother and my grandfather all were working in mowing the yards, doing dishes. I mean, very family business working in the business at the nursing home. And so that was where my father learned from his dad and his mother the space so fast forward a number of years, my father went to college and met his best friend Bill who later started Holiday. They met in college. My dad went on to do some army reserve and worked for General Electric Credit Card GCC and was into equipment leasing. Well while he was doing that and Bill Colson, his best friend, was working for his father as a home builder and so forth. They later came back together and realized there is a way to get back into the senior housing business. So they went to Carl Campbell once again and said, we'd like to see if you would launch us and build us some buildings and lease us some buildings. And Carl was gracious enough to do that. And well, they went off and they did quite a few, maybe 30 or 40 of them. Carl Campbell and Vick Lund later they founded a company called Cam Loo; Cam for Campbell, and Vick London was the loo, and they included my dad and Bill Colson, and a few other great folks to expand this new concept of Cam Loos, which were the earliest of retirement homes. And my dad and Bill rolled those out with Carl and Vic and then had a great run at it, but it was tough. And this new concept, wasn't not need driven; meals and activities and utilities with a live in manager, very new. Took some real marketing to get those things going. But Bill Colson just loved it. He thought that was the coolest thing in the world. There's no state regulators kind of felt better to him. My dad loved the lower risk of the nursing homes and the reimbursement. And so they decided to split ways, and Bill took most of the retirement and my dad took pretty much all of the nursing homes. And so off they went and Bill started Holiday Retirement with his new business and my dad kept going with him, and just a few years later, my dad sold maybe maybe eight or nine years later he sold to Beverly Enterprises. I think today is called Golden Age. And you know, it had a windfall of money. And before he sold, Louie and my brother and I were kids and we were working at the buildings and the last job I had with my dad, he had me digging ditches at a construction site. I couldn't ever figure out why I was digging ditches when there's equipment that would do that at

that point in the industrial revolution. It actually created putting in for that. But I think he just wanted to give me some real work ethic, which he did. And that was great. And so I learned I learned the construction side, but you know, over the dinner table, we had everybody in the industry coming over for dinner or going to their houses for dinner and hanging out with people. And even our grade school frankly, was mostly healthcare kids and retirement home kids, skilled nursing see was an Adventist school. And you know, I went to school at Barton bread, Colson- Bill's kids and family. And just a lot of senior housing people went to the same grade school. It was really fun. Kinda give us a little bit of an odd view on life. We all thought that the whole world was based on healthcare. So it was until my teens, I realized there people do other things. So my dad unfortunately passed away at the age of 45 in a car accident after he had sold the business. And he was also, unfortunately, in the throes of bankruptcy, which was a really new world for us. We had been raised in a very comfortable environment. And you know, but bankruptcy really taught us a lot of good things; you know be appreciative and don't take anything for granted, work hard, save hard and diversify. And so at the age of 20, my dad had just passed away and we were completely broke. Goodness for me, I'd been to college for a year, but I had to quit the help funds, my self, my dad's lifestyle, etc, through his bankruptcy. But after he passed away, I called up Bill Colson and fortunately for me, Bill was gracious enough to take the call. He allowed Eastern time to meet with one of his regionals. And at 20 years old, I actually moved into a retirement home in Oregon, where I became the assistant manager. I beat a couple of other people out in the interview process. And I was pretty motivated to work because I was days away from being homeless at that point. And it was a very humbling experience, but I've worked really hard for Bill. And he saw me put the hours in, keep the building full, on budget, etc. And I worked at that building as the assistant manager, eventually the manager for about 18 months. And then from there, they just put me on the road. It was, it was go time. So I was out there marketing properties, opening buildings, turning buildings around. Eventually I got involved with the RTC, the Resolution Trust Corporation Asset portfolio that they had acquired. And I was in charge of turning around nine of the 27 buildings that we took over, over a 12 month period. And so I took over nine buildings, sized the staff, marketed them, and got them financially stable enough to refinance and so forth. But eventually in that transition I became the regional director for operations in the state of Florida. And I'm a kid from Salem, Oregon. So I was so excited. I was like, Oh my goodness, it's so warm and nice here. And along the way, I had met a girl at one of these transition takeover buildings. And I ended up marrying that girl and before we went on and I told my boss at Holiday, you should really move me soon because I'm probably gonna start seeing somebody. And she works at the building and my regional was going, Oh, don't do that. That's bad. That's bad. I'm like, well, then get me out of here. And I won't go out if you get me out of here. Well, they didn't find another place for me to take over anything quick enough. So I went out with her three weeks later, we were engaged a year and a half later we were married and we moved to Florida, built a house and took over the region. And she became a marketing director for me at one of my buildings. And she averaged 32 move-ins a month. And I was thrilled because it was a very large property. So she kept me full there. Eventually after six years at Holiday Retirement, I got recruited by a friend of mine named Eric Jacobson, who is still a very good close friend of mine and who is the CEO of the Seasons Management in Lake Oswego, Oregon. He and I worked together at Holiday for a number of years, but he recruited me to come over with him to a company called Region Assisted Living, which is today Bowen Senior Living. We had three buildings and I became the VP of operations for just three buildings, but we grew it to 35 over the next five years. And we grew it, we took it public and took it private, but it was really a dynamic opportunity to grow through a little bit of acquisition of a senior housing portfolio of all assisted living and or memory care, even free memory care, which was kind of some of the early days in that. After five years there, I was recruited to become the CFO. You've probably figured out I'm not an accountant. I do not have a college degree. I was like, Oh, CFO. That's. Yeah, sure. That sounds great. The first day on the job it was fine. It was nice. Everyone was really friendly. The second then job, they came clean and said,

hey, look, we have no money. We need millions of dollars and you need to go out and find it. And I'm like, okay, well, what did you know? So they needed about 3 million bucks to avoid bankruptcy in the next couple of days. So I had to, as the CFO, my job was quickly realized that these guys need tons of money and we need to wind down the business. So I got a hard money loan. Hopefully, not you or none of your viewers have ever had to use hard money, but when they say it's hard money, it's, it's the tough stuff. Got the money arranged, paid down the bills, got everyone paid their payroll and nothing was bouncing. And from then I had 10 months to wind down the business, pay off the debt and close the shop. So we did all that leans under management or lease, or assumption of debt. And then I took over about \$7 million of the owner's personal debt and started frontier management with a pile of debt, a bunch of old broken buildings. And it just turned out that Carl Campbell was the owner of all of those buildings. And so he was gracious enough to allow the third rider, to come in and work with him, oh thank goodness. And it took me 15 years. I've been in business for 20, but it took me 15 years to pay off all that debt that I assumed to kind of clean up those buildings, got to keep a couple of them still. I've got about five of the originals out of the 10 sold off the others. And you know, we started the business 20 years ago and we were at 125 buildings today. We'll be at 126 on Monday of next week.

It's been an exciting time and I will tell you in my career, I've been very fortunate to attract and just get some of the best people in the world. I mean, my team is everything. I've also got a clientele that is fantastic. We're transparent with them. We shoot straight, we work hard and they recognize that. And, you know, I have a real obligation to them to give them all I got. As much as I do the residents, as much as I do the staff. I mean, see those three groups equally important. I got to have a client base, I've got to have my residents. They're happy. My fantastic employees. I'm nothing. So that's why I put myself out there and I travel hard. I want to see the buildings. I want to meet the staff. I want to meet the residents. I want to build culture today. I'm in South Carolina today. Yesterday I was in New Orleans. Next week I'm in Northern and Southern California. I love to travel even in a COVID environment, bring it on. I've already had it. So I'm kinda, I'm fortunately I'm immune from it at this point for a few more months. So yeah, so my background is rich in history with senior housing. I have two kids, my wife has two kids too, so hopefully one, two, three or four of them will eventually find their way this way, because it's a very rewarding business. It is hard work, but the feel good is incredible. I mean, you get to go to bed every night, knowing you actually had an impact on a life or many lives. And I don't know many industries like that other than per say, not for profits. So I'm very fortunate in that way. Does anybody have any questions at this point? I'm 52 years old instantly. So, I mean, I've been doing this 32 years.

Josh: Well, I'll tell you, Greg; so that is an amazing story. Thank you for sharing that. I see now why Lucas was able to have dinner with you and learned, I think probably a lot of that and a lot more. And he said, you know, we've got to have Greg on the show. I can see why so DNA that you have is definitely senior housing healthcare, and what a vast array of experiences you've had that give you a unique perspective on the history of our industry. I know our listeners probably have all kinds of questions. So Lucas and I will take a couple of minutes here to maybe guess what some of those questions might be, but I'll tell you one of the things I would like to just personally know your perspective on and I'll hit the first one. So Lucas and I have often talked about kind of the unique situation our industry appears to be in right now with this sort of transitioning of not only a generational transition from kind of the greatest generation to the boomer generations that aren't quite here yet, but they're kind of coming, but also a leadership transition to where a lot of our founders folks that have been in the industry and like you have had it in their DNA, their whole lives that have blood, sweat, and tears built this industry. And then you see this young group coming in eager. They never had heard of senior living before, but now all of a sudden they've landed in it somehow and are loving it. And they're eager to see things change and there feels

like there's this healthy friction of passing of the mantle or mentorship. What's your unique perspective on, on where we are as an industry in those categories?

Greg: Yeah. it's a great question. I think that it's something that we're all talking more and more about, frankly, who's the next generation of leaders that are going to take over or start their own businesses. I've been in a very unique position. I know a lot of people, obviously from the industry and from time to time, people will come to me and say, Hey, I want to start my own company. And it's immediately exciting and I've helped three or four folks out there start their own companies in our space where a good example; if I see that they've got the talent and passion for it and the, and the willingness to really work hard, I'll start into pushing some business their way that I wouldn't normally take anyway, but it needs a good manager or a good management company. So I've helped a number of folks launch their businesses. You know, a good friend of mine, Kevin Venema with Charter Senior Living. He and I had an introductory dinner together. Our wives were with us and we had a great time, just connected on such a good level. And through that dinner, he mentioned he would like to start his own company at some point. And I think it was within a week, we helped them launch Charter. We helped him do the backup office and helped him market the business grow. And at about 13, 14 buildings, he acquired our interest and kept going. And he's now today's, he's growing, and it's very exciting to see him take that up and I've got several other friends who have done the same thing. But to go back to your original question; where does the leadership coming from for the next wave and the next generation? And I think most of us have put it upon ourselves to really groom the next new younger group of people coming in. I will say I have been absolutely blessed with some of the most incredibly talented regionals out there on the operation side, I am actually changing all their titles to right now, DP of operations in whatever region they're in, they are so talented. And you know I want to keep my band together. You know we play so well together, and they perform so great every day. I can imagine having the band fall apart. And it's funny that the analogy that I'm using is so interesting because I watched some of these movies on bands from time to time and I find that I love music. And so I was watching the Motley crew. It's so completely outside of our world and such, it's kind of a craft movie at the same time, but it's funny you put these bands together and one person leaves and it just like falls apart. And I do a lot of facetime visiting my regional VPs and a lot of zoom calls with them. And we're all going to Florida next month for a summit to really get ready for next year. But spending time, investing time in your people there's no greater place that you can put your time than visiting properties, but with your team members. And I see executive directors coming into our company that we can, you can see, we can groom them. I've seen marketing directors and nurses and business office managers that you can see they've got that skill set where we can keep providing them opportunity if they're committed to the industry, we can give them those opportunities.

So we host large meetings for our executive directors from time to time, and it's like, we always do this, raise your hand if you started in a position other than executive director. And it's usually about 80% who have started with us from environmental services, maintenance person to the nourish to RQ, they've moved up and it's so rewarding to see that. And some of our people are now, you know, 17, 20 year and so far as better and are with the company and they're still kinda young. So it's like, wow, you must have started here when you were like, what 18? And they're like, yep. I'm like, that's amazing. You know, so it's really fun to see that kind of stuff. But the best thing is also, I think our industry associations are now doing such a great job with rising leaders and different types of programs to even elevate folks who really have just a desire to move up. They can grow just through simply being a part of an association and attending certain events. And we've sent people to those over the years as well. And it's paid off really well.

Josh: Well Lucas, I think Greg touches on such a vital piece that I don't think especially outside our industry, it's the story of our industry is told frequently enough or eloquently enough because for example, you know, I think we love to use Chick-fil-A as an example. I think they do a great job at recruiting and basically creating this culture where people feel like they could come in knowing nothing and eventually own their own store. And what I'm hearing you talk about, I actually see that. Thankfully Lucas and I get to travel and meet a lot of folks like yourself and you see these great success stories of even caregivers coming in, really not even knowing they were capable of more than what they were coming in to do, that ended up running these communities and having this great career pathway. And I think one of the things our industry needs to do is tell those stories outside of our industry more. And so I love love, love that you touched on that.

Greg: Yeah. I appreciate you saying that. We have seen so many times where a caregiver comes in and they're just really naturally good at engaging their resume activities. They become a life enrichment coordinator. And from there they get all this confidence and then they're really good at showing people around, taking the positive, becoming a marketing director. And then they're like, gosh, I really nailed this marketing thing, but I'd like to try something else you want to get into the business. Let's put you in a business office. And then literally two years later, over a six year period, they've gone from caregiver to executive director. And it's like, how great is that? And I don't know how many industries you can do that in. I mean, probably you can, but this is really exciting. I mean, like I always tell my kids, our industry has so many options. If you want to be a chef, if you want to be a hairdresser, if you want to be an accounting person, you want to be a marketing person, you can kind of find your way here, I kind of always go back to team sports. Also. I used to coach football as opposed to lacrosse, soccer, and basketball. There's a position for everybody, no matter what their stature, I think our industry is really good at that as well.

Lucas: You know Greg with the little time that we have you know, it's a very entrepreneurial business, you've got such a history to lean on. And so I'm going to ask you to get your crystal ball out as best you can knowing, knowing that not one. So you've seen a lot of twists and turns and changes in this industry. This year we have a pandemic and there's a sneaking suspicion that even though maybe you've never experienced COVID before senior housing and healthcare have experienced all types of viruses and different diseases and things like that. I actually believe that the industry is as well equipped and better equipped than probably any other vertical or any other industry to be able to take this on. Where do you think that the industry goes and shifts as we close out 2020 and go into 2021? What does next year look like for senior living?

Greg: I think next year, you're going to see from a construction standpoint growth, I think you're going to see construction starts come up again. Interest rates are really low. A lot of construction projects have been put on hold, very few opening right now in the cycle. So I think there's going to be some, some new construction starts next year. I think there's been a tremendous pent up demand. There's no question that the graphics are what they are and our industry as a whole has, and everybody's occupancy has dropped anywhere from 5% to 8% and it's because we're not getting the new move-ins because of fear. And, and frankly, if you move your mom into a place and you can't visit her, the guilt factor is even worse. However, now that the jobs are coming back and we're seeing the job numbers come back, people aren't going to be home as much. Mom's going to have to move into a place. The pent up demand is there and we're seeing it. We're starting to see upward momentum in occupancy slow, albeit, but it's been moving up or that in the last seven or eight months it was gone. And now it's really nice to see the shift. I think next year will be a really great year for any operator who's got their protocols and their practices in place to keep the place safe. I think it's becoming much more of a digital environment for your website, your SEO management, your timeliness to respond to inquiries and leads,

your sales skills are going to be more important than ever before though. The baby boomers are savvy, they are smart, they are well-equipped financially, they've got they're very comfortable in the digital age. And we as an industry, I think are continuing to evolve quite well. We've got work to do still, but it's coming together. I think we're starting to implement in new buildings like Alexa, which is something that's been coming into our industry for the past couple of years. And I think it's really smart to be looking at those types of avenues to stay relevant. Overall I think our industry is definitely going to have a much better year next year, profoundly better. I think the vaccine, personally our whole company's all signed up. I'll be first in line, put it in me, I'll take it. I'll take one for the team, but I think that that's going to be such a motivation to go ahead and move mom or dad into a, to a community. And you know, I think this year has been such a battled year for all of us. But we've had to really become better at expense management because the census is dropping. Labor prices are higher, insurance costs are higher. Everything went up dramatically, so we've had to become better operators, and expense management. You have to look at your rental rates. I've talked about it in the past on different interviews. When people have to charge an inappropriate rate to keep the business thriving. Totally off subject, I went and I went and visited a property recently in one of my travels and it wasn't one of ours. It was another not-for-profit operator and they were closing their doors. And I said, gosh are you like 50% full? No, no. We're 100% full. Why are you closing? Oh, we can't afford to keep it open. Well, when was the last time you did a rent increase? Oh, we don't do rent increases. So they just run themselves into the ground by being so afraid they would lose people that they're closing. They have asked all the residents to move over the next four months and it's about 200 units. So it's like, Oh my goodness, how sad is this? And some of those residents were moving to my building for memory care services, or they're paying significantly less over there and significantly more at my place. But they're like, we save so much money by moving mom and dad there that we've got a lot more cash. We can live at your place forever. It's like, well, okay. You know, so I think people just have to be really wise about how they're managing their dollars and how they're managing their rent increases. And it is a business like any other business. So we need to charge per appropriately, but I do think that 2021 looks to be extremely positive. And I see a huge demand tidal wave coming into communities.

Josh: I love that. So Lucas, you know, I'm just almost like having this vision of wall street when we, when we dropped this episode and our listeners are listening to this, we're going to boost this outside of our industry in this little tickers, just going to start going up. Because Greg this is an awesome forecast, and it's amazing. Well, I know our listeners are going to have a lot more questions. They're going to want to connect with you as best that they can to learn more. It's been great talking with you. I appreciate you spending time and letting me and Lucas get to know you more, let our audience see the history of what frontier has been and what your life history has been Lucas. Thanks for the suggestion. What an awesome find.

Josh: Yeah. Thanks Greg. We'll make sure we'll put your organization in our show notes. Thank you for actually being one of the few CEOs that's very active on social media and not only just on your personal life, but you know, you're given accolades to your teams and you're active out there. That's something Josh and I have always said that the C-suites in our industry need to go on the channels that people are watching and that's social media and in particular LinkedIn, because it's more of our professional channel, but you happen to be on a lot of them. So thank you for doing that.

Greg: Of course. And you guys do a great job. I've always enjoyed watching your podcasts and you guys are very good on social media yourself. I have to check social media about every half an hour to an hour because there's so many things I need to like from my own buildings and that helps push the SEO. So if I can help drive traffic towards my buildings, I do that.

Lucas: That's very smart and very well. So yeah, another great conversation, Greg, thank you so much for taking time out. We'll put all the things in the show notes. Everybody can go to [BTGvoice.com](http://BTGvoice.com). You can download this episode, watch this episode, make sure that you like and comment on our social media pages. And if you have questions, please engage with us. Everybody have a great day. And thanks for listening to another great episode of Bridge the Gap Podcast.