Welcome to season six of Bridge The Gap, a podcast dedicated to informing, educating, and influencing the future of housing and services for seniors. Powered by sponsors Accushield, Enquire, Hamilton CapTel, Service Master, Patriot Angels, The Bridge Group Construction and Solinity. The contributors are brought to you by Peak Senior Living and produced by Solinity Marketing.

Lucas 00:51

Welcome to Bridge The Gap podcast, the Senior Living podcast with Josh and Lucas. We're here actually, the sun is out on a Thursday in San Diego at the Spring NIC Conference. Got a great guest on today. We want to welcome Todd Owen. He is the CEO of Kevala. Welcome to the show.

Todd 1:05

Thank you, Lucas. Thank you, Josh. Great to be here.

Lucas 1:07

So good to see you. Workforce, labor, retention, technology. These are all really big talking points that the industry continues to want to discuss because this is kind of the topic of the day. This is something that is very near and dear to your heart. You are in the trenches trying to help operators solve this problem. Before we dive into that kind of talk to us about why is the industry facing this challenge and why this is something that you really care about.

Todd 1:33

This is a staffing crisis that's not unique to senior housing, right? Or skilled nursing or healthcare or retail and hospitality, right? It means it's everywhere. I think we've had a lot of stimulation and catalysts. Catalysts don't often change healthcare. It does create a big sucking sound of options for the workforce to go elsewhere. And so I think it's having a secondary effect on this industry. Why does it matter? Well, we're all aging and so my parents are at that age as well. We've got to make sure that the care is there. I actually think that it's a public health crisis. We talk a lot about the pandemic being a crisis. The staffing crisis in healthcare is just as bad, right? And we see that - everything from acute to post-acute to senior living where buildings just don't always make it because of staffing issues. So we got to do everything we can work together, collaborate - technology, operators. Even the investors are getting really involved. The REITs private equity to come up with new and better ways to staff.

Josh 2:25

Well, Todd, the last few years, so many operators, so many people in the industry talking about the problem. That's obvious. I've even heard people say, "Ah, I wish, I can't wait till we can get back to the good old days" and things like that. One of the things I love about your outlook is like, "Hey, we are here. Let's do something about it." You guys have rolled up your sleeves and I love that you're talking about, one of the things that I've heard you say is "Let's meet 'em where they are." So unpack that for us. What do you mean by that?

Todd 2:55

So what I'm talking about is the gig economy. The flex worker folks that want more flexibility and control in their life. They've found it. What was the first gig economy experience that you had? Probably getting into an Uber is my guess. And then maybe ordering a DoorDash. There is a huge number of workers that are opting for that work life balance and that control over their schedule. And they're going to those

jobs. My son makes $30 an hour doing DoorDash, right? So how do you compete with that? You do need to meet the worker where they are. I would say that's an untapped workforce for senior living. If you can figure out how to give that population that segment, the kind of flexibility that they want, they're going to take these jobs. There are a lot of, I think there are a lot of, folks that have care in their blood care in their heart, but at the same time, some percentage of them, maybe quite a few of them, are fed up, right? And they just can't do it anymore. Flexibility is important for their mental health and wellbeing, but you know, it also works well for the operator.

Josh 3:57

Right. So flexibility sounds wonderful, right? When you're talking about it. Theoretically, our industry has traditionally not been extremely flexible. We have our routines, we have our schedules, we have our spreadsheets, we love our spreadsheets in this industry. And it's very difficult though when you want to provide flexibility. There's a certain level of uniqueness in scheduling and a lot of the industry has not been equipped to be able to provide that and to be able to do that, it could potentially take a lot of time. But I've heard you say there's ways through technology that we can fix that.

Todd 4:34

Traditionally businesses have been pretty static in the way that they run them, right? Because the tools only allowed for that. A spreadsheet only has so much flexibility. When you think about a flexible workforce it's highly random. It might be sunny tomorrow and I don't want to work. I might be sick tonight. Or my parent or my friend is doing something and I want to be with them. That can't be predicted. And so there's more than one seat at the table to sort of solve for the problem of filling the shift in a way that meets the needs of the operator and the facility, the community as well as the individual. And so we think that really it's a problem that can only be solved via technology. So go back to the Uber example. Can you imagine Yellow Cab trying to spin up an Uber operation without technology? You can't do it. And so that's kind of what motivates us. And we're here to bring the best of scheduling and flexibility to the workforce.

Lucas 5:32

Josh, I feel like we've been in the workforce longer than we probably want to admit, I feel like that there's been this progression over the last five years or so from kind of standard leadership complaining about how people won't work. And "Oh, back in my day, we didn't complain about work, we just went to work" and it was like these years of complaining, but nothing changed and they still needed workers, you know? And now it's kind of like, okay, stop complaining. Complaining is over actually solve the problem and come up with these new and unique ways to just, like you said, meet them where they are like stop complaining, just go after this because you're not going to have what you need if you don't.

Josh 6:09

And I think we've been forced. So no longer, and we've been having these conversations even on the podcast, off the podcast because we used to talk about occupancy all the time. Now the only reason many communities are having occupancy issues is because they can't seem to fill the shifts. And they're like, "Hey, I'll open up this wing. I've got people waiting to move in, waiting to stay here, but I can't staff it." And then they're hiring extra people to try to do schedule adaptation and things like that. And these schedulers have become the MVPs. You can't find the schedulers. So like how are you going to do this? So I do think technology is going to have to help us fix this issue.

Todd 6:53

Just came out of a conversation actually about this. Every scheduler has their own sort of special way of doing it. Which is great, but you're only going to be as good as that particular scheduler. And so I think this kind of ties back to, I believe that the industry and home offices need a workforce strategy. How are you gonna leverage part-time? Part time's a very interesting asset, right? Because there's extra hours that can be picked up before you go into overtime, right? How are you going to think about agency? Do you want it to be at zero or do you want to control it and leverage it on your terms? Do you want to set up a flex pool? Or a float pool that can perhaps move between buildings or between departments. Those are the sorts of things that you have to sort that out. And then the technology is there. It really is. To bring all these pools together and to fill shifts in the right way. In the right order. Logically. Don't put somebody into a shift that's already in overtime when you've got somebody that hasn't worked 40 hours that would prefer to take it. Don't give it to the highest cost agency when there's a lower cost one that's done great work for you in the past. It's beyond the capability of any scheduler, much less any human.

Josh 8:03

Yeah, exactly. Well and the other problem I think, I mean we could sit here and talk about all the problems of even when we are successfully filling shifts, what I have seen happen so often is we're scheduling so much overtime because it's hard to calculate and we're just like so desperate to fill a shift that the first person that would be willing to do that, that just complicates the issue of the rising cost of care that we have in our country. And these shrinking margins that we've had. So the ability to leverage the software to help you analytically be able to dial that in, to your point, to the workforce strategy component. Because it's not just about filling the shift. It's about filling it the most efficient way, right?

Todd 8:46

A hundred percent. So everything that a scheduler does is logical, right? And so if technology can help them make the better decision by putting the data to help them do that right in front of their nose, that's value. The next level of data is actually being able to be prescriptive. And so not just putting the data in front of them but making a recommendation. Here's the next step. Here's why you know, you chose this person, you should consider this person. If you can standardize across all of the locations in your portfolio, you can actually have real time rich analytics so that you know what's going on with your workforce. So you use the example of somebody on overtime. The good news is payroll systems and permanent staff systems do a pretty good job of telling you what's going on in your permanent staff. The problem is an increasing percentage of your staff is coming from another organization, notably an agency. And so all of that needs to be tracked with the same level of rigor in real time and reported together. Because after all, it's one workforce, it's one shift, it's one audit when an auditor arrives. So you can't have some of it in five different systems bring it all together and you're going to do a better job running the business.

Josh 9:54

Well, so I was in a slight debate. I'd love to know your opinion on this. I think I know where you stand on this, but I was talking and somebody, we were talking about technology implementation and they're like, "Yeah Josh, you know, but that's good for these big national or huge regional operators that can afford that technology. They can scale and they can do that." But I was saying, hey, there's still a huge percentage of our industry that are the small, what we would call like "mom and pops." They're the one-offs. They're very small. You might have an executive director that might have a nurse or might have a clinical type person and they're wearing all the hats. And I thought, how would this not help them?

Because they absolutely, they're the most need of absorbing that time more than anybody. Can the technology be more efficient even for those small "mom and pop" that maybe 40% of our industry still?

Todd 10:48

A hundred percent. Actually I would say that the advantage falls in favor of the smaller operators because they can move more quickly and there is a lot of technology less so in healthcare than other parts of the economy. But there's a lot of technology that's designed to be on demand, easily activated. If you can't be up and running in 30 minutes, you're probably not looking at the right type of solution. If it requires a training manual, it's not the right solution. So I'm a software guy, it's all about SMB, small and medium sized businesses. That's really the most exciting part for a software company because you can have such a great impact. And it's not this like treacherous sales cycle. It's not these long implementations that never succeed, right? And there are too many stories about technologies in this industry that have been in deployment for 18 months and nobody can sort of agree that there's any success coming out of it yet. So the small operators working with solutions that are right sized for them are going to be able to achieve ROI quickly.

Josh 11:48

Sure. And still be able to thrive and compete because that has traditionally, whether we want to admit it or not, been the lifeblood of our industry, it's been the small to regional operators. And quite frankly there's an argument now that so many funds are actually looking now for the small to regional operators because they know their markets better. So how can we have a toolkit that not only helps our industry, the large operators, but a toolkit to help the industry no matter where you are in your staffing needs. So that's exciting that there's options coming online out there and you're leading the thought on that. Lucas, you're out in the world every day in these communities. What are your thoughts on this?

Lucas 12:27

Well, I was just thinking that there's a building I'm about to start a big project on and they just put WiFi in. The new owners bought it from a husband and wife that has this building has been their baby in a major metroplex. It's DFW, it's not like, tertiary way out in the middle of nowhere. They just acquired a building and we were in there patching all the holes that the low voltage company came in to put the proper technology in the building. But obviously it's part of this new operator strategy. Get this building up, get the infrastructure put in. It took two weeks, not a big deal. Not a huge heavy lift. And now they're up and running and then they're implementing all the technology that they have and you're faster off the starting line. You're quick to get up and running where before these things, the whole building's been on paper for 25 years.

Josh 13:20

Through these storms, through these crisis. We saw it through Covid. Yes, you get to these inflection points where things are extremely difficult. There's the friction, but our committed operators in our industry, I mean they put their head down and our partners. So it's so good to see guys like you that have been helping a lot of industries with technology coming in to partner to help us through this, right? Because quite frankly, our industry's been behind the times. We're doing things that other industries figured out 10 years ago and we wait till a crisis happens and then we are like, "Okay, well we've got to now," but the good news is we're doing it now. And so I'm actually really optimistic. We're here at NIC, everybody seems optimistic to me. We are not head in the sand, we don't have challenges, but

everybody's like, between our partners in the industry and our awesome operators and owner groups, we're going to solve these challenges together. So it's exciting.

Todd 14:21

It really is a partnership. So our company for example, we don't come with a ton of healthcare experience and no senior living experience. Why would we do that? Because we expect these days that we're going to partner with our customers and our prospects. So we wanted to build this company with the industry and for the industry, just as I can tell that all the great companies that service that have done that, either the founder and CEO of the company comes from senior living and so they bring that knowhow with them. Or there are a new entrants like, like me, right? And so we come from marketing technologies and HR technology and we want to bring that here, but can't do it without that ongoing partnership. And we've loved this event. I mean this has been amazing in terms of the willingness to talk and share ideas. Even competitors are talking to each other, not just on the operator side but also on the technology side. There's no room for that. There's plenty of opportunity for everybody if we partner and collaborate.

Josh 15:15

And we're so glad you took some time out of your busy schedule here at NIC. We know you've got back-to-back meetings. Our listeners, if you haven't ever heard from Todd at Kevala and his team, you will be seeing them more. They are out and about. They're in the communities, they're in the conference circuit. Todd, I think you've even got panels booked, you're going to be talking. So he is more than a pretty face. Trust me. But we are glad that you took time for us today and glad to connect you to our listeners.

Todd 15:45

Thanks, Josh. Thanks, Lucas.

Lucas 15:46

Appreciate you, Todd. And to all our listeners, check this episode out on our website, btgvoice.com. You can connect with us there. Hit us up on social. We want to connect with you on LinkedIn. Let's continue the conversation. How are you fighting through all of these challenges, right? But there's opportunities and Bridge The Gap is here to help. So great day here in San Diego and thanks to all of our listeners for listening to another great episode of Bridge The Gap.

Speaker 16:08

Thanks for listening to Bridge The Gap podcast with Josh and Lucas. Connect with the BTG network team and use your voice to influence the industry by connecting with us at btgvoice.com.