

Innovation in Senior Living

By: Michele Holleran

Innovation is often defined as “combining existing ideas in new ways.” If that is true, the innovations required for progression in the field of senior living and services already exist in our minds and hearts. The opportunity for those who have dedicated themselves to caring for and serving seniors is to create a disciplined process for innovative thinking and creativity. That is why the intentional creation of a culture of innovation is imperative.

Tempting as it may be to stick with the known, the comfort of how we’ve always done things, and the tendency to retrench while we weather the storm, the old approaches no longer work in the new economic reality. The inconvenient truth is: the storm is not going to go away.

These are the factors fueling the storm: global aging, health care reform requirements, threatened entitlement programs and a severe erosion in real estate markets. While these factors threaten our status quo, they also provide enormous opportunities to birth innovative models for senior living. And many providers, technology companies and other interested parties are stepping up to take advantage of those opportunities.

We’ve seen a proliferation of effective new innovative models in our field, including the Villages, CCRCs without walls, and public-private partnerships. CMS is actively involved in innovation and awarding money to fuel it—up to \$30 million in grants under the auspices of the Health Care Innovation Challenge. Meanwhile, Leading Age is fundraising to support its own innovation work within the not-for-profit provider community. The Long-Term Care Quality Alliance is promoting health care reform through its Innovative Communities Initiative.

The Technology Connection

The technology sector has certainly done its part to raise the bar on senior living innovations. Care Innovations, a joint venture between GE and Intel, has spawned four such innovations, including Care Innovations Guide (virtual care coordination), GE QuietCare (motion sensor technology), Care Innovations Connect (a wellness communication platform) and the Intel mobile print reader. The Quality of Life Technology Center, a joint venture between Carnegie Mellon University and the University of Pittsburgh, has created touch-sensitive assistive robots and Virtual Valet, a system that allows a vehicle to park itself without a driver, helping those with reduced mobility.

The Japanese have developed a simple wristwatch-like device to monitor what an elderly person is doing at all hours of the day and then project data onto a computer screen, or relay it wirelessly. Massachusetts Institute of Technology’s AgeLab has designed something called “Agnes” (short for Age Gain Now Empathy System) a jumpsuit, helmet and shoe outfit that helps product developers, researchers and marketers know what it feels like to be old. The University of Virginia is studying “body area sensor networks” to promote senior independent living. Smart houses, like California-based Eskaton’s Demonstration Home, are popping up all over the United States, utilizing sensor technologies.

Watson, a supercomputer developed by IBM, takes facts gathered in natural language from a patient exam and generates possible diagnoses ranked by levels of confidence based on its understanding of already existent medical knowledge. Microsoft is exploring how gaming technologies might interface and support the aging process.

The University of California at Merced hopes to use avatars—graphical representations of humans—to help aging baby boomers keep up with their physical therapy routines. “Bentley” is the newest robot on the staff of the adult day care program at the Athens Community Council on Aging, a LeadingAge member in Athens, Georgia. The stuffed animal works wonders with those who are suffering from dementia and prone to wandering behaviors.

The technology is there, and ever evolving. Figuring out how to make it affordable and commonplace in independent living settings within CCRCs, housing complexes, NORCs and the greater community is one challenge. The other challenge is figuring out the business model design that works first, and then wrapping the technology around the design. Technology without a business model is doomed to failure, as some aging services providers have already discovered.

Going Beyond the Technology

Innovation in senior living goes well beyond technology. Senior living providers across the United States are finding meaningful ways to innovate. Peter Drucker stated, “Innovation is change that creates a new dimension of performance.” That change may be evolutionary in nature or revolutionary. All of us in the field need to participate if we are going to create that new and better performance level for our residents and our communities at large.

Sometimes the small innovations, created organically by front line staff and others closest to the customer, can make dramatic differences in quality. Take the example of the “100,000 Lives Campaign” initiated by a small nonprofit called the Institute for Healthcare Improvement (IHI) that convinced 3,000 hospitals to adopt the ergonomics of innovation philosophy about 5 years ago. IHI emphasized six practices to save lives in hospitals. One was a simple but innovative practice,

ensuring a ventilator patient’s head is elevated at least 45 degrees to reduce the risk of pneumonia.

This is an example of what Andrew Hargadon talks about in his book, *How Breakthroughs Happen*, when he says that old ideas lie behind most innovations. The lesson for would-be innovators is that they do not have to invent brand new ideas, but rather borrow ideas from other fields. To do this successfully, aging services providers are required to carry out 5 key skills outlined in the Harvard Business Review article, “The Innovator’s DNA.”

These 5 skills include questioning, observing, experimenting, networking and associating. Embedding these skills into the fabric of aging services provider organizations is step one in creating a culture of innovation.

The Innovator’s DNA

Questioning is a skill emphasized heavily in LeadingAge’s Leadership Academy, as well as in many of the state affiliates leadership development programs across the U.S. This skill allows innovators to break out of the status quo and consider new possibilities. However, the structure of the question is key to getting good and useful answers. We use the term “softball questions” in the Leadership Academy to characterize these types of questions.

Softball questions, as opposed to “hardball questions,” are designed to stimulate reflective conversation, provoke new thoughts, and invite creativity and new possibilities. The linguistic construction of a question can make a critical difference in opening our minds or conversely, narrowing the possibilities we can consider. For example, questions that begin with the words “why”, “how” or “what” are much more powerful in evoking discovery than the words “who”, “when” and “where” or yes/no questions. Innovators question the unquestionable.

As Fran Peavey, a pioneer in the use of strategic questions observes, “[If] the right question is applied, and it digs deep enough, then we can stir up all the creative solutions.”

Leaders intent on creating innovation within their organizations ask open-ended questions such as “What’s possible here?” instead of “What’s wrong here and who is to blame?” – a practice known as appreciative inquiry, developed by David Cooperrider and his colleagues at Case Western University.

Another powerful question that invites innovation is “What if?” This is the question that led Ecumen, an aging services provider in the Midwest, to shift its orientation to housing and services instead of its traditional nursing homes.

Ecumen’s CEO, Kathryn Roberts, has led her team in reducing the number of nursing beds by one-third and increasing revenue by two-thirds, by shifting to a predominantly market rate housing model. Roberts continuously models the art of asking questions with her staff, and encourages them to do the same.

Observing as an Innovation Skill

The second skill of innovators is observing—seeing how customers and potential customers behave. When MIT’s Age Tech researchers brought older adults into their labs to test the popularity and usefulness of new products like big-button phones, they found out that products that telegraph agedness aren’t a hit with seniors. Another way to observe is at the macro-level. Obviously, deferred retirement is happening even now among older baby boomers—what types of products and services will this phenomenon call for? Bank of America Merrill Lynch has created “Second Acts” that help people plan for longer lives and second careers.

Observation was an innovation skill employed by Evangelical Homes of Michigan when the organization began to envision, through the passion of the board and CEO, an opportunity to deliver an array of services typically delivered on a campus or within a retirement living setting. Steve Hopkins, vice president of wellness and home based solutions, tells how he and his team looked at best practices in home care around

the country as they conceptualized their new CCRC without walls product, known as Life Choices™:

“What we observed as we looked at other models is that many senior services organizations are hesitant to launch until the product has been developed by a person within the organization, when in fact, the client or customer is the key to the product itself. There is a fear of failure, but perhaps past failure has been because the product didn’t deliver what the customer desires. It’s probably because of our field’s orientation to constructing bricks and mortar products, and waiting until all the approvals are in place prior to opening. Innovation can’t work that way. Sometimes you need to launch and work with the user, deliver service excellence and then continuously refine the product to make it better. That’s a lesson we have learned through observation.”

Today, Life Choices is a year old and has about 40 clients who wish to stay in their homes but have access to services and support from a single-point advocate employed by Evangelical Homes, a “lifestyle coach” who help clients manage their health proactively for a one-time fee of \$35,000 plus an average monthly fee of \$400 as long as they are in the program. It’s a capitated model, so Evangelical is prepared to ensure LifeChoices members receive the care and services they need and desire while remaining at home.

Experimentation in Senior Living

Pacific Retirement Services in Oregon is working with the Oregon Center for Aging & Technology (Orcatech) to create a “living laboratory” in which wireless motion sensors are being used to track mobility and health status in real time. Researchers are hoping to prevent falls and social withdrawal. About 30 seniors have volunteered to participate in the Orcatech living laboratory experiment.

One of them is Dorothy Rutherford, age 87, who is using an anthropomorphic robot named Celia from Vgo Communications to have remote video chats with her great-granddaughter in Wyoming. To be sure, the Celia experiment is a costly one (\$6,000 for the robot, then a \$100 monthly service fee), but the experiment

is one of many in the U.S. designed to explore possibilities around aging in place. The European Union has committed more than one billion euros to conduct such experiments overseas.

Experimentation can take many forms, and some are not nearly as dramatic, or as expensive, as Celia.

Networking Outside the Comfort Zone

Of all the Innovator's DNA skills, networking is possibly the most effective. Innovative ideas come from getting out of the walls of our organizations and seeing how other communities, countries and people from other walks of life think and act. Entrepreneurs attend idea conferences regularly; that's how the BlackBerry and JetBlue were born. Building social capital is key to this skill.

Networking was the idea behind a forum conceptualized by a group of LeadingAge member organizations and state partners. The Innovators Summit brought together 50 thought leaders from the provider community, technology companies and others invested in aging services, such as AARP and home care organizations. The idea behind the summit was inspired by the work of Marv Weisbord, a former professor at the University of Pennsylvania who originated a process known as "Future Search."

Weisbord's belief is that by getting the right people in the room, individuals can learn from one another and create innovative solutions to old problems. The Innovators Summit addressed seven opportunities around aging. As a result, new business models were conceptualized for Alzheimer's care, wellness, intergenerational living and other timely topics. In addition, the summit spawned a learning circle of senior living innovators around the country.

Using Association to Create Intersections

The reason the Renaissance occurred is because the Medici family of 15th century Florence, Italy, decided to bring together creators from a wide range of

disciplines—sculptors, scientists, poets, philosophers, painters and architects—who learned from one another and broke down the barriers between them. As a result, intersections were created, and innovations were spawned as never before in the history of the world. Creating environments where associations can occur is the fifth skill in the innovator's toolbox.

Associating can happen at a micro or macro level. Even within organizations, bringing together individuals from different disciplines can create intersections that result in new ideas and approaches to getting work accomplished. At American Baptist Homes of the West, an in-house leadership development program known as Leadership ABHOW, involves leaders from CCRCs with leaders from affordable housing. The coupling of these two groups has produced a number of new business model concepts that are likely to redefine how aging happens in the future.

At a macro level, not-for-profit providers are teaming up with for-profit technology providers to find ways to gain efficiencies and streamline communications. Care Innovations' Connect is being used by Evangelical Homes of Michigan with the LifeChoices™ model of home care.

Tim Brown, CEO and president of IDEO and author of *Change by Design*, is a big believer in mind mapping, a technique used to discover connections among ideas. The mind-mapping technique is a visual representation of topics that link together in a non-linear fashion; it is a way of seeing the whole of a situation. Brown and Roger Martin, dean for the Rotman School of Management at the University of Toronto, are proponents of design thinking, combining analytical and intuitive thought processes for optimal outcomes. Essentially, design thinking is an offshoot of the association DNA skill.

Innovation Lessons Learned

Innovating is not for the faint of heart. It takes a willingness to try something new, and risk failure. Ecumen, as an example, used to have a technology platform called Innovation Station, whereby

employees could submit new ideas and win awards for doing so. Kathryn Roberts, CEO of Ecumen, pulled the plug on Innovation Station after discovering that the ideas were not all that innovative and the process lacked the ability to allow others to build upon and improve innovative ideas suggested. That realization spawned Ecumen's new Idea Box, which is a web-based interactive platform that allows a person to start with a single concept, and then invite others to improve on it. The goal is to replace incremental innovations that were the primary domain of Innovation Station, with more disruptive ideas, which Roberts hopes will characterize Idea Box.

Ecumen has also given birth to the "Think the Unthinkable" process, which has generated 11 categories of new product/service concepts that are being developed by task teams of Ecumen and non-Ecumen employees. Key to the development process is the outside influence of non-Ecumen employees. When organizations become too insular, they are unable to create those important intersections of knowledge and creative thought.

Steve Hopkins of Evangelical Homes has also learned some lessons from his organization's innovation journey. "In our organization, we've learned here that the top-down approach usually is not the best avenue for our ideas. We now take an organic approach and start small with something, and then, if it is worthwhile, allow it to spread like a virus. It's just constant experimentation, trial and error. You've got to give people the freedom to fail."

Both Ecumen and Evangelical Homes have also learned to hire people from outside the field. "Outsiders can add a lot," according to Hopkins, who owned a fitness studio and was an executive coach prior to joining Evangelical. Roberts, who came from outside the field of senior living to Ecumen nine years ago, says her organization is actively identifying new leaders who naturally fit the brand promise to "honor,

empower and innovate" and that the hiring practices now support this initiative. "We use a branding exercise with prospective employees to see how closely their personal brand aligns with the Ecumen brand" as one useful and fresh approach to hiring.

How to Encourage Innovation

Creating a culture of innovation requires deep commitment and constant work. Kathryn Roberts of Ecumen has been working on it for nearly a decade, and says the organization still has a way to go. Her latest tool for spawning more innovation was learned at the Innovators Summit she attended this fall—getting the right people in the room to create intersections of ideas.

"The summit used a focused business design template and brought people who see aging from different perspectives into the same room to collaborate," she explains. As a result, seven new business models were hatched at the summit, a few of which hold great promise for going forward. "Some will actually turn into innovations, others will not," she notes in a practical tone. Roberts and her team conceptualized a model called Vital-cocity, offering cities and rural communities a package of tools, processes and services to create livable communities that are socially and economically vibrant. The concept capitalizes on the idea that many baby boomers are unprepared for retirement, and leaders in aging services need to create new aging-in-place options for this new generation of retirees. The model follows the basic concept of what the Chinese are creating in their quest to build 50 age friendly cities from scratch, but instead retrofits current cities to better accommodate and attract boomers as they age.

Roberts believes the process of inviting innovation into an organization is an important one. In addition to adopting the format of the Innovators Summit, launching the Ecumen Idea Box, and creating a new way to measure innovation, she has dedicated space in the home office campus in Shoreview, Minn., so employees can create new ideas in a place that welcomes staff to "think the unthinkable."

phenomena impact innovations in senior living? The time is now to start the conversation.

Evangelical Homes of Michigan's approach to creating a culture of innovation is allowing people the freedom to launch things before they are perfect. "The biggest gift you can give your staff is permission to go—and to encourage them to keep spinning stuff out even if it is not 100 percent ready for market. You can fix what isn't perfect later."

Where Will the Next Innovations Come From?

Senior living has seen a range of innovations within the past several decades—everything from the CCRC model proliferation to Programs of All-Inclusive Care for the Elderly (PACE) to naturally occurring retirement communities (NORCs) to the Small House model. Technologies to support successful aging already exist and more are being developed every day. The challenges of the future will be the creation of affordable alternatives for those who have not put together the resources required for comfortable retirements or will not be covered by traditional entitlement programs if funds run out. Commune-oriented models may proliferate, the concept of \$300 houses may gain traction, and intergenerational planned communities may become commonplace.

Today's aging services providers must anticipate the needs of the community in which they operate. Reaching out to individuals and organizations within their own communities is key; conducting community needs assessments is a logical start. Replicating the Innovators Summit is another way to begin the conversation with other community stakeholders. Holding generative conversations with trustees at upcoming board meetings is another approach to envisioning the possibilities. After all, in the words of Design Thinking guru Roger Martin: "Innovation is about seeing the world, not as it is, but as it could be!"

Electronic health records, breakthroughs in dementia treatment, accountable care organizations, the "quantified self" movement, human-centered design, social networks such as nextdoor.com—how will these

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