



STEVEN VICK,  
SIGNATURE SENIOR LIVING

## STEVEN VICK: A CAREER BUILT UPON Vision, Timing and Resourcefulness

Look across the arc of Steven Vick's career, and the sheer magnitude of his vision, timing, resourcefulness and success is striking. He was one of a handful of upstarts who launched the assisted living business. He led a wave of new development that stretched nationwide. He was a pivotal leader of three publicly traded assisted living companies.

He was one of the first to introduce senior living communities in India. And he founded a software company specializing in assisted living marketing, financials and operations.

Vick got his start in Wichita, KS, where his accounting background landed him with a consulting firm specializing in health care. He worked extensively with nursing homes.

After a stint in the 1980s working for several construction companies, he

teamed up with a Wichita builder in 1990 and circled back to his nursing home days to create a new concept for serving seniors. Vick called it residential assisted living.

"The great part about the 1990s was that a number of entrepreneurs were experimenting with different forms of care and services," he recalled. "We were competing against independent retirement homes that would not take incontinent residents and nursing homes that were institutional and did not focus on hospitality.

"What our company did was provide independent living for those who wanted that choice, but also provided nursing services for those that needed scheduled care. We didn't have to discharge someone for incontinence or diabetes or Alzheimer's," he noted.



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Part of his vision centered on delivering services directly to the resident, rather than routinely moving the resident throughout an institutional building to access services.

"With the effective use of registered nurses and home health and hospice, we could essentially take care of someone until their death. The Americans With Disabilities Act (ADA) prohibits discrimination against those with physical or mental disabilities, and we were going to fight for the resident if they wanted that kind of care and service," he stressed.

The first Sterling House assisted living community opened in September, 1991 in Augusta, KS, with 21 units. Four years later with interests in 23 properties, Sterling House went public to raise capital and expedite its expansion plans. By 1997, Sterling House had over 100 properties.

"At one point, Sterling House had 107 limited partners. When we went public, all of those were rolled back up together, and they all got stock. We got out of the personal guarantees by going public. So, that was a wonderful relief, and we had virtually unlimited amounts of capital," he pointed out.

Vick's guiding principles were based on what he referred to as the four Ps: Passion for purpose, product and profits.

"The definition of mission is something that I have a very strong conviction about," he said. "My mission is to allow the elderly with high acuity needs to age in place. This requires a highly-trained clinical staff, well-designed buildings with resident and staff input, and, of course, you have to make money.

"To do this successfully requires a great building or product. We wanted to make sure that the building would allow the residents to age in place or age with choice. Gratefully, building new buildings met those qualifications.

"We predominantly had a square configuration of a courtyard on a single floor to eliminate all physical barriers. We studied every staff movement in 100 buildings for over a year. We used that information to design our building and help drive our policies and procedures to provide task sheets and related billing for those services in a bundled tier pricing for the resident, depending upon the care and the services they needed or wanted," he explained.



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**JAY ADAMOWITZ,**  
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Operations in the field had a stretch budget with occupancy over 93 percent, while the board budget was between 90 and 93 percent. The goal was a return of 12 to 15 percent.

"The reason we seldom bought buildings is I could build for less and control the brand. We reduced the fill-up risk with our program, because of our proven experience and site selection," Vick reported. "The challenge was providing high acuity services consistently and delivering on the promises that we made."

In the late 1990s, Vick's mission of allowing assisted living residents to age in place was challenged by the state of Michigan. State surveyors at that time oversaw both assisted living communities and nursing homes. They contended there was a limit on the acuity level that assisted living could provide.

With over 30 properties in Michigan, the stakes were high.

"The state told me I had to discharge 10 residents. They called them patients," he said. "We selected what we thought was the best couple, and they challenged the state. Dr. and Mrs. Wallace,

married over 50 years, had promised each other that they would never put the other in a nursing home.

"Needless to say, this fight hit the newspapers, and the state was adamant that they had to move out. Dr. Wallace hired a law firm that we supported, and he sued the state, maintaining that this was their residence, and they could not be evicted.

"Ultimately, the state of Michigan passed the Choice Act that allows a resident to remain in the setting of their choice as long as the resident, the doctor and the operator agreed. The suit cost over a half a million dollars. But the residents in Michigan won, there was guidance for the surveyors, and choice won that day," he noted.

Vick instituted a number of innovations on the operations side of the business. He concluded that if he could reduce staff turnover by focusing on selecting, training and coaching effectively, then all things being equal he would sustain occupancy and make a profit.

One of his employee retention tactics was creating a self-insured health insurance program. "Most of the employees





**LEANDRA NEGRETE,**  
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**BILL ROOSA (L) AND SARAH NIXON,**  
CNL

were female," Vick observed. "What did they want? They wanted prescription drugs and doctor visits for their kids. Now, this was a time when we could do this. I invested heavily in that idea, moved away from traditional insurance, and saw the retention rates rise.

"I also had the ability to get a part-time employee that filled the critical slots for getting residents up and ready in the morning. This addressed not having to hire a full-time employee when I needed more hours for a short period of time. The employees were happy to come for a few hours, as they received the same health care benefits as a full-time employee, but they only worked part-time," he commented.

In 1997, with more than 100 properties and dozens more under construction and development, Sterling House merged with another publicly traded assisted living company, Wisconsin-based Alternative Living Services (ALS).

The combined company was renamed Alterra Healthcare Corporation and became the largest assisted living company in the country. It had more than 200 communities in 20 states,

with about 75 under construction and another 100 in development. Eventually, it would grow to 450 properties in more than 25 states.

Vick served as Alterra's COO from 1997 to 2001 and president from 2001 to 2002.

Looking back on his days with public companies, Vick said "I felt I had the life of a fruit fly, because every 90 days you had to report earnings. You had occupancy go up, you had occupancy go down. Then we would be told we'd have to cut our staff, even when we knew we were going to get more residents.

In 2002, Vick left Alterra and joined Assisted Living Concepts (ALC), another publicly traded company, where he was president and CEO. It operated 185 properties with about 39 units each in 14 states.

Assisted Living Concepts had gone through bankruptcy and a restructuring shortly before Vick arrived. Within 120 days of implementing his turnaround plan, Vick took ALC from a \$200,000 monthly loss to a positive cash flow.



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With its financial performance back on track, the board opted to sell ALC in 2005 to another publicly traded senior living company, Extencicare. It was time for Vick to move on.

He quickly rebounded, however, and within six months was developing 10 assisted living communities in Texas under the Signature Senior Living brand. This time around, the plan was to develop, fill up and stabilize, and sell the portfolio. Capital Senior Living ultimately acquired 12 Signature Senior Living properties.

Tracking the marketing, financial and operational performance of hundreds of properties over the years was no easy task. Vick eventually came up with an integrated software package that, in real time, could report on everything from sales leads to food costs to overtime. He started a new company, named it Right Click Software and found a great deal of success in selling the programming to other assisted living operators. In 2014, MatrixCare acquired Right Click.

With assisted living firmly established in the U.S., Vick turned his sights

overseas to India around 2012, where he formed a joint venture with Serene Retirement Communities. After growing that company with the help of many of the systems that he had pioneered during his 20-plus years operating in the U.S., Vick brought Dan Baty's Columbia Pacific Advisors Partners in to purchase the management company.

Looking back at all the changes that assisted living has gone through since he got his start with Sterling House in 1990, Vick reflected on how complex it has become.

"You need lawyers. You need clinical staff. You need training. You need the HR department," he said. "That's expensive. You need a great back office with accountants and IT folks and those kind of things, and you need to leverage that.

"But in the end, health care is local. You still need to have great people in the community and support them," Vick concluded. ★