

The Appriser

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Presiding over decline

—[Mark L. Vincent](#), PhD, CCNL
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A CEO report from a large retirement community has been on my desk since the first of the year. I keep referring to it because it paints a stirring portrait of things to come.

- The overall retirement community census is down due to a variety of market encroachments from hospitals, home health care and assisted living.
- Medicaid payments are late and getting later. A significant portion of this and many other retirement communities' overall income is coming in ever larger and ever more delayed lump sums. Retirement communities end up serving as cash flow mechanisms for an indebted government.

In spite of the CEO's attempt to sound positive, these frightening marketplace uncertainties are large burdens to bear. Rather than having to deal with innovation and disruptive technology, the CEO is dealing with the lack of them, pinned to ever tighter regulation for what is already in decline.

I've clipped the obituary for [Marcella Pattyn](#) to this CEO report (*the Economist*, 27 April 2013, p.86). She was the last of the Beguines, a religious community of women not quite nuns and not quite lay people, which had existed since the 13th century. The obituary was not just for Marcella, but for the Beguines. It noted that the communities had known "*swift success and long decline*," along with a lot of ups and downs in between.

It is the slow road downward that links these two pieces of paper and the people they portray. It cannot be fun to preside over something that is ending or seems to be. The great temptation is to continue in decline, hoping that the circumstances that swung away from success will swing back yet again, trying to hold things together as best one can. The result is managing by fear, anxiety and the ever more pristine myth of yesteryear. Regrettably, such an approach actually prevents organizational leaders from being able to embrace the change they had hoped for should it ever come.

The remaining two choices are more preferable:

1. **Become the disruptor.** This, of course, requires a visionary leader along with investors and followers who believe in the vision and are ready to accept multiple failures along the way.
2. **Hold a funeral.** Bringing something to a celebrated and dignified close can be the best course of action.

Sometimes the best option is to do both!

The normal objections to these options begin with "*but what about....?*" And yet, if one puts these same objections to the option of presiding over decline, they quickly discover that the options of a great heave forward or holding a funeral are far more desirable.

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