

# Aria Senior Living

A success story written by Angela Clements Cattell

Derek Hansen has been working in the healthcare and senior living industry for well over 20 years. Throughout that time Mr. Hansen has developed an increased compassion for what elderly individuals must endure besides their physical limitations. He has witnessed how depression also becomes a concern as seniors sometimes lose a sense of purpose. Mr. Hansen was always impressed by the more personalized care given at the small senior assisted living home where his elderly Grandfather lived in Illinois as well as similar models used in other states. Using this evidence based concept of a small home setting within a residential neighborhood, Derek Hansen wanted to create a senior assisted living facility of his own that addressed not only the physical challenges of elderly people but also one that would enhance their quality of life.

As a first time entrepreneur, Mr. Hansen was excited to be an integral part of the community. However, he soon discovered that searching for the capital debt to finance his project would require a great deal of tenacity and the assistance of experts. Derek Hansen and his banker contacted Martin Gareau, Small Business Development Center (SBDC) Business Advisor at Lakeland Community College in March of 2015 to explore financing options. After discussing Mr. Hansen's project, Mr. Gareau felt the SBA 504 loan program would be an excellent option since it offered extended terms and below market interest rates.



Mr. Gareau along with Pat Rositani, also a business advisor for the Lake/Geauga SBDC, first reviewed Mr. Hansen's business plan. They were able to determine what items needed further explanation and what additional financial information was essential. According to Mr. Hansen, "Marty and Pat were great! They helped to tweak my business plan. Although I generally understand financial statements and budgets, they were able to help me better grasp my balance sheet."

Writing a business plan helps prepare small business owners when applying for a business loan. Lenders will want to have a clear understanding of how the business operates and generates revenue and the business plan will give them many of the details they need to make an informed decision.

Mr. Gareau and Mr. Rositani helped to guide Mr. Hansen throughout the entire SBA 504 loan application process. "They were constantly assisting me," explained Mr. Hansen. The process can sometimes be overwhelming to any business owner as it necessitates not only the completion of the application itself but also requires the applicant to provide many supporting documents such as current and projected business financials, ownership structure breakdown, tax returns, business licensing, business overview and history, resumes, the purchase agreement and other related documentation.



*Aria Senior Living is built on a little over a half acre in a residential neighborhood in Gates Mills, Ohio.*

Over the next several months, Mr. Gareau and Mr. Rositani continued to assist Mr. Hansen on questions he had as well as help prepare additional documentation required by the SBA. "Marty and Pat were instrumental, uplifting and confident throughout the entire loan process," exclaimed Mr. Hansen.

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Eventually the loan was approved and Mr. Hansen was ready to begin construction. By the summer of 2016, Aria Senior Living was completed and Mr. Hansen's success story was just beginning. From the design of the house to the circadian rhythm based lighting system, the house provides both an exceptionally safe and therapeutic environment accommodating up to 12 residents. Derek Hansen explains, "Evidence shows that this small number of residents encourages higher motor functioning, greater friendship formation, less anxiety, sadness, and depression, and very personalized care and services." In addition Aria Senior living offers exercise programs such as tai chi and chair yoga as well as innovative programs through brain fitness and social connectedness technologies. Plus, Aria provides memory care services for those struggling with Alzheimer's.

Aria officially opened its doors to the public in September of 2016. Besides himself, Mr. Hansen has hired a staff of eight employees. He eventually plans on having a total of eight of these smaller assisted living homes located throughout Northeast Ohio.

Derek Hansen is grateful to finally have the business he has always wanted, but he knows getting there was not easy and required a great deal of research before moving forward. Mr. Hansen advises other entrepreneurs, "go a step further and seek advice from leaders in their field. Find the right partners such as a good attorney and accountant to bounce off ideas."

Additionally, Mr. Hansen emphasizes the importance of having enough money saved before making the move to start a business. "Accumulate a lot of money before taking the plunge," recommends Mr. Hansen. He goes on to explain that he saved for over 20 years before deciding to start his own senior living facility.

Whether you have capital expenditures when starting a business or more basic operating startup costs such as a computer, advertising, and inventory, you will also want to have cash reserves on hand to cover operating expenses of three to six months or even longer depending on the volatility of the business. "Marty and Pat urged me to have enough cash reserves," noted Mr. Hansen. A cash reserve helps you through lean times that occur when, for instance, sales drop significantly or a big customer does not pay on time.



*The backyard is beautifully landscaped giving a sense of peace and tranquility. This is a perfect area for family visits.*



*Derek Hansen is shown here standing in the tastefully designed dining area at Aria Senior Living. To find out more about Aria, go to <http://ariacares.com/>.*

Derek Hansen understands that in addition to having passion for your work, a combination of savings, research, hard work and the guidance of business experts all make for the right ingredients of small business success. He should know, his success story was visualized over 20 years ago and has now come to full fruition through the opening of Aria Senior Living.

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