

Four Cornerstones for Growth

By Jeff Cowart

Step into any hospital or health system boardroom these days and it's unlikely you will leave without hearing the word "growth." Legacy institutions are both confronted and challenged with keeping the core acute care business healthy while working to leverage the assets in a broadening transition from fee for service to fee for value. Still, the work of core business growth will be with us for some time to come, although the work gets tougher as the market environment moves to what Fitch Ratings describes as "systemic shifts in care delivery."

While much of the focus over the past several years has been on cost containment to meet budgetary goals, there is still opportunity to grow the market for hospitals and health systems. Whether the approach is disrupting competitor referral patterns or introduction of new or innovative services that more strongly align physician and consumer interests, success rests on clearly defining and building upon four key cornerstones. These are not revolutionary. Rather, they represent routine but critically important fundamentals of business case construction that sometimes get short shrift as leaders under pressure get drawn to rally around the favorite trend of the moment.

Sound growth strategy starts with a verification that there is true need for the product, initiative or service that is being offered, and that our offering has aspects that will differentiate it from the competition. After that, achieving growth requires execution with fierce discipline around core strategies that rest solidly on the cornerstones of reality and opportunity. These cornerstones are:

Capacity

Assemble a diverse group of sales or marketing leaders from across the country and it will be remarkable how often they relate instances where they have been asked to sell something for which the hospital or health system has no capacity. This type of sales and marketing demand is frequently fueled by leaders seeking to appease top volume producers for mostly political reasons. That is not necessarily bad strategy when it comes to retention, but it is not a hallmark of sound growth strategy.

The first and most important link in the growth chain is an honest assessment of "if we build it can they access it?" Are we committed to the resources necessary to ensure our product or initiative has the best chance to succeed?

Jean Hitchcock, vice president for public affairs and marketing for MedStar Health in Columbia, Maryland, tells the story of being asked to create a significant marketing program around a particular specialty physician practice. The marketers "secret-shopped" the practice and found, on average, it took more than 100 days to schedule

an appointment. Rightly so, the marketing team declined to invest time, energy and money into a project with such limited capacity.

Efficiency

Similar to capacity is efficiency, which is generally around operational throughput.

For physicians, this building block is all about the process of on-time ER starts, or effective nurse-ratio staffing, or third-shift availability of radiology or pharmacy services, etc. In essence, hospitals and health care systems attract and retain physicians and their referrals with strong delivery of ease-of-practice life essentials. Splitters split for a reason, and often that reason has to do with ease of practice life issues. The best physician relationship field operatives routinely bring in new prospects and positively affect referral patterns. But, the best work of those operatives is worthless if operations fails to deliver an efficient experience.

For consumers, this building block is primarily about ease of getting in and getting out, regardless of whether it is the primary care practice, the hospital, the standalone imaging center, or the urgent care clinic close to home. Tess Coody, CEO of Resolute Health, which this year will open an innovative new hospital and wellness campus in New Braunfels, Texas, likes to envision the decisionmaker as “chief health officer mom” since women tend to make the majority of health care decisions for their entire household. “Fail to understand and build in ease of access for this consumer, and in instances where choice is available, this consumer is likely to vote with her business by taking it to a competitor where access is easier,” says Coody.

Too often ease of practice life and ease of access are sold short when the business and growth cases are prepared for a new product, initiative or service because they fail to fit neatly on a CFO’s spreadsheet. But, rest assured, ease of access failures quickly evolve into substantial barriers to growth that can undermine the spreadsheet.

Service

Healthcare tends to habitually constrain this vital aspect of growth as simply the “experience” of the consumer or the physician. Discussion often drifts to the merits of valet parking, or broader menus in the cafeteria, or whether there will be free food in the surgeons lounge. Experience is certainly an important element of the service definition. But, the broader spectrum of service incorporates quality, safety, security, respect, dignity, and much more.

A patient expects perfection when it comes to quality and safety. Commitment to “my best outcome” is demonstrated primarily through care that feels coordinated and collaborative, informative, timely, and trustworthy. And, that is largely communicated by the care team surrounding that patient. But, patients generally

come into the system having heard stories of patients being harmed in the process of care. A key element of service is recognition of that, and building a culture of reassurance that “you’ve come to the right place.”

Physicians also care about the outcome for the patient. In spite of all the mythology and reality about difficult or disengaged physicians, the practitioners went through a long, costly and strenuous course of study, mostly motivated by delivering excellent care to an individual. When they perceive bureaucracy or muddy processes to be standing between them and patient care, it creates perceptions of failing service. And, often, the physicians react to that by changing referral and business patterns where they perceive comprehensive service might be better.

Message

If a tree falls in the forest and no one is there to hear it, does it make a sound?

The truth is, many hospitals and healthcare systems are doing good and right things to align capacity, efficiency and service into comprehensive programs that promote growth. But then, they miss the mark on crafting a compelling narrative and a smart supporting outreach campaign targeted to the specific audiences who might care and be motivated about the achievements.

In politics, positioning is owned by a strategic team that understands results are built around defining truly differentiating assets, packaging those assets for precision-targeted audiences who we have reason and evidence to believe will be motivated by the message, and delivering the message with sufficient saturation and duration to create real connectivity with the desired audiences. All marketing, in fact all communications, is guided and framed precisely by the strategy, with a clear set of expectations and timelines on “winning the right votes.” In politics, there is a finish line called the election where we know if we won or lost. In healthcare marketing, we too often don’t clearly define what winning is in marketing and communications or really know if we won or lost.

As politics can teach us, once we have capacity, efficiency and service aligned, we need to effectively share that compelling grand narrative with precisely defined audiences through message channels that are known to most resonate with those audiences. This positioning needs to be elevated in strategic business and growth planning to a component as essential as capacity, efficiency and service. Too often, we ask marketing for a “plan” and include that in the appendix of the strategic plan. Understanding message and its power – whether we are asking physicians to adopt new electronic health methods or consumers to choose us for elective surgery – is an essential cornerstone for growth.