

SPECTRUM

Society for Healthcare Strategy and Market Development®

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Marketing: Best Practices

How to Conduct a Marketing Self-Audit

Answer these questions and see how your organization's marketing program stacks up against the most effective healthcare marketing programs.

Although the discipline of healthcare marketing has evolved substantially within the past 10 to 15 years, there still is a lot of mystery in many organizations as to what it is that healthcare marketing really does for the money. Even within the most progressive, customer-driven healthcare organizations, the marketing discipline is misunderstood. Marketers are pressed to demonstrate their value daily and are expected to advance their organizations, often without having the appropriate resources, direction, information, and controls to effectively manage internal and external expectations. The most-feared question marketers face at budget approval time is when the CEO asks, "How do we know whether the money we allocate for marketing is really worth it?"

Organizational goals are often thrown on marketing's shoulders, and not enough time is allowed for initiatives to show positive results. The net effect is a self-fulfilling "do loop": inadequate resources are allocated to achieve results, frustration is expressed with the ineffectiveness of the marketing program, and resources are then further constrained, leading to discontinuation of marketing campaigns before they have had time to take root. Even when positive results *are* achieved, marketers must suffer the skeptics who will contend that the positive results "would probably have been achieved anyway."

One way for marketers to take charge of the situation is to assess their operations against best-practice, "evidence-based" marketing programs – those programs that enjoy institutional understanding and are allowed to fully deploy all aspects of the marketing armamentarium: market research, information analysis, strategic marketing planning, product/program development, community outreach, communi-



cations, and promotion. Conducted properly, the marketing self-audit/assessment employs a systematic review of structural and functional capabilities, with a focus on:

- Examining the competitive marketplace to determine where the organization trails competitors and where it has competitive advantages.
- Evaluating the current marketing organizational structure (staff resources, reporting lines, roles and responsibilities, and relationships with other internal business development resources) to identify opportunities

for more-effective staff deployment.

- Critiquing the effectiveness of the marketing functions (intelligence gathering and analysis, involvement in program development, customer acquisition, and targeted promotion) to support a proactive marketing posture in the marketplace.
- Acquiring the core competencies and skill sets for optimizing marketing management.

Seven Characteristics of Organizations with Best-Practice Marketing

From our experience assisting more than 700 healthcare organizations competing in a variety of marketplace situations, we have identified the following characteristics as emblematic of organizations with effective marketing programs:

1. The leadership believes marketing is as essential as turning on the lights.

In many organizations looking to cut costs, marketing budget and staff is the first area that is drastically reduced. This is done in the belief that business will come in the door as long as there are a productive

continued on page 2

How to Conduct a Marketing Self-Audit

(continued from page 1)

medical staff and sufficient nurse-patient ratios. These organizations see marketing primarily as promotion and figure that that is expendable. In contrast, we have found that, almost universally, the best marketing is present where the CEO understands that marketing is not a questionable investment, but a necessary and critical operating expense. Just as it wouldn't make any sense to eliminate the IT department in order to reduce costs, the leading organizations realize that marketing is the lifeblood that makes clinical investments pay off.

2. The chief marketing officer has a strategic vision, is politically attuned, and is accorded the same organizational deference as the other members of the "C suite."

Organizations in which the chief marketing officer (whether a vice president or director) sits at the table with the senior administration or "C suite" (CEO, COO, CFO, CNO), and reports directly to the CEO or to a senior vice president who is second in command to the CEO (usually in large organizations or systems), are more likely to be successful with their marketing initiatives. The political effectiveness of the chief marketing officer will be compromised if the medical staff leadership perceives he or she is a nonplayer without a direct line to the CEO.

3. Planning, marketing, public relations, and business development all march in the same direction.

It is truly amazing how many hospitals and healthcare systems have separate reporting lines for these corporate functions. In some organizations, the planning director is in control of marketing information; in others, the marketing director is in control of marketing information. Yet there often is not a formal or even an informal organizational tie between the two, leading to inefficient use of staff resources and poor business planning. In some organizations, planning and marketing information is shared by an "analytical services group" that integrates financial, marketing, planning, and management information. The most effective marketing organizations occur where there is synergy among the planning and corporate business development functions. Organizations that have separate directors of planning, marketing, and public relations who do not all report to the same individual are less likely to achieve their marketing goals and objectives.

4. Marketing is a meaningful player in program and services development.

Being involved upfront with clinical program development is the surest way to marketing effectiveness. In all too many organizations, decisions to pursue clinical program initiatives are made without the input of marketing insight. Marketing is strictly perceived as "implementation" and is called on only after program development is already under way. Marketing should have a significant role in the development of a program or service. The most important "P" in marketing is *product*, not

promotion, and this is where marketing can advise on what consumers are looking for, as well as on what needs to be in place for a program to be successful.

5. "Internal" marketing is given as much attention as "external" marketing.

Programs such as cardiovascular services, cancer, and neurosciences cannot be successfully marketed if the clinical interdependencies are not carefully understood and managed. For example, heart care is to a large degree dependent on digestive diseases, as a significant number of patients who present with these symptoms may in fact have heart disease. Likewise, neurosurgeons are highly dependent on cancer programs and high-tech imaging to identify persons who may be in need of their services.

Understanding the manner in which business flows is essential to knowing how to direct marketing strategy. Using business flow maps (Figure 1) and the marketing "pyramid" (Figure 2) will help marketers to know where marketing interventions are best made and where business-to-business versus business-to-consumer strategies should be pursued.

6. The marketing director is a proactive discoverer of opportunities, not a reactive order taker.

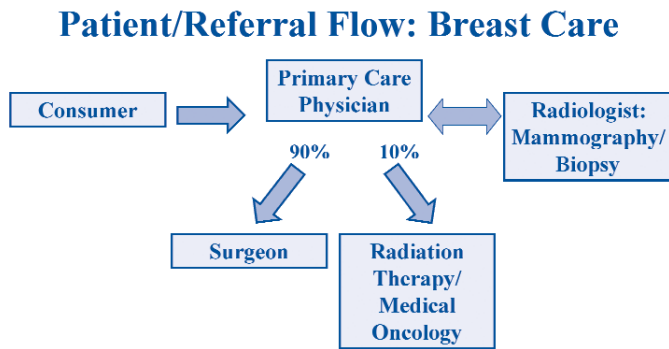
This goes along with commanding respect similar to the other members of the C suite. The most effective marketing directors realize that trying to keep everyone happy is disastrous, and they discourage inappropriate or untimely requests for services without fearing they will fall out of favor with physicians or the CEO. One marketing director from a mid-sized community hospital told us, "Sometimes to do your job right, you just have to say no." Requests for marketing services should be processed according to well-understood and well-communicated criteria, with higher priority accorded to those requests that directly support strategic imperatives, have a major impact on the organization's image, or are proven contributors to net income.

One way marketing programs can better manage the proliferation of requests is to have requestors complete a letter of expectations. Such a letter should define the scope of services to be delivered, delineate roles and responsibilities clearly, spell out a timetable and budget, and include a contingency clause in the event the scope, timetable, or budget needs to be modified. Both the requestor and the marketing department should sign the letter to commit both sides to their respective responsibilities.

Often the marketing department needs a buffer between the requests of internal clients and the organization's best interests. For example, one marketing department uses an internal advisory group consisting of physicians and managers from different service lines (Figure 3). The advisory group provides a sounding board for proposals and initiatives, so that it is not on marketing's shoulders to determine whether a request or initiative should be given marketing support.

Progressive marketing programs also control the calendar, much as finance does the annual budgeting process. An example of how the calendar can be controlled is shown in Figure 4.

Figure 1. Sample Business Flow Map



Knowing the flow of business can help marketers better carry out business-to-business versus business-to-consumer strategies.

Figure 2. The Marketing Pyramid

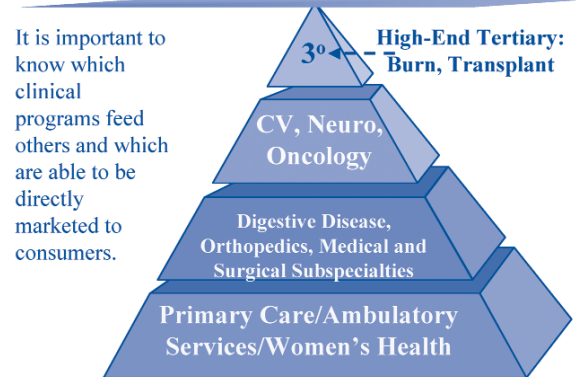
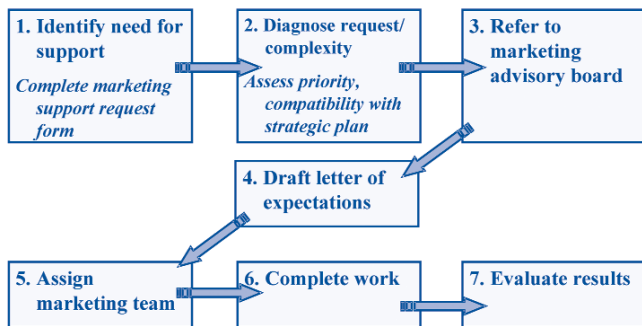
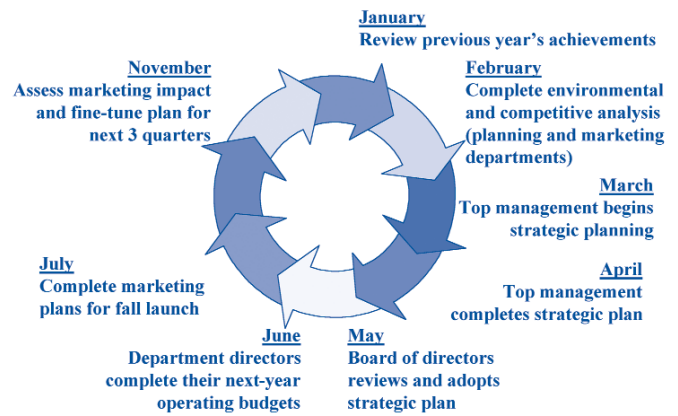


Figure 3. Marketing Approval Flow Process



Marketers need a “buffer” to help prioritize requests for assistance.

Figure 4. A Market-Based Planning Calendar



7. The best marketing directors know the role they are playing at any given time.

The marketing department’s clients – service lines, departments, physicians – have varying expectations for its services, and it is vital that the marketer clarify these expectations from the outset. The marketer’s role will change depending on the needs of the client. Sometimes he or she is a facilitator, sometimes a counselor, sometimes a political troubleshooter, and sometimes an implementer. Before undertaking marketing assignments, the marketer should ask these questions:

- What are the low-priority versus higher priority assignments?
- What should be outsourced?
- What could be done without?

Following the practices above will ensure that precious marketing resources are maximally utilized.

Summary

When carried out in a comprehensive fashion, a marketing self-audit will identify opportunities for strengthening and optimizing marketing resources. It will not only help to demonstrate the value of marketing, but it can also provide an objective basis for justifying further resource allocation to marketing. And always remember: it is better to know where the blemishes and fault lines are before your boss does!

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continued on page 4

A Marketing Self-Audit: 29 Key Questions

The comprehensive audit we conduct covers nine major categories and poses 52 key questions. In addition to interviews with people in the organization, we review marketing materials, processes, strategic and marketing planning, brand strategy, signage, and other communications vehicles. Because of space limitations only 29 questions are listed here. Score your answers as follows:

- ☆☆☆ In place and optimally effective
- ☆☆ In place, but could use improvement
- ☆ Starting to work on it

Total the numbers of three, two, and one stars to see where your department stands on the ladder of marketing achievement. Consider yourself a leading-edge marketer if the number of three and two stars is at least double the number of one stars.

MARKETING ORGANIZATION/STRUCTURE ☆ ☆☆ ☆☆☆

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 1. Is the most appropriate organizational structure in place for carrying out the marketing program? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the marketing department integrally related to, and does it work closely with, other corporate functions such as strategic planning and business development? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Does the marketing department have all of the requisite skills typically needed for effective marketing plan development and implementation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

MARKETING MANAGEMENT

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 4. Are marketing priorities set so there is no confusion about which programs receive marketing support? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are resources allocated according to objective criteria and market demands, rather than the internal "squeaky wheel syndrome"? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Does the marketing department provide periodic updates and reports on marketing progress to senior management and clinical leadership? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is the marketing staff responsive and courteous to service requestors? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the marketing budget zero-based? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Does marketing have a means of demonstrating its value to the organization? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

MARKETING FUNCTIONAL CAPABILITIES

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 10. Does the organization's marketing plan have clear goals and objectives, and are those who are responsible for achieving them clearly identified? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Does marketing provide evidence of systematic measurement of the initiatives that are undertaken? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Are resources allocated according to objective criteria and in a fair and equitable manner? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

MARKETING INFORMATION SYSTEM ☆ ☆☆ ☆☆☆

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 13. Are key service-line portfolio analyses in place? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Are maps developed of how business comes in the door? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

MARKET PLANNING

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 15. Are marketing plans typically developed through multidisciplinary marketing teams? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Are strategic initiatives organized by target market segment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Are reliable tracking mechanisms in place? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

COMMUNICATIONS AND PROMOTION

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 18. Is the brand message distinctive, memorable, and expressive of your positioning? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Does marketing actively manage the brand through consistent message content and graphics? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Are the Yellow Pages being used appropriately? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Are media planning and buying based on sound strategy and achieving maximum continuity in the marketplace? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

E-MARKETING

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 22. Is there an internal web board with membership from IT, the medical staff, administration, and marketing? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Does marketing actively manage website communications? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. Does the website allow users to build an affinity by inviting them to interact with the site or giving them a reason to return to the site on an ongoing basis? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

MEDIA AND PUBLIC RELATIONS

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 25. Depending on the gravity of the issue, are the right spokespeople used for press conferences and briefings? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. Are news releases targeted appropriately, and is there more emphasis on meaningful content than on quantity of releases? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. Are members of management meaningfully involved with community agencies and organizations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SERVICE DEVELOPMENT AND PRICING

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 28. Is marketing involved at the front end in program planning to ensure that programs are designed to meet customers' needs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 29. Does marketing advise on pricing, particularly when services may have substantial out-of-pocket costs to customers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |