Strategic Marketing Planning
ASHM&PR
August 2012
Agenda

1. About Us (Briefly, I promise)
2. The Basics
3. The Planning Process
Gelb Consulting, an Endeavor Management Company

ABOUT US
Our Strategic Competency

Enable our Clients to Design and Execute their Transformational Endeavors

- **Envision** the desired future outcome and align the leadership
- **Engage** the organization to see how to achieve the outcome
- **Energize** the organization to pursue the endeavor
- **Enable** the organization to perform
The Basis of Our Insights

Work with Nationally-recognized Institutions:
• 5 “Honor Roll” institutions
• 3 out of the top 5 cancer programs
• 2 out of the top 4 pediatric hospitals
• 2 out of the top 4 cardiovascular programs

National Benchmarking Studies:
• Patient experience
• Marketing
• Physician relations
• International programs
Our Thought Leadership

Red Zone Management
The Playbook for today’s troubled business environment...when all businesses find themselves in the Red Zone. The Principles of Red Zone Management clearly spell out the proven management roadmap for making changes during these turbulent times.

Change Management Toolkit
Purchased by more than 200 firms for use in guiding their Change Management projects. Including detailed, proven and tested tools and templates to ensure change success.

Thought Revolution
Demonstrates how to tap into the right brain – the place where intuition and creativity exist – in a simple, easy and dramatic fashion.

Change is the Rule
This book is considered by many to be the most useful and practical explanation of how changes are managed in the modern organization.
What is strategic marketing planning?

Strategic marketing planning is the process of analyzing and prioritizing market segments to guide tactical marketing decisions.

In essence, strategic marketing planning is understanding where you are at, where you are going and how you will get there.

It doesn’t start with a marketing tactic (website, advertisement, etc.) but is the step before that.
Why do we need strategic marketing planning?

Your roadmap for influencing attitudes and behaviors

An opportunity to challenge existing assumptions, define corporate objectives and build an actionable plan

Guides marketing tactics (such as advertising)

Gives you a long-term perspective while focusing on today’s pressing issues
Why do marketing plans underperform?

Based on “a hunch” rather than data

Does not match consumer wants/needs

Lack of buy-in from those outside marketing

No ownership of the plan

Lacks implementation or resources to complete the plan
What makes a marketing plan successful?

It is synchronized with other organizational plans

It is driven by data (a market audit)

It is focused on the most important issues

It has cross-functional involvement and responsibility

There are measurable objectives

It represents the needs of customers
Timeframe

How far in advance does your marketing plan account for?

1. The next six months
2. The next year
3. The next 12 – 18 months
4. The next two years or more
Strategic Marketing Planning

THE STRATEGIC MARKETING PLANNING PROCESS
Strategic Marketing Planning Process

UNDERSTAND
- External Appraisal
- Internal Appraisal
- Market Segmentation
- Opportunity Analysis

CREATE
- Strategy Development
- Action Planning
- Responsibility Allocation

DEPLOY
- Strategy Execution
- Internal Promotion
- External Promotion

MONITOR
- Plan Performance
- Measure Results

Which step do you find to be most challenging or underdeveloped in your organization?
“A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.”

Wayne Gretzky
Successful marketing planning requires being a devil’s advocate – to stand up for the real, information-based needs of customers.
Your foundation is information

- Current services (priorities vs. utilization)
- Financial performance (revenue vs. margin)
- Physician and patient profiles
- Satisfaction scores/decision drivers
- Market share
- Market trends
- Existing growth strategy documents

Why is our market share for maternity 15% lower in zip code A compared to other zip codes of equal geographic distance?

Often times, the “gems” are in the details. It is critical to look deeper to identify opportunities and translate data to opportunities.
A common healthcare challenge: In-depth segmentation

Demographic descriptors
Psychographic descriptors
Behaviors
Attitudes

Don’t be fooled by shorthand – not all patients and referrers are the same nor should be your approach
Personae: Your Cancer Patients

“My referring physician gave me a recommendation, but I decided to see care at [hospital] instead. There is only one shot to fix this, so I did looked online to research specialists and their outcomes, then ranked the hospitals.”

ATTITUDES
- Willing to sacrifice convenience for the best care
- The doctor is more important than the provider
- Research is an important part of decision-making
- Feel they need to be their own advocate

BEHAVIORS
- Uses online resources and website to conduct research
- Values a referring physician’s opinion, but still looks to research and friends/family for advice
- Willing to drive for the outcomes

NEEDS
- Detailed information on website about diagnosis and specialists
- Resources for overcoming inconveniences of long drive
- Outcomes and sub-specialty data
Personae: Other Cancer Patients

“My situation I felt was a routine thing, so I did not see the need to drive a longer distance for a larger hospital. My primary care provider gave me a suggestion and I trusted that was the best place for me.”

ATTITUDES
• Cancer care is time-intensive so a place close to home is important
• Treatment protocol is relatively similar regardless of the provider
• Primary care doctor is best suited to make recommendations regarding treatment provider

BEHAVIORS
• Uses online research to search for diagnosis but not necessarily provider or physician
• Trusting of their referring physician’s initial recommendation

NEEDS
• Receive treatment close to their family, children and work
• Ability to understand when and if they will get better outcomes from the larger hospital
• If they travel a longer distance to the larger hospital, they need resources to make the experience easier
Do you fully understand patient behaviors?

What is your percentage?

- Physician referred
- Self referred
- Physician directed

Use these break downs to determine where best to allocate efforts

Tip: Ask patients how they arrived when they schedule an appointment or check in
Physicians often feel undervalued

What are the potential segments?

What drives usage from medical staff physicians?

What is their decision-making process?

What types of services do they use?

What key needs do they have?

How do they grow their practices?

What are the segment sizes?

“My patient’s satisfaction with care directly impacts the success of my practice. When my patients are happy, they stay with me and refer me to their friends and family. When I refer a patient, my reputation is at stake.”

“I am an expert in my specialty. Almost every case I refer is complex. For rare cases or those that require special technology, I need a physician at the top of their field with very specific expertise—distance to travel is insignificant.”
Listening frequently important

**Functional**

**Emotional**

What we measure...
- Satisfaction scores
- HCAHPS scores
- Mystery shopping

What they say...
- Richness and detail
- Connection
- Context

NUMBERS  
STORIES
Thoroughly understand your competitors

- How are they positioned?
- What services do they offer?
- What is their market share?
- What strategic moves have they made? What plan to make?
- What key needs are they satisfying?
- What needs are they not satisfying?
- How well do they perform on key referral factors?

A surprising result: Why are so many patients traveling outside of our market for healthcare?

Which space do you occupy in the market? Which space do your competitors occupy?

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<td>Research</td>
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Be one step ahead of market trends

What forces affect how we conduct business?

What influence do we have over these forces?

What are the long-term trends affecting the industry? (e.g., ACOs and health reform)

What level of profitability do market segments exhibit?

What growth rate is expected over the next year? Next 5 years?

What issues do patients and physicians want to address?

What trends might positively impact this market?

What trends might negatively impact this market?

Challenge: Our market has a high unemployment rate and many residents are moving elsewhere.

Tips: Look to Google Alerts and updates from reputable organization such as SHSMD and AHA
Use a variety of tools

Experience Mapping: In-depth interviews for key clinical service areas, document expectations at each step of the referring physician and patient experience.

Decision Factors: Quantitative research with patients and referring physicians in key service areas to document how and why they make decisions about where to seek care.
Engage leadership from the onset...

Collaboration with leadership can provide strategic direction to and will outline critical success factors.

Discussion Areas:
- Evaluation of program effectiveness
- Opportunities for improvement
- Prescriptions for growth
- Expectations from this process

Obtaining buy-in from the beginning will aid in successful implementation.
...Link their vision to marketing planning

“I want to know what does the ultimate vision look like.”

“We want people to think about us when they think of cancer treatment.”

“We don’t want to replicate what is already being done but stay true to who we are.”

“We want to get down to one recognizable name and identity, so we can have greater recognition in the community.”

“An internal confidence and vision; a vision around what we could be rather than necessarily what we are.”

“I would love to see the [competitor] brand get some cracks in it – they are not doing anything that much better than us, we just need to sell it.”
Assess capabilities using best practices

The Sales and Marketing Assessment and Readiness Tool (SMART™) is designed to evaluate performance against best practices.

The findings from the tool are used to identify strengths and weaknesses and prioritize areas for action.

The areas covered include:

- Senior Leadership
- Business Strategy
- Marketing
- Referring Physician Relationships
- Service Delivery

Referring Physicians

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<td>Determine Market Size</td>
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<td>Forecast Sales</td>
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<td>Participating in Conferences</td>
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<td>Account Retention Activities</td>
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1 = Low performance; lack of understanding or efforts; 4 = High performance; clear direction and goals
Senior Leadership Assessment

There is a unified desire to grow [hospital] pediatric services. There is a commitment to putting the needs of patients first and implementing best practices in clinical care.

Our next necessary step is to strategically develop a competitive advantage against [competitor]. This includes clarifying differentiation (what do we do better?) and delivering consistent exceptional experiences to patients, their families and their referring physicians. Currently, the experience is inconsistent depending on pediatric specialty.

Additionally, outreach should be prioritized by geographic distribution of potential patients and those most likely to need services in the near future.

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### Senior Leadership

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<td>Value Defined for Customers</td>
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<td>Understands Market / Customer Needs and Wants</td>
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Objectively assess market opportunities

Use an audit tool to prioritize programs that require the most attention.

This helps with the “marketing waiter/waitress” challenge.

**Business Case**
- Current annual volume v. additional volume that could be handled
- Revenue per patient
- How much of the market can we realistically capture (consider market size)?
- Potential results

**Marketing Potential**
- Are your patients choosers or non-choosers (physician driven)?
- Are outcomes better than competitors?
- Can we differentiate the program from others?

"The essence of strategy is choosing what not to do."

Michael Porter
First outline **what**, then detail **how**

Based on your analysis, what will we do in upcoming months?

These are your strategies/objectives...what you will do to grow market share, engage patients/physicians, capture partnership opportunities, etc.

Based on your objectives, what actions need to take place?

What are you going to **do** in the upcoming months?

**Tips for success:**
- Make sure they are realistic (what are your resources?)
- Do they follow the larger strategic plan of the hospital?
- Are they measurable?
- Write it down and revisit it regularly.

**Action Plan**
- What will you do?
- Why are you doing it?
- What is the priority?
- What is our timeline?
- What resources will we need?
- Who is responsible?

Example: Physician Promotional Strategy

Organize promotional activities at key points in the experience

Examples:
- Events – education about clinical service capabilities
- Direct marketing – exposure to clinical service lines
- CME – knowledge transfer
- Role of the physician liaison (operational, clinical, etc…)
- Coordination between referral development and departments
- Patient education materials provided to physicians
- Role of the community physician for continuity of care
- Role of the faculty member in collaboration and internal communications
- Demonstrating action on feedback

Think beyond the billboard and consider multiple touchpoints
Strategically plan messaging

Messages should be driven by the data, the brand and the business strategy, targeted at segments

<table>
<thead>
<tr>
<th>How they see us today</th>
<th>How we want them to see us</th>
<th>How we will convince them</th>
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<tbody>
<tr>
<td>Decision Drivers</td>
<td>Positioning Concept</td>
<td>Aligned Messaging</td>
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<tr>
<td>Attitudes to Overcome</td>
<td>Primary/Differentiating Messages</td>
<td>Touchpoint Management</td>
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<tr>
<td>Attitudes to Reinforce</td>
<td>Reasons to Believe</td>
<td>Lasting Impression</td>
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Common Community Hospital Challenges

Attitudes to Overcome
- Would an academic medical center do something differently?

Attitudes to Reinforce
- Partners in on-going care
- Convenient experience
Create a Growth PlayBook

Provides an organizing framework to use market information to share insights and make effective decisions

Formalizes strategic marketing planning processes

Synthesizes organizational and market intelligence for effective communication to senior management

Allows decisions to be monitored, adjusted, and documented

Based on best practices and adapted to the healthcare

A formal document to share with leadership
The Growth PlayBook should review each part of the planning process.

- **UNDERSTAND**
  - External Appraisal
  - Internal Appraisal
  - Market Segmentation
  - Opportunity Analysis

- **CREATE**
  - Strategy Development
  - Action Planning
  - Responsibility Allocation

- **DEPLOY**
  - Strategy Execution
  - Internal Promotion
  - External Promotion

- **MONITOR**
  - Plan Performance
  - Measure Results
Checklist

Your Growth PlayBook (Strategic Marketing Plan) should include:

- Introduction
  - Purpose of the strategic marketing plan
- Results of your Market Audit
  - Including key data, such as market share and service area demographics
- Overview of Marketing Plan
  - Your market position, strategies, objectives and actions

Leadership does not need to be heavily involved designing the plan, but they do need to understand and buy into the strategies.
“However beautiful the strategy, you should occasionally look at the results.”

Sir Winston Churchill
Remember your action plan?

Regularly revisit your action plan

- Is progress being made on the action plan?
- Do we have enough resources to complete the actions (money, hours, etc)?
- Are those responsible still engaged?
- Continue to engage leadership; consider making progress on the plan part of the agenda at meetings with leadership

-What is the action?
- Why are we doing it?
-What is the priority?
-When will it be completed?
-What resources will we need?
-Who is responsible?
Set realistic ROI expectations

• It is not always possible to measure ROI
  • If you can not connect revenue to the marketing action, you can not measure ROI
  • Inability to determine ROI does not mean it is not valuable

• You can consider other metrics
  • Market share, awareness, event participation

• If you can measure ROI, it must be planned in advance
  • What is your acceptable norm for good/bad ROI?

ROI in healthcare is especially challenging because of the length of time between marketing to actual usage; patients hope they don’t have to use you.

Endeavor Management is a strategic transformation and management consulting firm that leads clients to achieve real value from their initiatives. Endeavor serves as a catalyst by providing the energy to maintain the dual perspective of running the business while changing the business through the application of key leadership principles and business strategy.

The firm’s 40 year heritage has produced a substantial portfolio of proven methodologies, enabling Endeavor consultants to deliver top-tier transformational strategies, operational excellence, organizational change management, leadership development and decision support. Endeavor’s deep operational insight and broad industry experience enables our team to quickly understand the dynamics of client companies and markets.

In 2012, Gelb Consulting became an Endeavor Management Company. With our Gelb experience (founded in 1965), we offer clients in-depth insights in the healthcare industry and unique capabilities that focus their marketing initiatives by fully understanding and shaping the customer experience through proven strategic frameworks to guide marketing strategies, build trusted brands, deliver exceptional customer experiences and launch new products.

Endeavor strives to collaborate effectively at all levels of the client organization to deliver targeted outcomes and achieve real results. Our collaborative approach also enables clients to build capabilities within their own organizations to sustain enduring relationships. For more information, visit www.endeavormgmt.com and www.gelbconsulting.com