

DELIVER BEST WHAT YOUR CUSTOMERS WANT MOST

By Barbara Gray
Senior Consultant

If you are like most agency owners/administrators in Home Health, Private Duty and Hospice, you are surrounded by competitors. You are constantly thinking about how to gain market share. You want to differentiate your agency from your competitors so that current AND new customers will be turning to you more frequently. Realistically, in our highly regulated and tightly reimbursed environment, it is difficult to imagine having the funds or the regulatory approval to launch that unique product or service that solves everything. But what if you could look at your services and products in a critical way and come up with clear indicators of areas where a focus on improvement will increase referrals and admissions?

One way to begin this process is to develop a Strategy Canvas. Created by Kim and Mauborgne and discussed in a 2002 Harvard Business Review article, "Charting Your Company's Future," and a 2005 book Blue Ocean Strategy, the Strategy Canvas was designed to be a diagnostic and action framework for "finding uncontested market space." (Blue Ocean Strategy, p.25). But it is also a very useful tool for boards and/or senior management teams to conceptualize and plan for identifying, upgrading and emphasizing those services and products that can impact growth. How? By doing a thorough analysis of the most important criteria that "buyers" turn to at the point of selecting a certain provider for a certain patient. An added benefit when done as part of a facilitated strategic or business planning process: it builds consensus and aligns team members to the priorities of the organization and the plans necessary to achieve the desired outcomes.

The major components of developing a Strategy Canvas are:

- 1) capturing the range of services/products the industry competes on and invests in
- 2) identifying key market share competitors and valuing their and your ability to consistently execute each of these services/products
- 3) focusing on which of the services/products are most frequently involved in creating the decision to "go with" a certain provider at the time a referral must be made
- 4) determining what it would take internally to exceed the most highly qualified competitor in the critical areas identified in #3 above

- 5) creating and executing a plan to make those service upgrades (or additions) high priorities within a short time frame
- 6) creating a companion marketing/communications plan to increase awareness of the organization's abilities in these significant areas

An example may be helpful here. In a large, Midwestern city with 10 licensed hospices, an administrator and his board were eager to ramp up the number of referrals from two large hospital systems, each with their own hospice. The client hospice was “at peace” with the fact that both systems referred the bulk of their hospice discharges to their own hospice, but wanted to increase their referrals from the institutions. The board charged the administrator to deliver a 1 year plan to increase referrals and admissions from the two systems. It also approved the engagement of a consultant to work with the administrator to develop a plan for doing so.

The administrator gathered his senior staff members responsible for clinical services, medical direction, marketing, performance improvement and finance. Prior to the meeting, he asked them to be prepared to discuss their knowledge of the service offerings of the top 4 competitors (whom he named) that were, along with their hospice, receiving the bulk of “other referrals” from the hospital systems. Additionally, he had asked them to be prepared to objectively discuss the strengths and weaknesses of their own organization, using analytic data and customer feedback to determine where they were succeeding and where improvement was warranted.

In a facilitated planning session, the hospice management team created a strategy canvas that indicated, among other things, that:

- 1) their ability to respond to “after 5pm” requests for meeting referred patients/families and completing chart evaluations was inconsistent; at least 2 of the other hospices were appreciably better at this;
- 2) their clinical discussions with attending physicians to verify prognosis and preliminary discharge orders were consistently done by an RN who had reviewed the chart and talked with the patient and family; the other hospices had office based RNs completing this task;
- 3) they received very few referrals of patients under 18 while a not for profit hospice with a highly publicized children's hospice program that included unreimbursed services funded by charitable donations received most of the referrals of children.

From the items above, the senior management team concluded that the single most important service to upgrade if they wanted to impact referrals from the two hospital systems was item 1—to focus resources and planning on increasing the availability of staff on evenings and weekends to meet with patients and families, sign consents, do chart evaluations, complete discharge planning and accept discharges as soon as discharge orders were written.

This service required an allocation of resources, a plan for implementation and communication of the service to the hospitals, and a statement of expected return on investment/desired outcomes. It was NOT the service that would get the hospice in the community newspaper! However, along with several other upgrades that resulted from the planning process, it increased admissions. And because of this one ability to be more responsive during periods when none of the others were, their agency gained a significant boost in their reputation with the hospitals' discharge planning departments.

ABOUT THE AUTHOR: Barbara Gray is a Senior Consultant of Beth Carpenter and Associates, a consulting firm which provides real-world expertise to improve the performance and results of home care, hospice and private duty client . Barbara has more than 20 years of experience in health care management and operations as a leader and innovative problem solver creating organizations capable of delivering on their promises of revenue growth, margin performance and outstanding service. Ms. Gray has succeeded in moving start-ups from vision to reality, jump starting organizations to move to the next level and stabilizing organizations to achieve optimal financial results. Barbara can be reached at bgray@bethcarpenterandassociates.com.