Dear Reader,

I hope you enjoy the following excerpt from the HealthLeaders Media book, *Physician Entrepreneurs: Marketing Toolkit*.

**Attract new patients and promote your practice**
Marketing your practice can seem challenging or nearly impossible. Not only are you promoting a place or experience that most people hope to avoid, but the success of your efforts are not always evident. Through this comprehensive, easy-to-read resource, medical groups can gain the knowledge and skills they need to start or improve a successful marketing campaign.

**Tools and examples to jumpstart your marketing**
Allow *Physician Entrepreneurs: Marketing Toolkit* to take your practice to the next level. This detailed book is filled with proven best practices on how to fully execute a complete marketing plan, and the CD-ROM contains valuable templates and examples to help you get started. Choose one of the following ways to order your copy today!

» Online: At HealthLeaders Media—[www.healthleadersmedia.com/books](http://www.healthleadersmedia.com/books)

» By phone: Call our Customer Service Department at **800/753-0131**

» By fax: Complete the order form on the last page and fax to **800/639-8511**

Thank you,

Matthew G. Cann
Group Publisher
HealthLeaders Media
A division of HCPro, Inc.
The nuts and bolts of physician practice marketing

This chapter will:

- Explain marketing management for medical group practices
- Describe the purpose of, and how to conduct, a medical group practice marketing audit
- Present the pros and cons of various practice-building tactics
- Differentiate marketing efficiency from marketing effectiveness
- Describe best practices for various promotion techniques

Start with a vision

In Chapter 1, we discussed the 5 C’s—clinical knowledge and experience, customer service, cultivation of patients’ trust, communications, and cost and collections. These are the basic ingredients—the nuts and bolts—for marketing a successful medical practice. In this chapter, we focus on issues such as marketing management and the specific tactics that group practices use to get the word out.
You may have heard the phrase, “If you don’t know where you are going, it doesn’t matter which road you take.” The philosophy applies to growing a medical practice: If you don’t have a vision for the practice, anything can happen to throw your marketing plan into chaos. Some of the key questions that the practice leadership must ask are as follows:

- What is the potential for further growth, and what areas do we want to grow to?
- Can we handle incremental growth without compromising service standards?

The appropriate marketing structure will depend upon a number of factors, including the size of the practice, its location(s), the available budget for practice building and promotion, the strength of the competition, potential support from other provider groups and hospitals, and the specific type of practice the group offers (i.e., multispecialty versus single-specialty practice). The model that is right for a practice also will depend upon the overall patient care philosophy of the providers in the group. However, whether yours is a 450-person faculty group practice or a three-person primary care group, the most important step is to start with a vision.

**Audit your marketing capabilities**

Once you know where you want to go, the first order of business for getting a successful marketing plan off the ground is to take stock of the necessary requirements and the group’s current capabilities. A practice marketing audit
should be conducted to assess the strengths of the marketing program and to put in place a plan for addressing what is needed to achieve marketing greatness. This usually involves bringing in an expert in group practice marketing to evaluate the marketing program, its goals and processes, and to recommend best practices for the group to adopt.

The marketing audit should be comprehensive and should examine the marketing program from soup to nuts. It will answer some of the following questions:

- Is there a vision for the direction the group practice should take?
- Does the marketing program distinguish efficiency from effectiveness?
- How can the program best use external and internal data to determine whether marketing efforts are positively affecting operations and the bottom line?
- What marketing efforts should the practice continue to do, start doing, do more of, and stop doing?
- Are there specific strategic areas that are not currently getting appropriate attention?
- How can the marketing program optimally support the group practice’s growth and leverage its physician work force to attract patient volume?
Find the right person for the job

In an ideal world, you’d be able to hire an experienced professional marketing director to manage your program. If your practice is large enough and has room in the budget, this is the best option for ensuring success. But if someone else handles marketing development—a physician, an administrator, or another executive—it is vital that the person is able to devote the appropriate time to the job. Ideally, this is an individual who understands how important relationship building and customer service are. This individual (and chief medical officer in larger groups) must be steadfast in making sure that the physicians are on time for appointments and that they follow up appropriately with physicians who refer patients.

This is not an operations-only issue; it is a serious part of customer relations that can make or break a group practice. Those practice administrators who understand this fundamental reality will attest to how true this is. This individual must ensure that internal as well as external customers are given the attention they are due. For example, does the reception desk have up-to-date information on the practice’s capabilities? Are office staff members aware of a new physician who has been recruited into a particular subspecialty?

The marketing manager is directly responsible for setting the tone for the practice with respect to its involvement in the local community. Attending local organizations’ meetings, participating in chamber of commerce programs, and sponsoring fun runs to fight cancer or heart walks to raise funds for combat-
ing heart disease are all part of relationship building and building a good-
neighbor image for the group practice.

**Marketing management**

Whoever is in charge of marketing efforts should look for ways to optimally align marketing resources with the growth of the practice and to identify opportunities to better achieve marketing efficiencies and effectiveness. However, be careful not to confuse the concepts of efficiency and effectiveness. It is possible to be highly efficient but not highly effective and, conversely, to be highly effective but not highly efficient.

A good example that illustrates the difference between the two is the opposing quarterbacks in a football game. One team’s quarterback may complete 75% of his passes (highly efficient) yet never score a touchdown (ineffective), whereas the opposing team’s quarterback may complete only 45% of his passes (inefficient), but four of his completed passes result in touchdowns (highly effective). The goal of the marketing manager is always to identify opportunities for enhancing both efficiency and effectiveness so that marketing efforts get more touchdowns for the marketing dollar.

Other key management issues of the marketing plan involve increasing patient loyalty and satisfaction. The marketing manager should meet with the rest of the management team to address these questions:
• Are marketing priorities set so that there is no confusion about which of the specialties receives marketing support?

• Are resources allocated according to practical criteria and market-based demands, as opposed to the “squeaky wheel” approach?

• Is marketing information being analyzed to support decision-making on a systematic basis?

• Is the medical group marketing plan monitored at least quarterly?

• How effective are working relationships among office staff members and physicians?
Background
Marcyville Clinics is a multispecialty group of approximately 55 physicians, with approximately 65% primary care and 35% subspecialty physicians, including surgery, orthopedics, urology, and neurology. Although the group is employed by a large medical center (which is part of an integrated healthcare delivery network), it operates under its own brand name. Market research indicated that Marcyville suffered from poor name recognition of its multiple locations and its service offerings. The group wished to promote itself as a one-stop multidisciplinary practice where consumers could access their primary care physician and see any necessary subspecialists on the same day.

The group hired a healthcare marketing firm to develop a marketing campaign and to advise on structuring a marketing program that would help it regain market share that had been declining over the past two years. Early on in the consultation, it became clear to the consultants that the real issue dogging the group wasn’t so much marketing communications as it was dysfunctional internal operations. Consumer and patient focus groups revealed several problems with setting appointments, long waits to see a doctor, long waits to receive lab and test results, and inconvenient multiple
trips because of unavailable specialists. In addition, there was a significant amount of competition within the group and productivity varied widely by service and by physician.

**Approach and solution**
The consultants advised addressing these internal issues and taking corrective action before promoting the group as a cohesive multidisciplinary group practice. Marketing 101 sessions were held with office staff members and managers, and a special session was held with clinic physicians. Several performance measures were identified, and goals were set regarding responsiveness to patients’ needs in areas such as appointment setting and communications. The group set standards for physicians to be on time for appointments and improve patient throughput.

**Results**
Consumer perceptions remarkably improved in the next household survey. Overall patient satisfaction increased by more than 20%, with some areas showing even higher satisfaction increases. The group was also able to build consistency into its operations so that when the marketing communications campaign was launched, it could make service guarantees a central part of the campaign’s message.
Developing the marketing budget

The budget is an expression of the manner in which the marketing program seeks to achieve its annual goals. It supports the group’s ability to deliver needed clinical services to its patients. The budget must be adequately sized and appropriately spent to enable the group to rise above competitors who may offer similar services.

Depending upon the size of the group, the marketing manager may or may not have the ability to employ additional marketing staff. In comparison with hospitals, which often are multimillion dollar enterprises, most physicians groups have modest marketing budgets. The marketing director must make every cent count, and she or he must determine what can reasonably be accomplished with the existing resources versus what will need to be outsourced.

Sizing the budget is driven by three factors:

1. What are the practice’s clinical growth goals?
2. How much money must the practice spend to counter its competitors’ efforts?
3. What specific resources are required to attain the growth goals?

A representative marketing budget for a multispecialty group practice is shown in Figure 4.1. (Note: This budget is illustrative only and does not include salaries or benefits.)
### FIGURE 4.1  Marketing budget for orthopedic bone and joint practice

<table>
<thead>
<tr>
<th>Budget Resource Area</th>
<th>Approx. % of Budget Dollars</th>
<th>What is Included</th>
<th>Purpose and Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office overhead/expenses</td>
<td>5%</td>
<td>Includes general overhead (telephone, etc.), supplies and repairs, computer equipment, outsourced services</td>
<td>Run the marketing operations</td>
</tr>
<tr>
<td>Research and Analysis</td>
<td>25%</td>
<td>Consumer household survey, Patient satisfaction surveys, Market modeling and marketing information system improvements, Consulting services</td>
<td>Determine where the practice stands today and what projected volume targets should be, by specialty</td>
</tr>
<tr>
<td>Business Development</td>
<td>15%</td>
<td>Personal selling, sales materials, local and regional travel</td>
<td>Keep referring physicians informed and up-to-date; relationship management with managed care companies and vendors</td>
</tr>
<tr>
<td>Promotion and Outreach</td>
<td>50%</td>
<td>Includes direct mail (production and lists) advertising in newspapers, billboards, radio (production), directory advertising (targeted yellow pages and other directories); collateral and practice newsletter, media purchases, Web site maintenance, health fairs</td>
<td>Introduce new ortho surgeons, promote foot and ankle program, announce new procedures and build good will with the community</td>
</tr>
<tr>
<td>Staff development</td>
<td>2%</td>
<td>Includes dollars for continuing marketing educational programs for managers and physicians</td>
<td>Keep internal marketing strong</td>
</tr>
</tbody>
</table>
Promoting the practice

If yours is a multispecialty group, the lifeblood of the specialists is referrals from primary care members within the group and from primary care physicians in the service area. In particular, surgical subspecialists are dependent on referrals from area physicians, especially in market regions that are highly competitive. Even primary care practices have a similar dependency, although they are much more likely to attract patients through word of mouth and direct-to-consumer marketing tactics. Although time is always an issue, it is absolutely critical for subspecialists to cultivate their referral sources by keeping them informed of their patients’ progress through timely follow-up correspondence. One cardiovascular group practice requires its physicians to make at least one contact a week with a referral source, even if no patients from that source were scheduled that week. They also require their members to establish at least one new referral source every year.

There are many vehicles for promoting group practices. Marketing promotion and communications strategies that are targeted toward building the group’s reputation and its clinical volumes should be included within the marketing plan. It cannot be overstated that, just as form follows function when designing a building, promotion follows goals in marketing planning. Below are some of the more common vehicles that group practices can employ to promote their capabilities.
Direct mail

Direct mail is what it says: mail that is directly sent to a household or business, usually unsolicited. It’s often called junk mail, which explains why there are only certain types of businesses that can rely upon direct mail as a primary marketing tactic. A general rule of thumb is that a 2% response rate is considered to be an average return, and anything higher than that is a success. Direct mail has an advantage over other forms of promotion in that it is “silent”—the recipient does not see the promotion on television, hear it on the radio, or view it on an outdoor billboard. Because it is more personal than mass advertising, it often is used as part of a multifaceted communications campaign to bring a message home.

For the most part, direct mail is less costly than advertising in mass media. It also has the advantage of an easier to track return on investment than general advertising. Medical group practices often use it to announce new members in the practice or to introduce the practice to newly relocated families. Sometimes it is used to target households regarding an upcoming opening of a new location or to inform a community about a blood drive or flu clinic at the group’s site.

Top tips for direct mail

1. *Keep the message simple.* Make it something a person will want to follow up on as opposed to dropping it in the circular file.

2. *Have a reason for sending it.* Too often, mail is sent out of the blue, without the context of a larger message.
3. Use quality production methods. Cheapness shows, and consumers may interpret an unprofessional direct mail piece as meaning that the care will be inferior. Note, however, that two-color pieces can be as effective as four color and save money.

4. Track recipient information. Keep up-to-date mailing lists and, if possible, maintain a database that tracks all mailings in order to know response characteristics. There are companies that specialize in “customer relationship management” and, depending on the frequency of mailings, it could be advantageous to outsource.

**Advertising**

Given the amount of dollars it takes to advertise, this generally is not a promotional tactic that most practices can afford. It isn’t just the cost of media; it’s also the need to sustain advertising over a continuous period of time in order to build name recognition that makes this option unattractive. When used to boost awareness as opposed to building awareness, advertising is more cost-effective. If a practice does need to advertise, it should maximize its dollars in local media. With rare exceptions, most group practices do not have a wide geographic draw, so advertising via television and radio does not have a good cost/benefit ratio.

**Top tips for advertising**

1. Use advertising sparingly and wisely. It is too costly, and the waste factor is too high for most medical group practices.

2. Spot advertising is more effective than general advertising. The advertising should be supplemented by publicity and special events.
3. Forge a meaningful message. If you are announcing a new member of the practice, include information about why the physician is worthy of new patients. What specific qualities make him or her worth a consumer’s switching or becoming a long-term patient? If the ad is announcing a new location, what about the location will make it more convenient for the consumer?

Newsletters

With the immediacy and cost-effectiveness of the Internet, publishing paper newsletters may seem anachronistic or unnecessary. However, even with its ubiquity, not everyone has access to the Internet. And not everyone would think to go to your Web site on a routine basis. There is also the value of having both a mailed piece and an electronic version. The newsletter also can be included along with patients’ invoice statements, perhaps taking the edge off having only a bill to read.

Top tips for newsletters

1. **Know when to use them.** Newsletters are not as important as word of mouth or referral channeling. However, they can be valuable for explaining new technology, showing a procedure, and keeping patients informed who may not have access to the Internet.

2. **Use dollars efficiently.** If budget dollars are especially limited, a practice newsletter can be used in place of advertising.
Collateral/capability brochures

Capability brochures are another means of creating an impression and strengthening the brand image. They provide the opportunity to show providers in various roles and to show off newer facilities and technology. One downside is that brochures are rendered out of date if they include names of physicians who leave the practice. However, there are creative ways around this, such as printing inserts that can be easily replaced. Think of the capabilities brochure as a fancy resumé, and you’ll know what it is meant to accomplish.

Top tips for collateral

1. Pay attention to quality. If the budget permits, use four-color photography to enhance the image.
2. Provide valuable information. Contents should include a welcome page, information on making appointments, billing, insurance plans that are accepted, and biographical sketches for each of the providers.
3. Keep information up to date. Be careful with information that may date the collateral, such as certain procedures, the size of the group, and locations. Your capabilities brochure should get at least one or two years of use before it’s time to consider an update.

Directory advertising

Directories, such as the phone books, are a directed medium, meaning that consumers usually refer to them when they already know what they are looking for. Advertising is low end and fairly limited. The issue is not whether to be featured in a medical listing but how to keep from overspending. Phone books and similar directories can be a sinkhole, as there are local as well as...
regional directories. The Internet provides electronic directories, so traditional directory advertising is not as significant as it once was.

**Top tips for directory advertising**

1. *Help consumers find your ad.* Advertise under the relevant headers, such as “Physicians and Surgeons.”

2. *Provide accurate contact information.* If the group practice is large, save money by limiting directory ads to a single call-in number. If there are multiple sites, advertise in the local directories surrounding the site.

3. *Know your target audience.* If it’s a directory dedicated solely to health-care advertisers and it’s within the group’s budget, consider running an ad on the inside of the back cover. It’s generally less expensive than advertising on the exterior back cover but still very visible.

**Summary**

- Articulate a vision for marketing the practice. Be sure that the person responsible for business development understands relationship-building first and numbers second

- It’s more important to be effective and to get results than it is to be efficient—but it’s best to be both
The nuts and bolts of physician practice marketing

Size the marketing budget appropriately. A general rule of thumb is that at least 1% of operating revenues should go toward marketing. However, several factors should be considered in marketing budgeting, such as how quickly the practice wishes to grow.

Items from this chapter that you will find in the accompanying CD-ROM toolkit include:

- Self audit
- Sample marketing budget
- Advertising sample
- Newsletter sample
- Collateral sample
- Medical relations plan template
- News release template
- Letter to editor template
- Agency evaluation template
Order your copy and start marketing today!

Physician Entrepreneurs: Marketing Toolkit

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
<th>Order Code</th>
<th>Quantity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician Entrepreneurs: Marketing Toolkit</td>
<td>$129</td>
<td>CMTPP</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Shipping ($21.95 to AK, HI, or PR)</td>
<td>$18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax (see information below)*</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Your order is fully covered by a 30-day, money-back guarantee.

Order online at www.healthleadersmedia.com to receive reduced shipping!

BILLING OPTIONS:
- [ ] Bill me
- [ ] Check enclosed (payable to HCPro, Inc.)
- [ ] Bill my facility with PO # ___________________________
- [ ] Bill my (one):
  - [ ] VISA
  - [ ] MasterCard
  - [ ] AmEx
  - [ ] Discover

Signature: ____________________________
Account No.: ____________________________
Exp. Date: ____________________________

*Tax Information
Please include applicable sales tax.
States that tax products and shipping and handling: CA, CO, CT, FL, GA, IL, IN, KY, LA, MA, MD, ME, MI, MN, MO, NC, NJ, NM, NY, OH, OK, PA, RI, SC, TN, TX, VA, VT, WA, WI, WV. State that taxes products only: AZ.

Order online at www.healthleadersmedia.com to receive reduced shipping!

Other easy ways to order:
- MAIL: HealthLeaders Media, P.O. Box 1168, Marblehead, MA 01945
- PHONE: 800/753-0131
- FAX: 800/639-8511
- E-MAIL: customerservice@healthleadersmedia.com

© 2008 HealthLeaders Media, a division of HCPro, Inc. HealthLeaders Media is not affiliated in any way with The Joint Commission, which owns the JCAHO and Joint Commission trademarks.

P.O. Box 1168  |  Marblehead, MA 01945  |  800/753-0131  |  www.healthleadersmedia.com