

Sales Success with the Employer Market

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“Genius...is the capacity to see ten things where the ordinary man sees one and where the man of talent sees two or three, plus the ability to register that multiple perception in the material of his art.” – Ezra Pound, Jefferson and/or Mussolini 1935

“He that will not apply new remedies must expect new evils; for time is the greatest innovator.” – Francis Bacon, Essays, 1625

Value of the Employer Market

An employer strategy can serve several key strategic initiatives for a healthcare organization. Through effective sales and marketing, which develop long-term partnerships throughout their purchasing continuum, a healthcare organization will be able to achieve short-term revenue and utilization success benefiting the organization in a fee-for-service environment. All of this occurs while building business potential for health plan designation, exclusive risk-sharing contracts, long-term management and “ownership” of the employees and their family members (as covered lives) in a managed care scenario. Additionally, the short-term results in direct benefit to key service lines providing work and group health to employers and over the long-term ties in referral and revenue opportunities for ancillary service lines and overall system optimization. The overall benefit for a healthcare organization is to build, manage and develop a long-term relationship which positions itself as a partner for all of its covered lives’ healthcare needs; work and group health and establishes ties for the purchase of direct contracts, all work-related health services, managed care contracts, payer and third-party administrator relationships and the long-term care management of enrolled populations.

“Don’t fight forces – use them.” – Fuller, Shelter 1932

Target Market Approach

During the 1980s healthcare organizations shifted to a decentralized service line management and customer approach. While this was successful in cementing fee-for-service strategies through key Centers of Excellence, it was not successful in meeting the customer’s needs – one-stop shopping, ease of access, portfolio or bundled service purchases and one point of contact for all of their healthcare needs, to name a few. Recent national focus groups continue to reinforce the customer’s desires and needs as they relate to healthcare providers, plans and healthcare decisions. Successful organizations have recently shifted from a product/service line focus to a customer-focused distribution channel – all focused on the identified target audience (customer), their needs and desires and their purchasing continuum. This change requires the organization to redefine their approach and philosophy for “how” to build, manage and grow relationships with

their customers, how products and services can be integrated or coordinated to best meet the needs of target audiences and the organizational structure and commitment required.

Employers are a viable target audience for direct contracting, occupational health (workers' compensation and work health clinical services), wellness, education, employee assistance programs, behavioral health, home health and fitness. Healthcare organizations have an opportunity to build a customer-focused approach dedicated to the employers and their employees. This focus would involve a customer team comprised of public relations, marketing, and sales, clinical, delivery of services, teleservices and customer service.

Rationale for an employer/employee sales and marketing approach:

- ❑ Employers provide an opportunity for an organization to package applicable services into a portfolio – utilizing a sales force to analyze needs and present customized solutions from the portfolio.
- ❑ Self-insured employers control the channel of communication with their employees and their families. They are looking for the “best” provider relationship in terms of programs, services, cost management and “added value” for their employed population.
- ❑ Employers have an interest in managing the bottom line of their company. Companies are looking for solutions which directly impact productivity, morale, profits and ongoing ease of management of their organization. They want to control costs while providing value to their employees. Organizations that can demonstrate a return on investment, cost management strategies and employee satisfaction with provider encounters will be those selected to serve as long-term healthcare partners.
- ❑ Employers desire business solutions to healthcare issues which are easy to implement through direct involvement with the provider.
- ❑ Employers currently spend a large percentage of their annual budgets on both work and group health for their employed populations. A provider who can demonstrate risk sharing behaviors through services, staff, time and financial management will be perceived as valuable to their company and will be considered for more exclusive relationships both in a fee-for-service and managed care scenario.

“You see things; and you say, ‘Why?’ But I dream things that never were; and I say, ‘Why not?’” – Shaw, *Back to Methuselah*, 1921

Differentiating Your Market Position – Two-Tier Sales and Marketing Strategy

Many healthcare organizations have been successful in meeting local employers' needs through transactional selling – moreover, providing them with occupational health, wellness or educational programs. Additionally, as organizations manage the balance between fee-for-service and managed care, they have been successful at negotiating contracts, facilitating discounts and developing direct contracting purchasing relationships with employers. However, most healthcare organizations have not developed marketing communication tactics, programs and services nor operational depth to support maintaining and growing the relationship with employers and their employees.

One significant way to differentiate one's organization from the rest of the pack is to develop and implement a two-tiered sales and marketing strategy with employers and their employees. This strategic approach, supported with strong tactics and action steps, will serve to solidify the “sales or contract” purchase and shift the sales transaction into that of a long-term valued

relationship in which your organization is perceived and valued as partners for a patient's healthcare needs.

A two-tiered strategy is one in which the healthcare organization develops specific steps for the sales, marketing, communication and account management.

Tier one focuses on the employer, the sales and account management process strategies and tactics utilized to build, obtain and manage the account. Once you have sold the employer as a client, it is important to build post-sales strategies for ongoing account management which supports the current sales effort while building future business solutions as sales opportunities. It is important to remember that once customers are acquired, it is more cost-effective to retain and grow their business than to continually have to replace them with new customers. Market share, covered lives or revenues will not grow unless the organization plans for customer acquisition, account management, customer loyalty and growth of business.

Tier two focuses on the employees of the company. It is crucial to recognize that employees, while not making a direct purchase, are "influencers" of both the employer's healthcare provider selection for work and group health and, of course, for their personal healthcare through their health plan. In a fee-for-service environment, it is important that an organization maintain top-of-mind preference for their healthcare decisions; utilization of services (inpatient and outpatient), physician selection and health plan options. In a managed care environment, or one which is shifting in that direction, it is important to continue to claim top-of-mind preference as employees are asked by their employers which providers to include in plan options, health plan selection and provider options. Additionally, in managed care just as you are accountable for profitability within the contracted dollars, it is vitally important that you manage the "bucket of dollars" on the enrolled lives, while you manage the health status of employees both for work and personal health.

"First say to yourself what you would be; and then do what you have to do." –
Epictetus, Discourses Book III, Chapter 23

Examples of Differentiation in a Two-Tiered Approach

- Sales strategies and tactics for employers
- Sales database management
- Sales plan – Focus on the appropriate client universe best matched to your programs and services
- Sales philosophy and approach
- Post-sales support plan for the customer
- Account management
- Plan and strategies for growth of the account
- Sales strategies and tactics for covered lives, employees and their families
- Annual marketing communication plan and tools for both the employer and their employees
- Care management program and onsite services
- Specific health campaigns and promotions
- Track and measure results, evaluate and reestablish health needs for next year

Successful Strategies

Organizations which invest and commit to the employer/employee marketplace through the following strategies will truly differentiate and claim a position with a very valuable client base for both fee-for-service and managed care business opportunities. The investment and commitment in many cases already exists within your organization; however, it may not be integrated or coordinated to serve as a customer-focused behavior and account management philosophy.

Organizations that desire to focus on the employer/employee sales and marketing strategy should initiate:

- Administrative commitment and sponsorship
- Assessment of where the organization currently is in relationship to the employer/employee marketplace, programs and services, staff and competitive analysis
- Build customer-focused philosophy and approach
- Design customer-focused team and structure to build, manage and grow the accounts
- Develop distribution channel and identify target audiences
- Develop and implement business, marketing and sales plans for the employer/employee strategy

The 80's ushered in an explosion of advertising the "best medical service" – enters of Excellence. However, all things being equal, a clinical service is a clinical service and quality is in the mind of the customer. As we move on to the year 2000 and desire to successfully survive this time of downsizing, mergers and acquisitions and increased market competition, we must commit the resources to create, capture and own a position in the customer's mind and their purchasing continuum.



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