

Building Hospital Brand Power to Achieve Measurable Results

To view the entire presentation and to learn more about our Marketing & Branding services, please contact Howard W. Salmon at 801.363.3046 or by e-mail at hwsalmon@phase2consulting.com.



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 **PHASE 2 CONSULTING**
healthcare solutions that hit the mark



***“An orange...is an orange...is an orange.
Unless, of course, that orange happens to be
a Sunkist – a name 96% of consumers know and trust.”***



**- Russell L. Hanlin
CEO, Sunkist Growers**

Commodity Products & Services

- Unlike Sunkist, most consumer products and services, within every industry category, are virtually **indistinguishable** from their competition, even though they are well-known – they are, in fact, **commodities**.

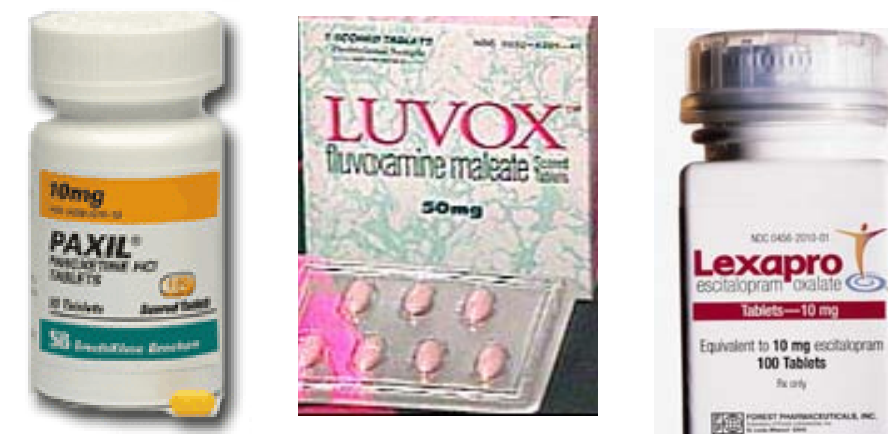


- Similar Benefits
- Comparable Cost
- Easily Replicated



Competing on Innovation, Products & Services

- Even when companies compete on *innovation, new products or enhanced services*, they still quickly become *undifferentiated* in the minds of consumers as *competitors continue to match their latest and greatest features*.
- As a result, despite their *initial* ability to overcome consumer barriers like a location disadvantage, they, once again, become at par with their competitive set, if not perceived as an inferior choice.



Companies that Break-through

- However, in all industries, there are companies which do break through to capture the **hearts and minds** of their target consumer, engaging them and earning their loyalty for the long term.
- Those companies are considered **category-killers**, far out-pacing their competitors in shareholder value, market share, revenue and bottom-line results year-over-year.
- These companies achieve this success by building, and vigilantly maintaining, a powerful **Brand** rooted in an **emotional Brand soul** that resonates with customers and prospects to **transcend** tangible attributes that are easily replicated by their competitors.

What is a Brand?

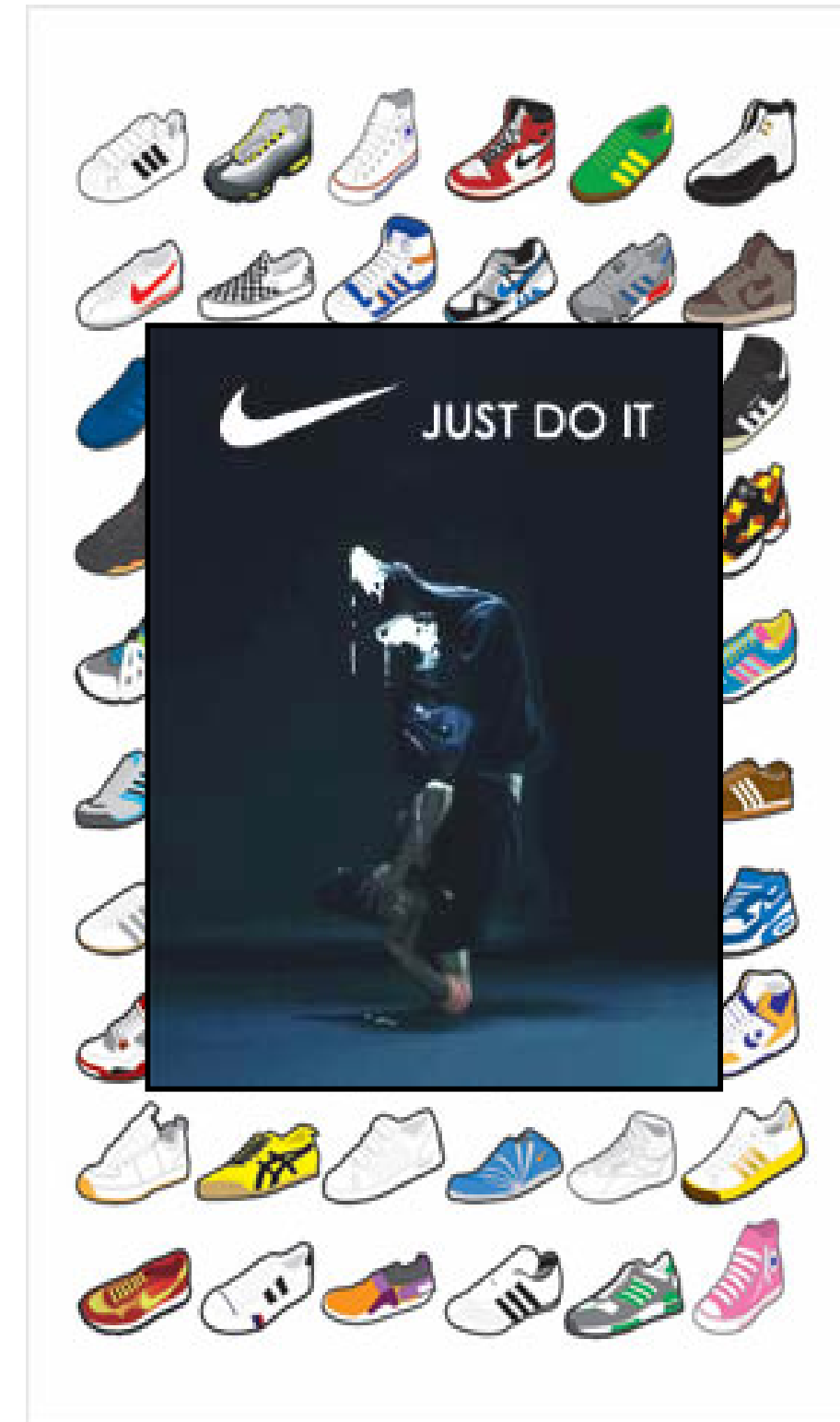
- A powerful **Brand** is **more** than a name, a logo, or a tagline.
- A powerful **Brand** is **more** than a set of products and services.
- A powerful **Brand** is **more** than a perception or image.
- A powerful **Brand** is a **promise a company makes, and keeps...**
 - To its customers,
 - To its employees,
 - To its stakeholders,
 - To its investors;
 - And, to the community in which it operates.
- And, a powerful **Brand delivers on that promise at every touchpoint**, from the very first exposure to the company, through every experience and interaction with the organization, creating an **unshakable bond and a level of trust that cannot be undermined**, regardless of business, competitive or market challenges.

Why Create A Powerful Brand?

- Because **powerful Brands ensure increased profitability!**
 - In every industry.
 - For every any size company.
- The fact is, an ongoing investment in building and nurturing a powerful Brand, based on an **emotional bond with customers, employees and stakeholders**, results in **documented, measurable superior returns**.
 - **Increased** top-of-mind awareness, preference and intent-to-do-business.
 - **Increased** perceived value of products and services, allowing price advantages.
 - **Increased** customer loyalty.
 - **Higher** company valuation with stock price **increases of roughly 5% to 7%**, compared to competitors.
 - **Increased** employee retention and attraction of the “best and brightest”.
 - **Insulation** from competitive challenges and negative economic conditions.
 - **Increased** effectiveness of advertising and marketing initiatives, allowing for lower spend.
 - **Increased** positive media coverage.
 - **Increased** ability to quickly overcome and recover from serious mistakes or a potentially threatening business crisis.
 - **Increased** ability to successfully expand.

Brand Power: NIKE

- A sneaker is a sneaker, is a sneaker... except, of course, if that sneaker is a **NIKE**.
- **NIKE** has eclipsed its competition to capture the *hearts and minds* of the consumer, not only through product innovation, price or performance, but because **NIKE** provides an *emotional* benefit that has lasting appeal – *empowerment*.
- This emotional benefit, or *Brand soul*, is sustainable against all competitive attributes and allows **NIKE** to withstand the most aggressive challenges from key competitors.
- Despite category declines, **NIKE revenue was up 9% in 2007 vs. 2006, and year-over-year profit increased by 7%.**
- Company officials continue to credit the **NIKE Brand as a major factor in these stellar results.**



Brand Power: Coca Cola

- The Coca Cola company **attributes 50% of their revenue to the power of their Brand** – the company's **unique emotional connection** to its customers, nurtured over decades, that makes Coke **more than just another cola**.
 - The Brand generated **more than \$14 billion in 2007, out of \$29 billion in total revenue**.
 - Coca Cola's 2007 revenue was **double** that of Pepsi.
 - RC Cola, comes in as a distant third in the \$50B soft drink category, not only due to their limited business model, but also as a result of a **nonexistent Brand platform**.



Branding Works in Healthcare

- Impressive ROI from building and nurturing a powerful Brand is not limited to certain industries, nor is it limited to large companies with significant resources.
- Though the healthcare industry has not yet thoroughly embraced branding as a critical asset requiring investment, ***there are formidable and quantifiable examples of Healthcare branding which have reaped impressive rewards***, including
 - Mayo Clinic – Minneapolis, MN
 - M.D. Anderson – Houston, TX
 - Baptist Health Care – NW Florida
 - Children’s Medical Center – Dallas, TX

Healthcare Brand Power: Mayo Clinic



- Mayo Clinic ***is one of the most powerful service Brands in the world*** and represents the most comprehensive, holistic and uncompromising commitment to branding in the healthcare industry today.
 - Built over time, out of a vision of customer care that established an emotional bond between Mayo and patients, ***the Mayo Brand is sacrosanct and drives every aspect of the organization's business model and culture:***
 - A team oriented, collaborative approach to patient care through their Mayo Clinic Model of Care.
 - Salary compensation of all staff
 - Marketing
 - A ***Brand Team***, Legal and the Mayo Board of Governors actively manages the Brand and protects it from internal and external violations.
 - Each business decision is filtered through the Mayo Acid Test to ensure activity is compatible with the brand values and principles.
 - All employees and associates are taught to ***live the Brand with every customer and colleague interaction.***

Healthcare Brand Power: Mayo Clinic (cont'd.)



- As a result, Mayo enjoys **stellar ROI from its Brand focus**, despite falling Medicare payments.
 - In 2007 **revenue increased 10%** to \$6.9B with a 3% profit margin.
 - **Income from patient care rose 5%** for the year, though the number of people being treated was unchanged.
 - In a national study, **Mayo clinic was selected by almost 30% of respondents as the facility they would choose to go for care if diagnosed with a serious medical problem.**
 - **Preference for Mayo was 3 times greater** than for “other institutions.”
 - **95% of Mayo Clinic patients report they voluntarily say “good things” about the Clinic** to others.
 - These respondents speak with 44 – 47 different people each day.
 - Mayo Clinic leadership asserts that **the Brand is the organization’s most valuable asset and is unwavering in its commitment to investing in the Brand and protecting it.**

Healthcare Brand Power: M.D. Anderson



- Though M.D. Anderson has long enjoyed its position as an internationally known cancer hospital, leadership embarked on a comprehensive branding program to **enhance its Brand and create an emotional bond with consumers in general rather than limiting their marketing efforts to cancer patients.**
 - The organization recognized that patients and families grappling with a cancer diagnosis are in the least-receptive frame of mind to decide on a treatment facility.
 - Instead, **their on-going branding program established M.D. Anderson in the consciousness of the general adult consumer.**
 - Brand-centric advertising and marketing campaigns are **used to promote a powerful, emotionally-based positioning platform unique to M.D. Anderson** and employees at every level ensure that the patient and family experience **delivers on the promise.**
- Results over the past 5 years are impressive:
 - **Total patients served increased to 37.5%**
 - **New Patients served increased to 38.5%**
 - **Admissions increased 18.5%**
 - **Ambulatory Care Visits increased 46.4%**
 - **Awareness increased 25%**
- In addition, hospital leadership reports **organization-wide increased morale and pride.**

Healthcare Brand Power: Baptist Health Care



- In 1995, Baptist Health Care, a 5-hospital system in N.W. Florida, was suffering from seemingly insurmountable challenges to their business, resulting in modest margins and limited revenue growth.
 - Baptist operates in one of the country’s most competitive healthcare environments, in one of the poorest regions of the state.
 - And, they have a severe location disadvantage versus their key competitor, Sacred Heart.
- To turn the company around, Baptist embarked on a ***comprehensive and on-going branding program in which all employees are completely immersed.***
 - The system ***defined a compelling Brand positioning and focused all employees, from the CEO to part-timers, on living and delivering their Brand soul.***
 - A customer service platform was created out of the Brand positioning, which ensures that ***every employee delivers the Brand promise.***
 - In addition, all advertising and marketing efforts are Brand-centric.
- The results continue to reinforce the value of this approach.
 - ***Employee turnover has decreased by more than 50% since the Brand launch.***
 - ***The company is continuously ranked as one of the Fortune 100 Best Companies to Work For.***
 - ***And, it is consistently ranked in the top 1% of hospitals for patient satisfaction, even winning the prestigious Malcolm Baldrige National Quality Award.***
 - ***Baptist advertising ranks as the “most recognized” in the marketplace.***
 - Today, Baptist Health Care is the ***largest provider of health services in northwest Florida,***¹⁴
enjoying stronger margins and enhanced revenue.

Brand Power: Children's Medical Center



- **Branding is central to the business strategy and culture at Children's Medical Center in Dallas, due to the outstanding results this practice has produced since a Brand repositioning and launch four years ago.**
 - Children's has seen **net income increase steadily and significantly from \$44.3M in 2004 to \$91.7M in 2007.**
 - The medical center has **achieved and maintains a 95% awareness** level in the Dallas market.
 - **The administration credits their strong Brand personality with protecting CMC from competitors encroaching on their market**
 - Despite challenges from a pediatric hospital in a nearby city and an acute care hospital with pediatric services, Children's Medical Center has found that **the public associates all pediatric care messages with CMC.**
 - Hospital **leadership is relying on the power of their Brand to buttress their fundraising efforts**, which are concentrated on alleviating capacity issues through a current expansion of the main building and the construction of a new facility in Dallas.

Building a Powerful Healthcare Brand

- ***Any healthcare company can compete successfully by building a powerful Brand.***
- The key is identifying a ***believable, resonant brand positioning platform*** and, ***consistently***, bringing that platform ***to life across all touchpoints***:
 - Through ***every single*** employee and associate, transforming them from staff members into ***Brand Ambassadors***.
 - Marketing Initiatives & Communications
 - Throughout the Physical Plant
 - Internal Communications to Employees, Senior Executives and Board Members
 - Interactions and Communications with Shareholders & Stakeholders
 - Operational Programs & Initiatives
- And, though building, or repositioning, your Brand is a comprehensive, strategic and creative process, requiring a top-down commitment, ***it does not have to mean throwing out everything you have already done.***
- Most often, it is an ***evolution rather than a revolution*** that needs to take place and associated ***expenditures can be tailored to your budgetary parameters.***

Choose the Right Branding Partner

- However, building or repositioning a healthcare Brand, requires specific expertise in this practice, combined with intimate knowledge of the healthcare industry.
- ***Phase 2 is uniquely qualified to partner with you in this effort.***
 - More than 20 years of successful healthcare consulting experience for systems and hospitals throughout the U.S.
 - A dedicated Brand Team of professionals who have created and repositioned some of the most successful brands in the U.S.
 - A proven methodology that features the best practices used by thriving Brands across dozens of industries.

Why do you need to build your Brand now?

- If you ***cannot answer yes to all*** of the questions below, ***you need to build your Brand:***
 - Is your organization experiencing a ***diminishing revenue stream, a decline in admissions or decreasing market share?***
 - Is your facility the ***first on their list*** when physicians, patients and their families select a hospital for their treatment?
 - Do consumers, doctors, employees and stakeholders all ***know what you stand for and why?***
 - Does your facility ***stand out from the competition as the best*** there is?
 - Is your staff ***so proud of where they work that they would never go to a competitor*** – even for more money, or to be closer to home?
 - Do the ***best and the brightest flood you with resumes?***



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