

A QUORUM CASE STUDY

Making Tough Decisions: Strategic Service Line Planning for a Sustainable Future

Being all things to all people is no longer a viable strategy for hospitals; they must focus on their service lines that can achieve sustainable growth.

Overview

Located within an increasingly competitive marketplace, a hospital in the Southeast had to determine the right service lines to market to its community. The hospital needed a service line strategic marketing plan to differentiate itself from fierce competition and to grow its core services.

goals was to answer a key question: “How can the hospital increase market share and strengthen its financial performance in a competitive and growing market through its core service lines?” As a result of the update, Quorum also worked with the hospital to develop a strategic marketing plan to enhance marketing for each strategic service line.

During the process of working with the hospital to answer this question, Quorum identified key challenges to increase market share and strengthen financial performance. Some of these key challenges included:

- The region’s growing population required enhanced care across the continuum and to communicate quality and value to the public
- Being located in a highly competitive market meant that the hospital needed to strengthen and market their core service lines to differentiate the hospital in the marketplace

THE CHALLENGE

The Affordable Care Act and industry-wide pressures to cut costs have accelerated the need for hospitals to assess the strength of their service lines. First in 2010, the 185-bed hospital engaged Quorum’s Strategy team to develop its strategic plan. This engagement determined strategic imperatives to help the hospital thrive as a stand-alone hospital, grow medical and surgical services, strengthen physician alignment and increase market share.

Almost four years later, Quorum worked with the hospital to update its strategic plan. One of the

Methodology: A Disciplined and Comprehensive Approach



Service Line Strategic Marketing Plan



Strategic Analysis



Market Strategy



Financials



Controls

- Nearby tertiary health systems were aggressively competing with this hospital and each other for the county's affluent and expanding population base, resulting in declining market share
- The hospital's core service lines needed to be visible in the community
- The marketing department needed to reach the right target market with the right messages

Finally, the service line strategic marketing plan needed to align with the hospital's strategic plan, which defined the direction over the next three years based on the Board's focus areas and priorities.

APPROACH

Quorum worked with the hospital to:

1. Identify its core service lines of orthopedics, cardiology, pediatrics and general surgery; and
2. Build strategic marketing initiatives around them including:
 - Assessment of the current state of identified service lines
 - Action plan for each service line identified strategy, with targeted campaigns and marketing resources aligned to support strategic service line growth

- Dashboards for each service line to track the key performance measures and actions or barriers for ongoing implementation management
- Marketing mentorship services for four months to help facilitate the necessary changes
- Targeted campaigns in email, direct mail and social media
- Development of a steering team with the COO, physicians and marketing department

RESULTS

As a result of its strategic and service line planning, the hospital affiliated with a well-known tertiary children's hospital offers the hospital's local community a state-of-the-art pediatric inpatient hospital. Focusing on pediatrics as a key service line in its strategic marketing plan, the hospital is meeting community needs and solidifying its position in a competitive marketplace.

Because each local market is unique, no "ideal" model to optimize strategic service lines exists for hospitals to follow. We will work closely with you and your stakeholders to design the model that best addresses your unique market dynamics.

Please call 866.371.4669 for more information.