

HOW TO DEVELOP AND IMPLEMENT A CRM MARKETING PLAN

SECTION 1:

WHY YOU NEED A CRM MARKETING PLAN

Everyone is talking about CRM or customer relationship management today. And while CRM is being adapted, embraced and implemented slowly by healthcare organizations, the sobering realization is that many organizations don't have a comprehensive annual marketing plan to use with CRM. The simple fact is that without such an annual plan based on corporate goals and objectives, there's no way any organization can fully utilize the capabilities of a CRM solution.

The development of a marketing plan as an integral part of CRM is not a complicated or mysterious process. But it can generate large payoffs in increased market share, patient retention and loyalty.

The two most important questions healthcare marketers can ask today are: "Who are the people I need to communicate with?" and "What is the most appropriate message to convey?" This starting point for a comprehensive plan goes far beyond the "It's National Cancer Month, let's do something on cancer" strategy. It is a springboard from which marketing can elevate its impact from a reactive force to a proactive change agent for the organization as well as the patients it serves.

CRM HELPS HEALTHCARE RESPOND TO MARKET FORCES:

The market forces that have shaped healthcare in the last decade remain constant:

- Increased competition among providers who all have or are vying to get the latest technologies and certificates of need to provide the most advanced services.
- Minimal customer control thanks to HMOs and PPOs, but with a growing groundswell of consumers doing Internet healthcare research and who are willing to challenge the status quo and their choices.
- Negative cash flow and sub-cost revenue realization due to high direct cost percentages and lower reimbursement figures.
- Commoditization of healthcare services by managed care plan control.
- Retailization of healthcare. According to *The Healthcare Strategist*, "most approaches to revenue growth in healthcare today lack creativity and fail to take advantage of emerging consumer trends." Therefore, healthcare leaders need to think "retail" to develop aspects of value, rather than price to differentiate one provider from another.

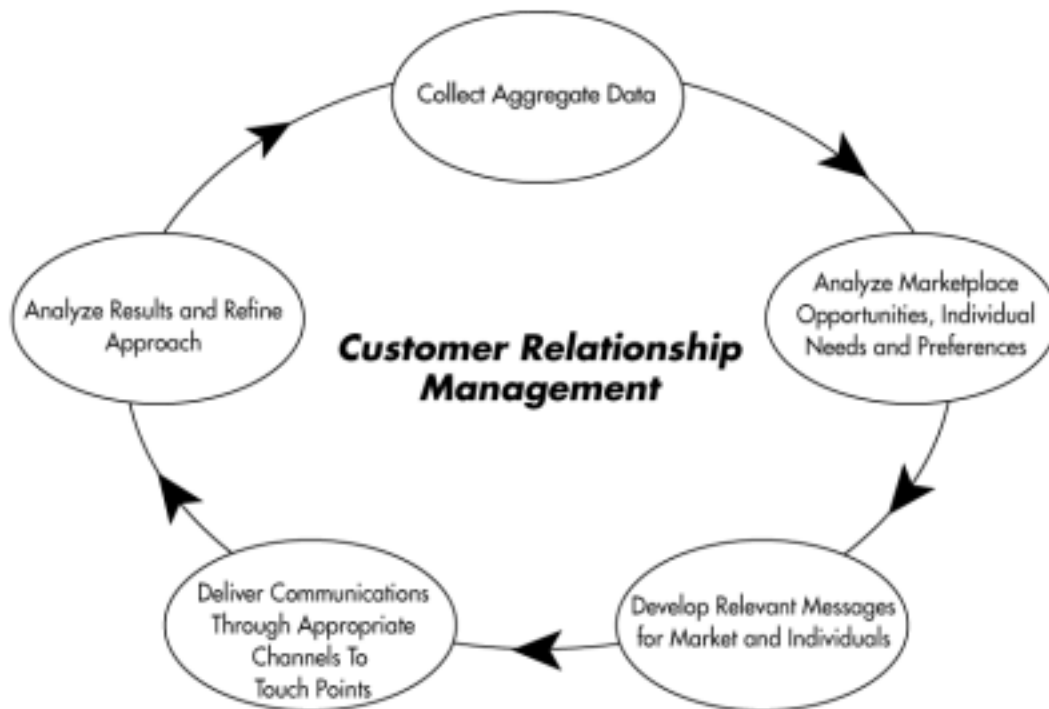
Within this environment, healthcare organizations have a simple mandate if they want to get away from competing for shrinking premium dollars and market shares. They must perpetuate a “wellness” rather than “sickness” healthcare model by focusing on their customers and developing long-term retention and loyalty. If you’re successful, you’ll keep people out of the hospital, while fostering education and wellness and building relationships. Then these customers will come to you when they DO need medical care.

This can only be accomplished with a strategic marketing program within a CRM solution. This approach allows you to leverage the ways you can differentiate your organization today and means you must think creatively to:

- Use your most untapped and important resource—your information--to develop strategic plans based on corporate objectives.
- Increase customer loyalty and build long-term relationships using a one-to-one dialogue.
- Understand, measure and manage customer and service area profitability.

THE STRATEGIC CRM PROCESS:

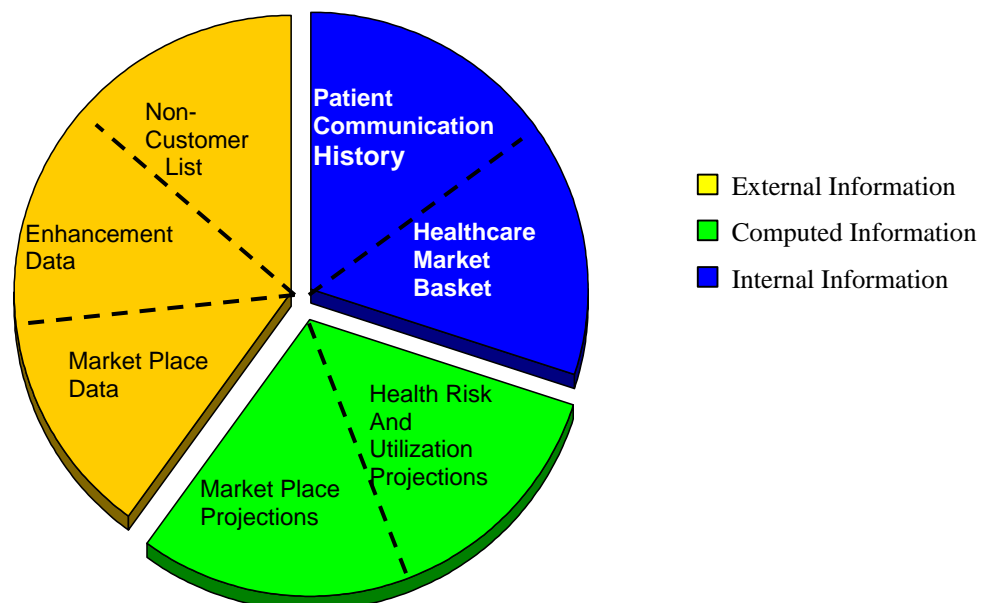
The CRM process, as illustrated below, is a simple closed loop system that is perpetual yet flexible and adaptable to changing customer and market needs and events.



The physical components needed to drive the CRM process are:

- A central, comprehensive database. It is assembled from a customer-centric viewpoint INSTEAD of application specific and requires a combination of data and application programs designed to work together seamlessly to generate a desired result. In addition, the database has secure, enterprise-wide accessibility and should be built with the full power of ORACLE® or a similar program.

THE CRM DATABASE:



- Online analytical processing (OLAP) tools that allow interaction with the data, analysis and selection. This should include graphing and charting capabilities, ad-hoc query ability, and a number of standard reports such as case detail, market share, market trend, patient demographics, patient origin and diagnosis/procedure—to name a few.
- Communications management software that keeps track of and intelligently drives both organization-initiated and customer-initiated contacts, so ROI can be measured and programs revised accordingly.

Section 2:

FINDING YOUR OPPORTUNITIES:

Once your CRM database is constructed, it becomes the single, integrated source of marketing and planning information necessary for developing a strategic marketing plan. It allows you to look at the healthcare provider's past service and potential for future modifications to better serve the community.

Think of it as a comprehensive “opportunity” resource to discover the potential for your organization to meet and exceed your customers' needs and preferences. The database, combined with industry information, can reveal marketplace gaps that could be filled by your organization, or areas of service that may not be the most logical place for the institution to focus its energy and resources.

However, for both the plan and the total CRM solution to be effective and to fully leverage the database, keep in mind the following:

- Marketing and planning, often disjointed activities, must collaborate to develop integrated corporate goals.
- Marketing must be elevated to a position of real financial value within the health system. Rather than solely task oriented, marketing must be able to obtain the information necessary for the high level annual CRM plan and be part of the planning process.
- Top management levels—CEO, CFO—must buy into this concept and support it for it to have the organization-wide support necessary for results.

COMPONENTS AND BENEFITS OF THE PLAN:

A strategic market plan asks:

- What are the organization's goals and objectives?
- How well do current marketing efforts assist in achieving them?
- What market opportunities exist to meet those goals and objectives?
- Who are the people we need to communicate with and what is the message?

To fully leverage the database in developing the plan you should:

- Devise a standard methodology and application framework for planning, using ALL of your data sources.
- Make the methodology available to all in the system—CEO, CFO, planning, marketing and operations.
- Enable hospital marketing professionals to gain control of their customer base with proper programs and communications that establish long-term, personal relationships.

Benefits of a strategic CRM market plan:

- High potential for greater market share and increased revenue
- Greater patient loyalty and satisfaction potential
- Improved patient wellness and quality of life
- Overall evaluation of products and services for value and efficiency; ability to track programs and refine on an annual basis.

OPPORTUNITY ANALYSIS—THE BEST PLACE FOR CHANGE:

Once everyone on the planning team knows the status of the corporate goals and objectives, it's time to look for opportunity. One of the simplest rules for marketing success is to look for the greatest market openings and develop a strategy for obtaining market share within the identified product or service areas.

This is called "gap analysis," because it looks at the gap between what the marketplace is consuming and what the organization is providing. The largest gaps for key products and services are the best to research for key opportunities. It is critical here for the organization to ask "Why do these gaps exist?" and "Why don't we have a larger market share?"

GAP ANALYSIS

- **Identify the size of your market by total number of customers, programs, service categories and products.** Include age, gender and zip code or geographic and census tract information for each customer.
- **Analyze current market share of your patients and your competitors by product and service area.** Use state encounter data to compare the quantity and cost of each procedure or product.
- **Identify the gap between what you provide and the total market opportunity.** Use the major diagnostic codes or MDCs for product definition—broad medical categories under which similar types of diagnoses and procedures are grouped. For example, MDC05 is Diseases and Disorders of the Circulatory System, while MDC14 is Pregnancy and childbirth. For example, if your organization currently has a 55% market share for MDC05, the “gap” would be 45%. Likewise, if your hospital delivers 35% of all babies in your service area, your opportunity in MDC14 would be 65%.

The organization of MDC codes into a Consumer Healthcare Utilization Index™ (CHUI) also offers a superior predictive segmentation system that forecasts individual need for services. When CHUI™ is enhanced with geodemographic information, combined with actual behavior, and arranged in household units, it becomes a single market paradigm for finding the right patients in your market area.



MDC Code	Description	Value
00	ALL MDCS	1000
01	INTERNAL MEDICINE	250
02	GENERAL SURGERY	150
03	OBSTETRICS & GYNECOLOGY	100
04	PEDIATRICS	80
05	GERIATRICS	60
06	PSYCHIATRY	40
07	OPHTHALMOLOGY	30
08	ENT, EAR, NOSE & THROAT	20
09	UROLOGY	15
10	ORTHOPEDICS	10
11	PLASTIC SURGERY	5
12	NEUROLOGY	5
13	DERMATOLOGY	5
14	OBSTETRICS & GYNECOLOGY - MATERNAL & PERINATAL	100
15	OBSTETRICS & GYNECOLOGY - GYN	100
16	OBSTETRICS & GYNECOLOGY - OB	100
17	OBSTETRICS & GYNECOLOGY - GYN & OB	100
18	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
19	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
20	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
21	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
22	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
23	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
24	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
25	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
26	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
27	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
28	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
29	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
30	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
31	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
32	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
33	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
34	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
35	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
36	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
37	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
38	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
39	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
40	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
41	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
42	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
43	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
44	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
45	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
46	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
47	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
48	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
49	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
50	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
51	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
52	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
53	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
54	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
55	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
56	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
57	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
58	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
59	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
60	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
61	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
62	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
63	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
64	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
65	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
66	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
67	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
68	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
69	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
70	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
71	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
72	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
73	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
74	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
75	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
76	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
77	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
78	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
79	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
80	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
81	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
82	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
83	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
84	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
85	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
86	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
87	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
88	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
89	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
90	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
91	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
92	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
93	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
94	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
95	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
96	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
97	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
98	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100
99	OBSTETRICS & GYNECOLOGY - GYN & OB - COMBINED	100

SECTION 3:

DATA-DRIVEN MARKET ANALYSIS:

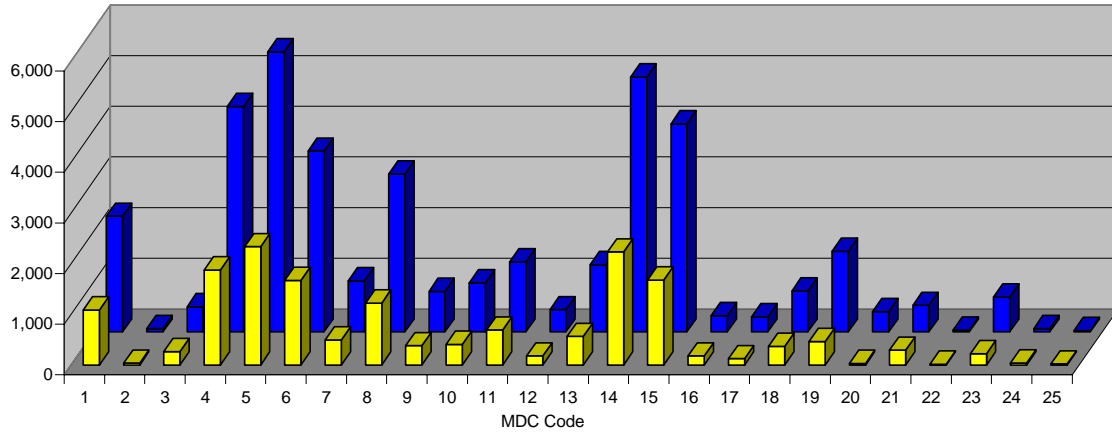
Doing data driven market analysis with CHUI™ allowed Hospital A in the following examples to analyze its total encounters compared with the total market encounters, as well as cost for services based on the 25 MDC codes as shown below.

In MDC numerical order, this chart illustrates the charges for “Hospital A” in comparison with the rest of the market.

Gap by MDC Code

MDC Code	Total Mkt. Encounters	Total Hosp. Encounters	Hosp. Mkt. Share	Mkt. Total Charges	Hosp. Total Charges	% Share of Total Charges	Total Charge Gap
1	2,283	1,087	47.61%	\$26,839,709.67	\$12,902,145.37	48.07%	\$13,937,564.30
2	67	37	55.22%	\$466,484.27	\$256,991.89	55.09%	\$209,492.38
3	500	264	52.80%	\$3,027,861.23	\$1,721,413.27	56.85%	\$1,306,447.96
4	4,451	1,879	42.22%	\$51,438,419.74	\$21,525,880.14	41.85%	\$29,912,539.60
5	5,530	2,335	42.22%	\$102,279,507.10	\$45,557,846.21	44.54%	\$56,721,660.89
6	3,568	1,668	46.75%	\$45,159,454.71	\$20,482,426.80	45.36%	\$24,677,027.91
7	1,009	495	49.06%	\$13,849,940.25	\$6,604,609.75	47.69%	\$7,245,330.50
8	3,116	1,223	39.25%	\$47,373,517.93	\$17,638,205.22	37.23%	\$29,735,312.71
9	801	381	47.57%	\$6,287,317.16	\$2,781,455.50	44.24%	\$3,505,861.66
10	971	408	42.02%	\$8,116,035.86	\$3,848,508.81	47.42%	\$4,267,527.05
11	1,385	690	49.82%	\$15,323,849.71	\$7,890,610.35	51.49%	\$7,433,239.36
12	439	180	41.00%	\$4,637,137.10	\$1,982,948.44	42.76%	\$2,654,188.66
13	1,328	564	42.47%	\$12,183,662.83	\$4,726,505.22	38.79%	\$7,457,157.61
14	5,035	2,231	44.31%	\$20,125,979.79	\$8,849,125.08	43.97%	\$11,276,854.71
15	4,105	1,676	40.83%	\$16,616,990.09	\$13,455,421.43	80.97%	\$3,161,568.66
16	325	179	55.08%	\$3,022,829.99	\$1,566,847.93	51.83%	\$1,455,982.06
17	301	124	41.20%	\$4,999,327.86	\$2,193,359.24	43.87%	\$2,805,968.62
18	811	369	45.50%	\$10,069,912.18	\$4,558,627.55	45.27%	\$5,511,284.63
19	1,593	461	28.94%	\$8,165,987.16	\$2,303,475.01	28.21%	\$5,862,512.15
20	401	32	7.98%	\$2,558,344.47	\$187,992.25	7.35%	\$2,370,352.22
21	526	291	55.32%	\$4,285,340.58	\$2,679,329.60	62.52%	\$1,606,010.98
22	35	17	48.57%	\$466,370.36	\$153,696.50	32.96%	\$312,673.86
23	692	225	32.51%	\$9,437,682.71	\$2,897,995.52	30.71%	\$6,539,687.19
24	67	42	62.69%	\$2,432,503.79	\$1,981,722.13	81.47%	\$450,781.66
25	25	20	80.00%	\$523,134.91	\$368,246.13	70.39%	\$154,888.78

THE CHART BELOW ILLUSTRATES THE ENCOUNTER GAP FOR EACH MDC.



■ Hospital A Encounters

■ Total Mkt. Encounters

MARKET ANALYSIS BY MDC CODE

To identify the greatest opportunity or service gaps among the MDC codes, the next step is to sort the categories in descending order with the largest dollar opportunity at the top.

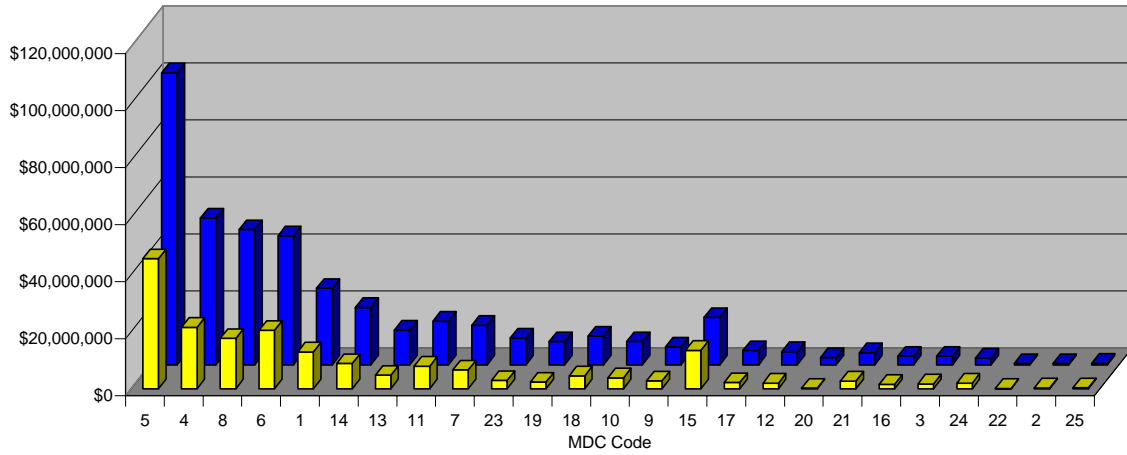
MDC Code	Total Mkt. Encounters	Total Hosp. Encounters	Hosp. Mkt. Share	Mkt. Total Charges	Hosp. Total Charges	% Share of Total Charges	Total Charge Gap
5	5,530	2,335	42.22%	\$102,279,507.10	\$45,557,846.21	44.54%	\$56,721,660.89
4	4,451	1,879	42.22%	\$51,438,419.74	\$21,525,880.14	41.85%	\$29,912,539.60
8	3,116	1,223	39.25%	\$47,373,517.93	\$17,638,205.22	37.23%	\$29,735,312.71
6	3,568	1,668	46.75%	\$45,159,454.71	\$20,482,426.80	45.36%	\$24,677,027.91
1	2,283	1,087	47.61%	\$26,839,709.67	\$12,902,145.37	48.07%	\$13,937,564.30
14	5,035	2,231	44.31%	\$20,125,979.79	\$8,849,125.08	43.97%	\$11,276,854.71
13	1,328	564	42.47%	\$12,183,662.83	\$4,726,505.22	38.79%	\$7,457,157.61
11	1,385	690	49.82%	\$15,323,849.71	\$7,890,610.35	51.49%	\$7,433,239.36
7	1,009	495	49.06%	\$13,849,940.25	\$6,604,609.75	47.69%	\$7,245,330.50
23	692	225	32.51%	\$9,437,682.71	\$2,897,995.52	30.71%	\$6,539,687.19
19	1,593	461	28.94%	\$8,165,987.16	\$2,303,475.01	28.21%	\$5,862,512.15
18	811	369	45.50%	\$10,069,912.18	\$4,558,627.55	45.27%	\$5,511,284.63
10	971	408	42.02%	\$8,116,035.86	\$3,848,508.81	47.42%	\$4,267,527.05
9	801	381	47.57%	\$6,287,317.16	\$2,781,455.50	44.24%	\$3,505,861.66
15	4,105	1,676	40.83%	\$16,616,990.09	\$13,455,421.43	80.97%	\$3,161,568.66
17	301	124	41.20%	\$4,999,327.86	\$2,193,359.24	43.87%	\$2,805,968.62
12	439	180	41.00%	\$4,637,137.10	\$1,982,948.44	42.76%	\$2,654,188.66
20	401	32	7.98%	\$2,558,344.47	\$187,992.25	7.35%	\$2,370,352.22
21	526	291	55.32%	\$4,285,340.58	\$2,679,329.60	62.52%	\$1,606,010.98
16	325	179	55.08%	\$3,022,829.99	\$1,566,847.93	51.83%	\$1,455,982.06
3	500	264	52.80%	\$3,027,861.23	\$1,721,413.27	56.85%	\$1,306,447.96
24	67	42	62.69%	\$2,432,503.79	\$1,981,722.13	81.47%	\$450,781.66
22	35	17	48.57%	\$466,370.36	\$153,696.50	32.96%	\$312,673.86
2	67	37	55.22%	\$466,484.27	\$256,991.89	55.09%	\$209,492.38
25	25	20	80.00%	\$523,134.91	\$368,246.13	70.39%	\$154,888.78

When we examine the top five MDC categories in terms of revenue realized within the market we find:

- ◆ MDC05: Diseases and Disorders of the Circulatory System
- ◆ MDC04: Diseases and Disorders of the Respiratory System
- ◆ MDC08: Diseases and Disorders of the Musculoskeletal System & Connective Tissue
- ◆ MDC06: Diseases and Disorders of the Digestive System
- ◆ MDC01: Diseases and Disorders of the Nervous System

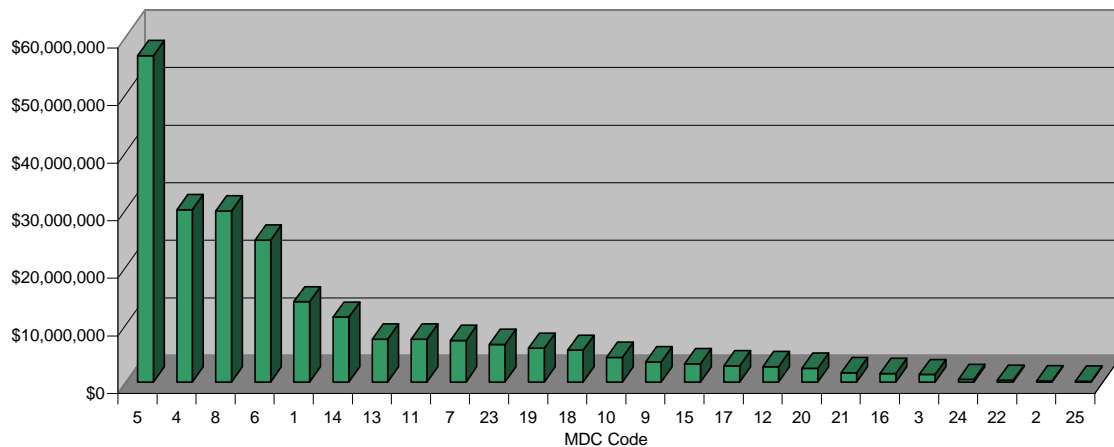
In graph form, the comparison between Hospital A and the market for the MDC codes is show below:

MDC GAP BY TOTAL CHARGES



■ Hospital A Total Charges
■ Mkt Total Charges

THE CHART BELOW SHOWS HOSPITAL A'S TOTAL DOLLAR GAP FOR EACH MDC



ARE THE OPPORTUNITIES PROFITABLE?

Hospital A has identified the market's most profitable service areas and compared its own performance. It has viewed its market share for each of the MDC codes and can clearly see which areas provide the most opportunity for increased service.

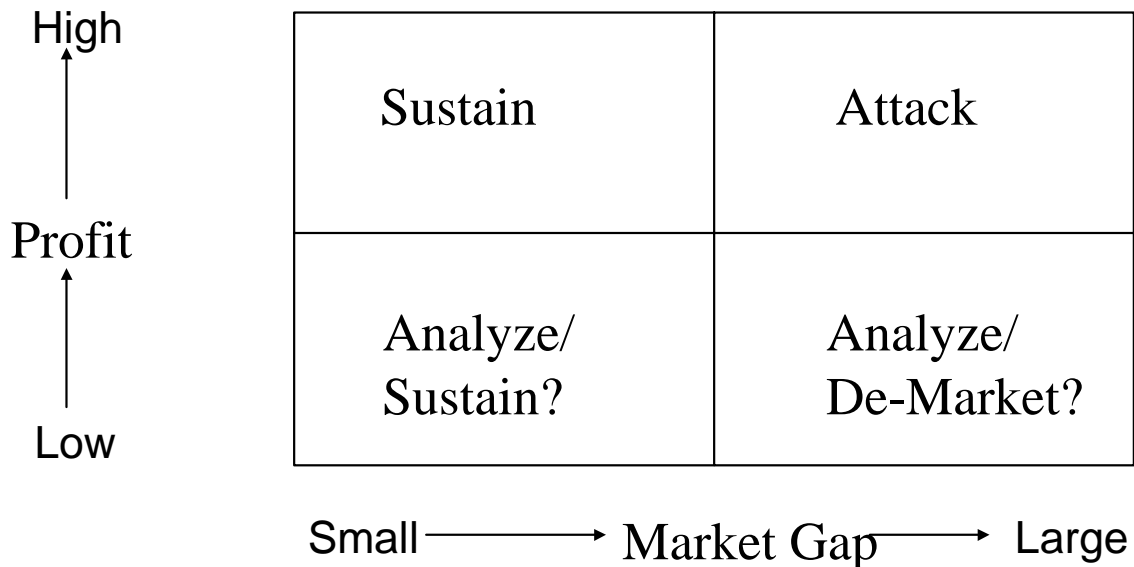
Hospital A must now determine if it can increase its market share in these areas by asking:

- What are the hospital's efficiencies and the profitability of its products and services?
- Can the organization make more money in the identified opportunity areas?
- Are the physicians within each area able to handle more patients and procedures? If not, is the organization willing to ramp up to accommodate a higher service utilization? How long will it take? How much investment is required? How long will it take to recoup and surpass investment costs?

To answer these questions completely and thoroughly requires strategy and goal-setting meetings by a coalition of operations, marketing and planning

personnel as well as the CFO and CEO. It requires an enterprise-wide commitment and a market planning system that looks at corporate goals and objectives in light of market dynamics.

In fact, an attractiveness grid for each opportunity area, might look like this:



For MDC code areas that are low revenue and which exhibit a small window of opportunity, it would be logical to determine whether to sustain the market share or further analyze it.

If there is a large service provision gap in a low profit MDC area, Hospital A may want to analyze the service area with an eye toward possibly de-emphasizing it in favor of spending more effort and time in an area where a larger, more profitable gap exists.

PUTTING A MARKETING PLAN IN ACTION BASED ON THE NUMBERS:

From Hospital A's previous analysis of its market share and revenue opportunity in the top category--MDC05--it will concentrate on this area. **The enterprise-wide CRM planning team would first state the market place penetration goal such as:**

- Close the service gap by 10% or 319 encounters.

To do so, it is next necessary to:

- Determine quantity of individuals necessary to contact based on the efficiency of its communications program.

Based on a response rate of .325%, the calculation is:

- Contact 307 individuals to obtain one encounter.
- Multiply 307 contacts (to get one encounter) by 319 (the number of encounters desired) to get the total number of individuals to solicit: $307 \times 319 = 97,933$.

Achieving the Goal:

To achieve the goal of a 10% increase in market share by contacting 97,933 individuals, the following CRM strategy is one approach for Hospital A:

- Select a ranked list of the best prospects based on a segmentation system, such as CHUI™.
- Using CHUI™ for this example, apply the segmentation system to the database to target individuals who have the best or highest scores for MDC05.
- Start with the highest scores and work to the lower scores to select the 97,933 individuals for solicitation.

The chart below shows the MDC05 CHUI scores for Hospital A as well as scores for the general distribution of the market for both males and females in MDC05. This scientific approach to selecting Hospital A's best or most appropriate audience to achieve its goal is based on empirical data. It demonstrates the need for a complete CRM database—without it, this strategy would be impossible.

MDC05 CHUI DISTRIBUTION

CHUI Score	Female Encounters	Female Pts.	Male Encounters	Male Pts.	Total Hosp. Encounters	Total Hosp. Pts.	% of Total Patients	Avg. Encounter per Pt.	Mkt. Males	Mkt. Females	Mkt. Total	% of Total Mkt.
0	37	35	25	19	62	54	2.94%	1.15	18,238	23,038	41,276	12.13%
50	21	18	3	3	24	21	1.14%	1.14	5,776	8,899	14,675	4.31%
100	13	11	5	4	18	15	0.82%	1.20	4,810	9,602	14,412	4.23%
150	30	27	7	6	37	33	1.79%	1.12	4,789	7,224	12,013	3.53%
200	13	11	7	7	20	18	0.98%	1.11	1,922	3,236	5,158	1.52%
250	11	11	2	2	13	13	0.71%	1.00	2,207	2,702	4,909	1.44%
300	57	48	29	25	86	73	3.97%	1.18	10,076	9,172	19,248	5.66%
350	30	25	10	8	40	33	1.79%	1.21	2,373	3,463	5,836	1.71%
400	99	81	40	33	139	114	6.20%	1.22	13,143	10,427	23,570	6.93%
450	57	48	124	103	181	151	8.21%	1.20	11,259	11,657	22,916	6.73%
500	36	32	20	20	56	52	2.83%	1.08	3,309	3,733	7,042	2.07%
550	189	149	304	239	493	388	21.10%	1.27	30,886	39,788	70,674	20.76%
600	28	24	31	28	59	52	2.83%	1.13	8,673	7,435	16,108	4.73%
650	52	45	47	37	99	82	4.46%	1.21	3,703	5,607	9,310	2.74%
700	31	27	19	15	50	42	2.28%	1.19	2,573	2,592	5,165	1.52%
750	85	67	46	40	131	107	5.82%	1.22	5,256	7,459	12,715	3.74%
800	51	45	123	101	174	146	7.94%	1.19	8,986	5,026	14,012	4.12%
850	71	55	124	100	195	155	8.43%	1.26	9,215	7,074	16,289	4.79%
900	52	48	184	147	236	195	10.60%	1.21	9,934	3,873	13,807	4.06%
950	32	29	81	66	113	95	5.17%	1.19	8,140	3,085	11,225	3.30%

Further analysis allows Hospital A to determine the age distribution and demographic profile for individuals with CHUI™ scores of 600 or higher in its tri-county service area.

DEMOGRAPHIC PROFILE WHERE CHUI SCORE >= 600 GENDER AND MARITAL STATUS

	County C	% of Mkt.	County B	% of Mkt.	County A	% of Mkt.	County Total
Individual	54,191		37,212		9,002		100,405
Households	52,676		36,339		8,754		97,769
Gender							
Male	23,496	43.36%	21,591	58.02%	5,017	55.73%	50,104
Female	29,872	55.12%	15,072	40.50%	3,583	39.80%	48,527
Unknown	823	1.52%	549	1.48%	402	4.47%	1,774
Marital Status							
Married	31,793	58.67%	23,770	63.88%	6,308	70.07%	61,871
Widowed	2,109	3.89%	1,067	2.87%	209	2.32%	3,385
Divorces	2,648	4.89%	1,126	3.03%	159	1.77%	3,933
Single	12,373	22.83%	7,724	20.76%	1,258	13.97%	21,355
Seperated	82	0.15%	25	0.07%	2	0.02%	109
Unknown	5,186	9.57%	3,500	9.41%	1,066	11.84%	9,752

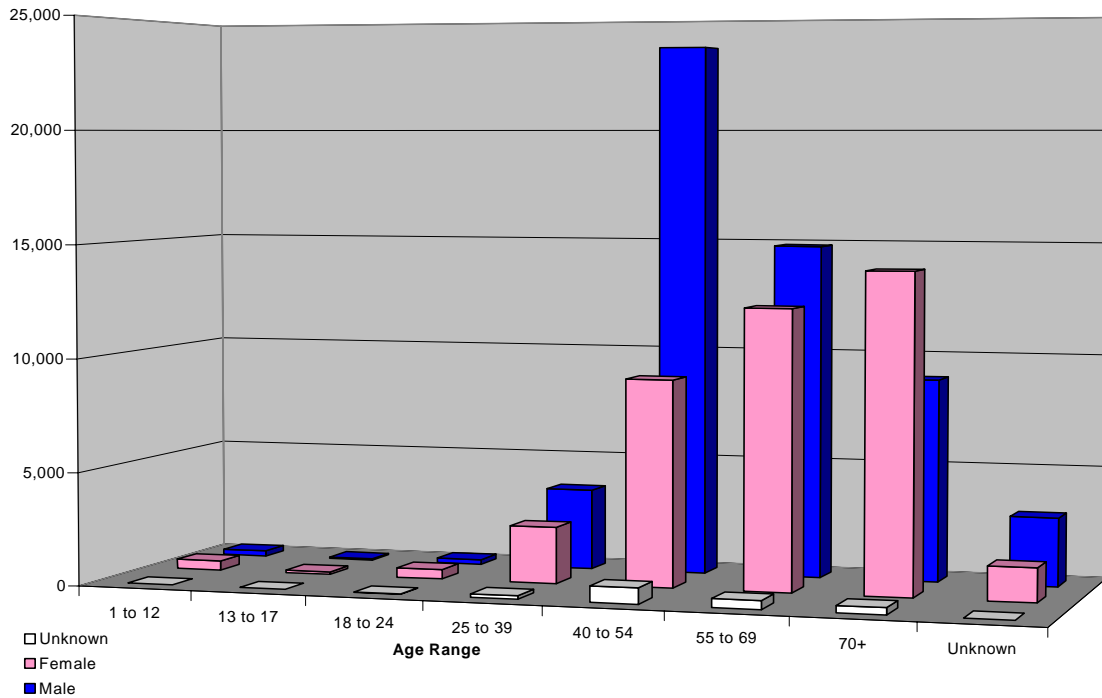
INCOME

Income Range	County C	% of Mkt.	County B	% of Mkt.	County A	% of Mkt.
Under \$15,000	414	7.05%	261	6.27%	60	5.05%
\$15,000 to \$19,999	6	0.10%	5	0.12%	4	0.34%
\$20,000 to \$29,999	540	9.19%	362	8.70%	85	7.15%
\$25,000 to \$34,999	1	0.02%	1	0.02%	1	0.08%
\$30,000 to \$39,999	663	11.29%	552	13.26%	157	13.20%
\$40,000 to \$49,999	905	15.41%	492	11.82%	169	14.21%
\$50,000 to \$74,999	1901	32.36%	1728	41.52%	309	25.99%
\$75,000 to \$99,999	484	8.24%	275	6.61%	113	9.50%
\$100,000 to \$124,999	30	0.51%	44	1.06%	13	1.09%
\$125,000 or more	548	9.33%	236	5.67%	152	12.78%
U - Unknown	382	6.50%	206	4.95%	126	10.60%

AGE

Age Range	County C	% of Mkt.	County B	% of Mkt.	County A	% of Mkt.
1 to 12	467	0.88%	180	0.49%	30	0.35%
13 to 17	121	0.23%	48	0.13%	15	0.17%
18 to 24	385	0.72%	219	0.60%	55	0.64%
25 to 39	3512	6.58%	2266	6.18%	557	6.48%
40 to 54	18094	33.90%	12596	34.36%	3314	38.53%
55 to 69	15022	28.15%	10457	28.52%	2569	29.87%
70+	15767	29.54%	10897	29.72%	2060	23.95%

AGE AND GENDER DISTRIBUTION OF INDIVIDUALS IN HOSPITAL A'S TRI-COUNTY AREA WITH CHUI SCORE >= 600



SECTION 4:

DESIGNING THE MARKETING STRATEGY AND CREATIVE OFFER:

The visual depiction of Hospital A's comprehensive data is more than numbers on a chart and pretty graphs. An astute study of the information and how it all relates allows Hospital A to begin the second phase of its tactical CRM strategy—crafting the multi-step, multi-channel campaign necessary to achieve the 10% market share increase.

At this point, Hospital A must answer the following questions:

- What products, services or sub-categories of MDC05 have the hospital's customers used in the past?
- What do they look like?

Getting the answers requires even finer data granularity within the MDC05 general category. Within MDC05 are the ICD-9 and DRG breakdowns that are diagnostic codes and diagnostic related group descriptions of patient maladies such as congestive heart failure and cardiac arrhythmia and conduction disorders, as shown in the charts below.

MDC05 DRG DISTRIBUTION

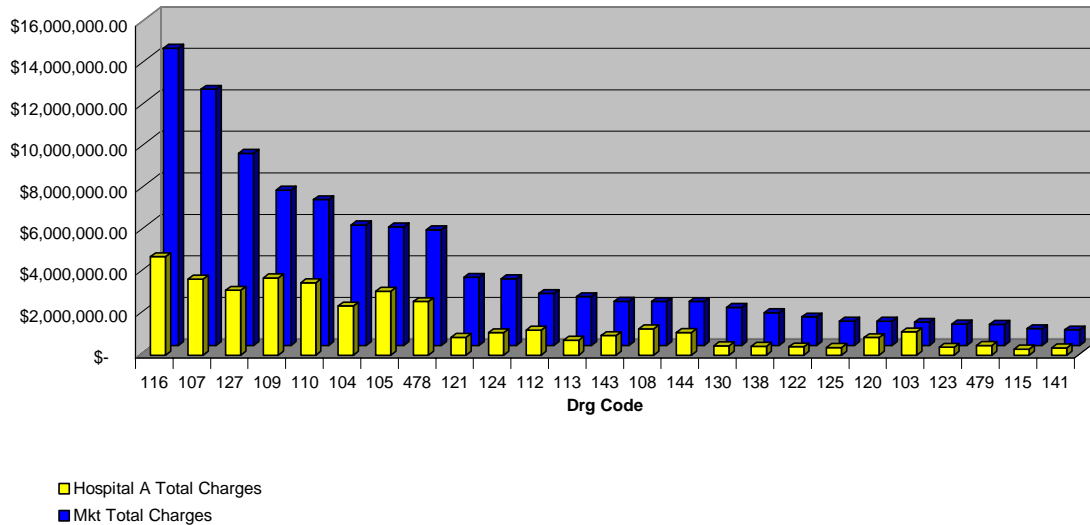
Drg Code	Description	Mkt. Encounters	Mkt Total Charges	Distinct Patients	Encounters	Facility Total Charges	Mkt Penetration
116	Oth perm cardiac pacemaker implant or ptca w coronary art stent	691	\$ 14,342,685.09	228	236	\$ 4,753,976.98	34%
107	Coronary bypass w cardiac cath	224	\$ 12,358,189.71	75	75	\$ 3,667,328.72	33%
127	Heart failure & shock	982	\$ 9,269,794.36	283	345	\$ 3,133,169.20	35%
109	Coronary bypass w/o cardiac cath	188	\$ 7,495,363.99	95	95	\$ 3,726,525.18	51%
110	Major cardiovascular procedures w cc	149	\$ 7,035,686.23	63	65	\$ 3,497,008.08	44%
104	Cardiac valve & oth maj cardiothoracic proc w card cath	68	\$ 5,821,333.28	26	26	\$ 2,376,932.83	38%
105	Cardiac valve & oth maj cardiothoracic proc w/o card cath	89	\$ 5,715,811.85	47	48	\$ 3,091,396.38	54%
478	Other vascular procedures w cc	205	\$ 5,583,578.87	92	106	\$ 2,592,541.77	52%
121	Circulatory disorders w ami & major comp disch alive	225	\$ 3,288,108.11	51	54	\$ 865,696.67	24%
124	Circulatory disorders except ami, w card cath & complex diag	246	\$ 3,225,263.91	66	66	\$ 1,084,136.29	27%
112	Percutaneous cardiovascular procedures	155	\$ 2,508,718.35	77	79	\$ 1,220,068.49	51%
113	Amputation for circ system disorders except upper limb & toe	83	\$ 2,356,896.75	25	30	\$ 727,761.25	36%
143	Chest pain	405	\$ 2,127,925.73	189	196	\$ 953,523.90	48%
108	Other cardiothoracic procedures	39	\$ 2,123,552.77	24	24	\$ 1,276,575.85	62%
144	Other circulatory system diagnoses w cc	173	\$ 2,122,633.10	71	85	\$ 1,102,321.02	49%
130	Peripheral vascular disorders w cc	216	\$ 1,832,900.36	60	62	\$ 458,354.58	29%
138	Cardiac arrhythmia & conduction disorders w cc	217	\$ 1,581,920.46	63	67	\$ 431,811.15	31%
122	Circulatory disorders w ami w/o major comp disch alive	126	\$ 1,378,532.47	33	34	\$ 408,213.65	27%
125	Circulatory disorders except ami, w card cath w/o complex diag	120	\$ 1,176,833.53	39	40	\$ 379,906.60	33%
120	Other circulatory system o.r. procedures	41	\$ 1,170,921.03	20	22	\$ 855,770.24	54%
103	Heart transplant	3	\$ 1,129,061.99	3	3	\$ 1,129,061.99	100%
123	Circulatory disorders w ami, expired	67	\$ 1,043,476.26	24	24	\$ 382,925.18	36%
479	Other vascular procedures w/o cc	56	\$ 1,018,620.54	24	27	\$ 471,695.70	48%
115	Perm pace implnt w ami,hrt fail or shock or aicd lead or gen proc	25	\$ 816,504.26	9	9	\$ 296,408.05	36%
141	Syncope & collapse w cc	113	\$ 755,624.89	55	55	\$ 355,017.10	49%
106	Coronary bypass with ptca	9	\$ 681,448.05	3	3	\$ 264,249.73	33%
131	Peripheral vascular disorders w/o cc	121	\$ 633,322.82	48	50	\$ 282,940.18	41%
132	Atherosclerosis w cc	103	\$ 618,567.38	29	31	\$ 191,957.60	30%
139	Cardiac arrhythmia & conduction disorders w/o cc	122	\$ 566,612.28	52	53	\$ 217,300.50	43%
111	Major cardiovascular procedures w/o cc	20	\$ 563,520.94	9	9	\$ 205,227.05	45%
140	Angina pectoris	84	\$ 429,908.76	44	46	\$ 240,919.40	55%
142	Syncope & collapse w/o cc	54	\$ 253,783.50	20	20	\$ 96,853.75	37%
114	Upper limb & toe amputation for circ system disorders	11	\$ 224,915.39	1	1	\$ 5,614.85	9%
134	Hypertension	36	\$ 202,764.15	10	11	\$ 47,549.55	31%
145	Other circulatory system diagnoses w/o	17	\$ 169,018.41	10	10	\$ 115,174.95	59%
118	Cardiac pacemaker device replacement	5	\$ 140,606.73	2	2	\$ 37,318.45	40%
126	Acute & subacute endocarditis	6	\$ 136,521.07	4	4	\$ 93,532.65	67%
129	Cardiac arrest, unexplained	9	\$ 134,668.04	1	1	\$ 6,480.95	11%
128	Deep vein thrombophlebitis	9	\$ 67,294.09	2	2	\$ 7,051.60	22%
117	Cardiac pacemaker revision except device replacement	7	\$ 58,791.53	0	0	\$ -	0%
137	Cardiac congenital & valvular disorders age 0-17	3	\$ 53,574.92	2	2	\$ 43,600.07	67%
135	Cardiac congenital & valvular disorders age >17 w cc	3	\$ 36,101.50	1	1	\$ 22,069.40	33%
133	Atherosclerosis w/o cc	3	\$ 17,683.20	0	0	\$ -	0%
119	Vein ligation & stripping	1	\$ 7,202.65	0	0	\$ -	0%
136	Cardiac congenital & valvular disorders age >17 w/o cc	1	\$ 3,263.80	0	0	\$ -	0%

MDC05 ICD9 DISTRIBUTION WHERE CHUI SCORE >= 600

Gender	DX Code	Description	SFMC Encounters	Average Charge per Encounter	SFMC Patients	Average Charge per Patient	Sum of Total Charges
M	428	Congestive Heart Failure	70	\$13,294.74	61	\$15,256.26	\$930,632.14
M	414.01	Coronary AthrscI Natve Vssl	61	\$25,773.10	60	\$26,202.65	\$1,572,159.24
F	428	Congestive Heart Failure	56	\$10,345.64	52	\$11,141.46	\$579,355.96
M	411.1	Intermed Coronary Synd	55	\$22,287.62	54	\$22,700.35	\$1,225,819.13
M	410.41	AMI Inferior Wall, Init	30	\$19,649.28	30	\$19,649.28	\$589,478.43
M	786.5	Chest Pain NOS	29	\$7,747.46	28	\$8,024.16	\$224,676.36
F	411.1	Intermed Coronary Synd	27	\$17,600.32	26	\$18,277.26	\$475,208.71
F	786.5	Chest Pain NOS	26	\$7,211.81	26	\$7,211.81	\$187,506.98
M	786.59	Chest Pain NEC	25	\$4,574.58	23	\$4,972.37	\$114,364.40
F	414.01	Crnry AthrscI Natve Vssl	23	\$16,427.90	23	\$16,427.90	\$377,841.77
F	786.59	Chest Pain NEC	21	\$5,708.29	21	\$5,708.29	\$119,874.09
F	427.31	Atrial Fibrillation	19	\$7,232.03	18	\$7,633.81	\$137,408.53
M	410.91	AMI NOS, Initial	18	\$15,220.07	17	\$16,115.37	\$273,961.23
M	427.31	Atrial Fibrillation	17	\$17,185.82	16	\$18,259.93	\$292,158.88
M	285.1	Ac Posthemorrhag Anemia	17	\$33,683.37	17	\$33,683.37	\$572,617.29
M	413.9	Angina Pectoris NEC/NOS	17	\$21,630.60	17	\$21,630.60	\$367,720.16
M	410.11	Ami Anterior Wall, Init	17	\$34,053.22	17	\$34,053.22	\$578,904.71
M	401.9	Hypertension NOS	13	\$17,446.86	13	\$17,446.86	\$226,809.12
M	453.8	Venous Thrombosis NEC	13	\$7,459.22	12	\$8,080.82	\$96,969.80
M	427.1	Parox Ventric Tachycard	10	\$15,296.49	8	\$19,120.61	\$152,964.90

MDC05 DRG DISTRIBUTION WHERE CHUI SCORE >= 600

Gender	DRG Code	DRG Description	SFMC Encounters	Average Charge per Encounter	SFMC Patients	Average Charge per Patient	Sum of Total Charges
M	116	Oth perm cardiac pacemaker implant or ptca w coronary art stent	105	\$19,230.90	102	\$19,796.51	\$2,019,243.98
M	127	Heart failure & shock	86	\$8,651.83	62	\$12,000.93	\$744,057.49
F	127	Heart failure & shock	73	\$9,194.53	67	\$10,017.92	\$671,200.95
M	143	Chest pain	56	\$5,164.78	52	\$5,562.07	\$289,227.50
M	109	Coronary bypass w/o cardiac cath	50	\$32,425.10	50	\$32,425.10	\$1,621,254.76
F	143	Chest pain	44	\$4,647.61	44	\$4,647.61	\$204,494.94
M	112	Percutaneous cardiovascular procedures	39	\$14,484.37	38	\$14,865.54	\$564,890.50
M	107	Coronary bypass w cardiac cath	32	\$43,733.47	32	\$43,733.47	\$1,399,471.00
F	116	Oth perm cardiac pacemaker implant or ptca w coronary art stent	27	\$23,560.95	27	\$23,560.95	\$636,145.60
M	110	Major cardiovascular procedures w cc	26	\$69,502.90	26	\$69,502.90	\$1,807,075.34
M	124	Circulatory disorders except ami, w card cath & complex diag	26	\$12,348.22	26	\$12,348.22	\$321,053.69
M	478	Other vascular procedures w cc	23	\$27,081.43	18	\$34,604.06	\$622,873.00
F	139	Cardiac arrhythmia & conduction disorders w/o cc	19	\$3,825.12	18	\$4,037.63	\$72,677.35
M	131	Peripheral vascular disorders w/o cc	17	\$4,946.09	16	\$5,255.22	\$84,083.48
F	124	Circulatory disorders except ami, w card cath & complex diag	17	\$26,547.44	17	\$26,547.44	\$451,306.52
F	478	Other vascular procedures w cc	17	\$25,796.16	16	\$27,408.42	\$438,534.65
F	144	Other circulatory system diagnoses w cc	16	\$12,017.67	14	\$13,734.48	\$192,282.65
M	122	Circulatory disorders w ami w/o major comp disch	15	\$11,710.60	15	\$11,710.60	\$175,659.05
M	130	Peripheral vascular disorders w cc	14	\$6,866.70	13	\$7,394.91	\$96,133.77
M	138	Cardiac arrhythmia & conduction disorders w cc	14	\$5,487.61	14	\$5,487.61	\$76,826.60
M	144	Other circulatory system diagnoses w cc	14	\$11,027.50	13	\$11,875.77	\$154,385.05
F	138	Cardiac arrhythmia & conduction disorders w cc	14	\$6,865.10	13	\$7,393.19	\$96,111.45
F	141	Syncope & collapse w cc	14	\$6,488.04	14	\$6,488.04	\$90,832.60
M	141	Syncope & collapse w cc	13	\$7,942.35	13	\$7,942.35	\$103,250.50
F	107	Coronary bypass w cardiac cath	13	\$63,626.57	13	\$63,626.57	\$827,145.37
F	109	Coronary bypass w/o cardiac cath	13	\$36,509.37	13	\$36,509.37	\$474,621.81
F	112	Percutaneous cardiovascular procedures	13	\$14,787.96	13	\$14,787.96	\$192,243.45
F	140	Angina pectoris	13	\$4,659.23	12	\$5,047.50	\$60,570.05
M	479	Other vascular procedures w/o cc	12	\$14,833.42	9	\$19,777.89	\$178,001.01
F	130	Peripheral vascular disorders w cc	12	\$6,461.20	12	\$6,461.20	\$77,534.38
M	104	Cardiac valve & oth maj cardiothoracic proc w card cath	11	\$70,999.83	11	\$70,999.83	\$780,998.15
M	121	Circulatory disorders w ami & major comp disch alive	11	\$17,806.90	10	\$19,587.59	\$195,875.87
F	125	Circulatory disorders except ami, w card cath w/o complex diag	11	\$10,510.57	11	\$10,510.57	\$115,616.30



DEVELOPING A COMPREHENSIVE MULTI-LEVEL, MULTI-STEP COMMUNICATIONS PLAN

With all of this information, Hospital A can develop a multi-channel, multi-step campaign designed to reach the ranked list of best customers and prospects. The goal is to position Hospital A as the recognized “heart leader” by targeting appropriate households in the hospital’s tri-county market.

CRM delivery channels, which are linked and tracked, include the **Internet**, which offers immediate customized messages and is an information provider and gatherer; **direct mail**, with programs triggered by patient attributes, risk factors and aggregate health data; and the **call center**, which like the Web, offers immediate customized messages, provides and gathers information.

Research shows that customers contacting the health system are most comfortable with the call center, seminars and the Internet when the urgency of their need is low. For outbound communications or times when customer is seeking the information, the Internet provides the most comfort at the lowest cost as a means to gather facts. The call center is least appealing and has the highest cost for general information. Direct mail is squarely in the middle for cost and comfort between call the call center and the Internet.

Hospital A’s tactical strategy, based on its complete CRM database information, might look like this:

- **Direct Mail**
 - Develop a multi-step direct mail campaign to support current cardiac programs, including television and outdoor advertising.

Three-step Mailing Series

- First communication—target total market. Primary objective is general positioning to establish Hospital A as “heart leader” and drive community members to web site for specific information and offers. County heart statistics would be used to entice response.
- Second communication—target four separate audiences with messages based on age and gender. Examples: “Reduce your Risk,” for women under 50 and men under 45; “Know the Signs,” for women over 51 and men over 46.
- Third communication—campaign follow-up to reiterate messages established throughout campaign and reinforce message of Hospital A as “heart leader.” Includes follow-up on web offer from first communications.

Offers could include: Online registration for upcoming events and speaker profiles, interactive quiz about heart problem warning signs, “Heart Smart” menu challenge, Interactive Health Risk Assessment (IHRA).

- **Internet**
 - Develop an Internet presence to establish Hospital A as recognized “heart leader” in area. Site would provide a consistent, integrated message to reinforce key points established by support media and ongoing direct mail campaigns. It should be designed as an evolving source of comprehensive cardiac educational information.
 - Site could include:
 - General information on capabilities/physicians/facility
 - Comprehensive cardiac education
 - Online registration for coming events/speaker profiles
 - Interactive quiz about heart facts
 - “Heart Smart” menu challenge
 - Interactive Health Risk Assessment.

TRACKING AND ANALYZING RESULTS:

The complete CRM program is designed to track active and passive responses throughout the campaign—generally this is done on an annual basis. With it the CRM team at Hospital A should:

- Analyze shifts in market share and reassess the gap size.

- Refine the program to meet changing goals and objectives and modify messages and channels as necessary.
- Start at the top and begin again.
- Re-measure the gap and develop the next annual plan.

SECTION 5:

WHAT THE FUTURE HOLDS FOR CRM:

The Internet continues to pervade every aspect of business and healthcare CRM and ERP (Enterprise Resource Planning). The following statistics illustrate that the Internet will comprise a growing portion of the way in which consumers receive and provide information.

Consider:

- Nearly 105 million people are connected to the Net, and 72% have searched online for health and medical information.
- By the end of 2000, estimates predict 500 million people will be online.
- From the end of February to the end of March 2000, 2600 new healthcare websites were initiated.
- “This most widely-accessible computer based tool—the Web—seems to be in the process of becoming the U.S. health system’s preferred method of connectivity.” --Medical Benefit Report, 1999. Forrester Research estimates that healthcare e-commerce, a \$5.5 billion industry in 1999 will grow to \$370 billion by 2004. During the same time period, the 2,500 largest healthcare companies will receive as much as a third of their revenues over the Internet, according to *Hospitals & Health Networks*, March 2000.

A WEB STRATEGY FOR THE COMMUNITY—THE NEW HEALTH PORTAL:

While healthcare has traditionally viewed its competitors from the “bricks and mortar” facilities down the street or across town, the explosion of healthcare information makes tomorrow’s (or even today’s) competitor the one with significant Internet presence. It is all about e-health.

How then, do healthcare organizations maintain the traditional relationships they’ve built on trust and loyalty within the e-health environment laced with national sites such as drkoop.com and mydoctor.com?

Health providers today need to provide a LOCAL Internet entry to the community—one based on the relationships established by the traditional bricks and mortar service centers that the local community knows and trusts. The vehicle is the personal health page or portal.

The personal health portal with the local angle would include sections about a patient's personal health information, health plans, physician finder, a personal health calendar, pre-admission and preparation information for a procedure or service, health information, capability to transfer medical records online between physicians, local and national support group chat areas, health planning and a health store.

SECTION 6: **THE PRIVACY CHALLENGE:**

Although the federal privacy legislation scheduled to be finalized by February 2000 was not forthcoming, the movement set into motion by the Health Insurance Portability and Accountability Act (HIPAA) of 1996 is very much a force for healthcare marketers to contend with.

Current forecasts put federal privacy guidelines to be issued by the Secretary of Health and Human Services toward the end of the year 2000. When issued, there will be a two-year adoption period.

In the meantime, it is incumbent upon those in healthcare to provide a balance between patient privacy and information sharing that results in treatment advances and improved health. With the addition of privacy policies to your CRM initiatives, you should be able to manage your data to maintain its power for your CRM efforts.

Here are some simple points to keep in mind as we all wait for approved federal guidelines.

- Design the database to mitigate risk:
 - Identifiable medical information cannot be used for marketing communications without patient consent
 - Data can be used for management of illness and disease
 - Data used to construct database shouldn't include chemical dependency, HIV or psychological encounter information

- Build database to obscure any individually identifiable information during list selection and analysis. Patient consent not necessary for use or disclosure of non-identifiable health information.
- Add market/consumer segmentation information to database that doesn't include protected patient information.
- Design communications to mitigate risk:
 - Gain patient consent at all contact points for relevant healthcare communications—including new and existing patients
 - Limit use of medical information to selection exclusions and outpatient case management
 - Design all communications packages with opt-out mechanism, including channel preference--direct mail, inbound calling, electronic
 - Ensure systems are rapidly updateable.

For more information, read our privacy white paper, "Patient Privacy: Issues and Considerations for Customer Relationship Management Programs" at www.cpm.com in the Press Room.

SECTION 7:

CONCLUSION:

To maximize the value of a comprehensive CRM system, a strategic and tactical planning methodology is one way to achieve increased market share in carefully selected service areas. This approach fully utilizes multiple levels of the CRM database to compare a healthcare organization or system with the overall market to determine where significant opportunity gaps exist.

Using the CRM database and a segmentation system to identify best patients and prospects, healthcare marketers and planners can not only determine where the best opportunities for market expansion exist, but also can develop very specific and focused communications strategies based on the data.

For this approach to work, however, it is critical that it be undertaken by an enterprise-wide coalition of the top executive and financial officers, planning, operations and marketing personnel. Any other set-up could result in a plan that is inconsistent with corporate goals and objectives, or worse—the inability to deliver the appropriate services and products promoted to the community.

SECTION 8:

ABOUT CPM:

Customer Potential Management (CPM) Corporation is an international leader in solving social and business problems through integrated customer information marketing databases and marketing strategies.

CPM's Customer Relationship Management (CRM) solution allows healthcare providers to manage their customer relationships through targeted, personalized communications, which build loyal long-term patient relationships. Designed and maintained by CPM, the key component of the solution is an Internet-enabled information database providing individual customer information to answer who, what, where, when and why questions about past, current and prospective patients. Our intelligent CRM pieces fit together seamlessly into an application framework that produces a single, top-level business strategy.

For more information, contact us:

Customer Potential Management Corporation

Business and Marketing Intelligence for the Healthcare Industry

2500 N. Main Street, Suite 2

East Peoria, IL 61611

800-332-2631/309-698-1037

FAX 309-698-1039

www.cpm.com

e-mail: sales@cpm.com