



BEST PRACTICE PROGRAM

MODULE

14

Increasing The Buying Lifetime
Of Your Patients

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Learning

Why you want to capture your patient's heart

During the last decade, an understanding has grown of the need for businesses to provide an acceptable level of service to their patients. Further, it was hoped that, by providing a level of service greater than normal, a practice might stand out from its competitors and thereby attract more patients. However, in practice, this idea has worn thin since consumers, whether, now assume that an acceptable level of service will always be provided.

Terms like, "We strive to be the leader", and, "We are proud of the quality of our service", are no longer persuasive in the minds of the prospective patient. In today's marketplace, a practice needs to be truly unique in order to stand out from the competitors.

- ▶ You attract more patients.
- ▶ You have your existing patients come back more often.
- ▶ You generate more sales and/or profit margin from each patient's visit.

Winning the patient's heart is all about giving your patient the best experience possible when they are dealing with your practice, and the way you care about that patient before the sale, during the sale, and after the sale. It's about building patient loyalty to your practice.

The cost of getting or keeping a patient

So why do we care about keeping patients? That might sound like a crazy question, but most small-practice owners don't take the time to work out that it costs around 5 times as much to get a new patient as it does to have a current patient continue buying. Some studies show that it can cost between 7 and 10 times more (than a patient retention strategy) to attract a new patient.

Let's look at this. Let's say it costs \$32 to attract a new patient, and \$4 to keep an existing patient. Further, let's say your practice begins with 25 patients. If you focus on finding new patients and do actually attract 6 of them, this will have cost \$192, or 6 times \$32. Since your focus has been elsewhere, at the end of the period you find you have only 5 of the original 25 patients. Each of these patients has cost you \$4 to retain, so your total retention costs are \$20, or 5 times \$4. The net result to your practice is 11 patients, 6 new, and 5 retained, at a total cost of \$212. Your average cost per patient is \$19.27 per patient.

Now, let's say you focus on keeping patients (patient retention) rather than attracting new ones, and you decide to spend an extra \$2 per existing patient. You attract 3 new patients at a cost of \$96, or 3 times \$32. However, your retention efforts mean that you now retain all 25 of your original patients, at a cost of \$150, or \$6 times 25. This time your total cost is \$246, at an average cost per patient of \$8.78.

In the second case, your total costs for the period are \$34 greater. However, your practice now has 28 patients, over twice the number achieved with the first strategy where you focussed on patient acquisition. The weird fact is however, that even in those businesses that understand this, and say they have a focus on retaining patients and getting more value from them, they can't help but spend 70 or 80% of their marketing or promotions budgets on trying to get new patients.

Think back to some of your recent purchases: a DVD player; clothes; a restaurant meal; an auto service; a haircut. How many, if any, of these businesses have made contact with you since your purchase? Probably none. Yet, you constantly see or hear their advertising in different media formats - spending big dollars to attract new patients.

In most businesses, the greatest challenge is getting more patients, so it makes sense that when someone new buys from you, you make their purchasing experience so good that they will want to buy from you again when the time is right. When they have a good experience, they will also tell their friends and associates.

In other words, you want to win your patient's heart. To do this, you need to have such extensive knowledge about your patient that when they buy from you (with some products and services, even before they buy from you), you are able to provide them with a "Patient Experience" which far outstrips the experience they would have purchasing from a competitor.

Understanding “Patient Experience” versus “Patient Care”

Is it possible to define Patient Experience as a totally separate concept to Patient Care? No, it's not. The two are intertwined and generally dependent on each other.

Patient Experience

A Patient Experience is made up of all the little and not so little “things”, events, actions, communication - anything that is put in place, or happens, whenever your suspect/prospect/patient/client/patient/member (let's just call them a patient from now on) has some form of contact with your practice.

This can be from the first time that patient reads one of your ads, or has any form of communication with you, through to the last time they may deal with you.

Let's just look at some random examples, and comment on whether the presentation of the practice adds to, or detracts from, the total experience. Remember that each individual experience is just one part of an overall Patient Experience event.

A patient calls your published phone number and is greeted with a recorded voice and a complicated auto-transfer system; as compared to ringing your published number and being greeted by a bright friendly, live human, who may just happen to recognise your voice or name!

Although the auto-attendant phone systems are becoming more and more used (under the pretence that it provides a more efficient system for the caller), there is no doubt that the average person just does not like using them. It generally does not contribute to a positive Patient Experience.

You enter a practice waiting room and there are current issue magazines and a small selection of books, together with a beverage bar and filtered water available.

There is no doubt that this is a positive part of the overall Patient Experience, compared with tatty two-year-old magazines and an old-style Café-bar with powdered milk and thin plastic cups.

You walk into a store to purchase an iron, but cannot get anyone's attention to provide you with some assistance. You may be okay with this, if you know exactly what you are purchasing, but if not, you will get frustrated and may leave.

Compare this to entering a store and being directed to the appliance section. You are then approached by a well-trained salesperson who asks you what features and benefits you are seeking, and gives you an overview of the different models available. If the salesperson is good at their job, you may well spend more than originally intended and be very happy about this.

A week after purchasing your iron, you get a phone call from the salesperson calling to check that you are happy with the purchase. They were able to call you because at the time of sale, they asked if you would like to complete your details on a form to enter their monthly competition. That phone call would definitely help you remember that store for future purchases. Compare that to the usual experience of never hearing from that store again.

The above examples are "things", events and actions that are part of the total Patient Experience.

A Patient Experience, is therefore, not necessarily confined to just the actual purchasing process.

If you have a product where there can be a reasonable lead-up to the actual purchase process, the Patient Experience prior to the sale may involve a series of communications: phone, newsletter, email, or face-to-face contact.

Selected communications may (and should) continue after the sale until the next sale or referral – until that patient says they do not want to hear from you again.

So, to reinforce, the Patient Experience can involve a series of events prior to the sale, during the actual purchasing “event”, and after the sale.

A Patient Experience is made up of everything that is put in place, or happens, whenever your patient has some form of contact with your practice.

Patient Care

A Patient Care program is the set of little and not so little “things”, events, actions, rules, communication - anything that is put in place, or happens, whenever your patient has some form of contact with your practice that ensures that the Patient Experience does make you stand out (for the better!).

The parts that make up your Patient Care program dictate what kind of Patient Experience you provide in every area of your practice:

- ✓ Pre-sale.
- ✓ Sales.
- ✓ Sales administration.
- ✓ Accounts.
- ✓ Delivery.
- ✓ Complaints and queries.
- ✓ Post-sale.
- ✓ Service and repairs.

The Patient Care program/rules/guidelines/initiatives (let’s just call them a program from now on) should provide consistent service delivery every time there is some form of communication between you and your patient.

Let's just take a quick look at the four examples outlined in the previous Patient Experience section, and see where Patient Care initiatives might have played a part.

Consider the first example where the initial contact with the practice was via a phone call, received by an automated system. The people who were responsible for implementing the auto-transfer phone system may truly have believed they were providing a better interface for incoming callers. However, these systems are usually justified for staff cost savings rather than better service.

The real person answering the phone in the second example was most likely well-trained to provide a specific experience when a patient calls. This would be the Patient Care initiative put in place to provide a good Patient Experience.

The practice that updates the material in its waiting room would definitely be applying this as a point of difference to competitors. Again, this is a Patient Care initiative put in place to provide a good Patient Experience.

There are two Patient Care initiatives shown in the example of the purchase of the iron. The first is to have a staff of professional salespeople trained in product knowledge, and able to extend extra service by up-selling to an advanced product where the added features and benefits meet the needs expressed by the patient. The second initiative is to have these salespeople make a follow-up call to the patient, extending the memory of the positive Patient Experience.

A major part of a Patient Care program should be a patient management system, which can have, at its core, a centralised database of patient information that can be used for:

- ✓ Keeping all patient information current and up-to-date.
- ✓ Transaction and communication tracking.
- ✓ Management of a communication strategy.
- ✓ Desktop and front counter (electronic) access to patient history, which allows any team-member to immediately know the current status of a patient, along with all relevant details currently recorded.

We will expand on patient management systems under the Planning section.

If you truly want to build your practice into a powerful cash machine, then you must make dealing with, or visiting your practice, an absolutely incredible experience. If you succeed in creating this incredible experience for your patient, your practice will experience the following immediate benefits:

- 1) **You can charge more.**
- 2) **Your client will buy from you more regularly, and will probably buy at a higher sales and/or margin value per transaction.**
- 3) **Your client will get business for you by telling their friends.**
- 4) **It will be much more fun to work in your practice.**
- 5) **Your staff/team will be more loyal and energized.**

Remember that in order to transform your results, you have to transform the way you are doing things. In the Planning and Doing sections, we show some real examples of Patient Experience and Patient Care working, and an extensive list of different ideas and initiatives that may be applied in your practice.

Depending on your style of practice and product or service, you will be able to apply or amend some of these initiatives to implement them in your own practice, and commence the transformation of your Patient Experience and implementation of your Patient Care program.

A note on patient type, and product or service type

When planning a Patient Care program and determining the various steps and events in the Patient Experience, it is important to understand your type of patient and the Patient Care initiatives which will most suit your particular product or service.

In a simplistic sense, there are two types of patient:

- ▶ The patient that "buys" your product or service. This patient is not necessarily a price shopper, but because of your type of product or service, may be more interested in features and price.
 - ▶ Although there is no rule here, your product or service in this situation would probably be more a commodity type.
 - ▶ It is not necessarily low value. For example, a domestic airline ticket in Australia. There are really only 2 choices on most routes, so if you are travelling Economy and just want to get there and back, you probably buy the ticket that suits your required time and price – the airline doesn't particularly matter.
- ▶ The patient that is "buying" or seeking a long term relationship. This patient could be looking for real help and support during the buying process, and is probably looking for a total solution and/or a long term supplier.
 - ▶ Again, there is no rule here, but the product is probably higher value and the purchase less frequent.
 - ▶ The product or service could be intangible, where a level of trust and/or confidence needs to be established before the sale will be completed.
 - ▶ One example of this is business software, where the patient will be invited to purchase a product which may cost many thousands of pounds. Before the patient will make this purchase, they will need to be convinced that the installation will be completed properly, and that adequate training and support will be provided.
 - ▶ A prime example of a tangible, infrequent product purchase is a new motor vehicle. Some forward-thinking car dealers are starting to realise that if they keep in touch with their patient, they will have a much higher chance to sell that patient their next car. However, the majority of dealers in the industry still just don't get it.

Why is it beneficial to take time to understand your patient in this way?

When you start reviewing your current Patient Care initiatives and Patient Experience, you will come to realise that some Patient Care initiatives just will not work if your patients are predominantly “product buyers”, while the same actions will be very effective if your patients are predominantly “relationship buyers”.

The reality is that you would probably have a mix of both types of patients and with the right “things” in place, you should be able to identify whether your patient is a “product” or “relationship” buyers, and complete the sale with the best Patient Experience.

Do not get bogged down with this explanation, but be aware of it as you start applying the changes in your practice.

The development and continual improvement of your Patient Experience, supported by your Patient Care program, is all targeted at one thing: Winning the patient's heart. This will lead to you both retaining your existing patients and attracting new ones, in turn resulting in increased sales and profit margins.

In summary

- ✓ Terms like “We strive to be the leader” and “We are proud of our quality of service”, no longer hold the power of persuasion in the mind of the consumer. In today's market, your practice needs to have something unique to stand out from the competitors.
- ✓ Winning the patient's heart is all about giving your patient the best experience possible when he or she is dealing with your practice, and the way you care about that patient before the sale, during the sale, and after the sale. It's about building patient loyalty to your practice.
- ✓ So why do we care about keeping patients? It costs around 5 times as much to get a new patient as it does to have a current patient continue buying. Some studies show that it can cost between 7 and 10 times more than a patient retention strategy to get a new patient.
- ✓ The fact is, however, that even in those businesses that understand this, and say they have a focus on retaining patients and getting more value from them, they can't help but spend 70 or 80% of their marketing or promotions budgets on trying to get new patients.
- ✓ It is not possible to define Patient Experience as a totally separate concept to Patient Care. The two are intertwined and generally dependent on each other.
- ✓ A Patient Experience is the set of little and not so little “things”, events, actions, rules, communication - anything that is put in place, or happens whenever your patient has some form of contact with your practice that ensures that the Patient Experience does make you stand out (for the better!).
- ✓ A major part of a Patient Care program should be a patient management system, which can have, at its core, a centralised database of patient information. This information can be used to support numerous Patient Care activities and initiatives.

- ✓ When planning a Patient Care program, and determining the various steps and events in the Patient Experience, it is important to understand your type of patient and the Patient Care initiatives that will most suit your particular product or service.
- ✓ The development and continual improvement of your Patient Experience, supported by your Patient Care program, is all targeted at one thing: Winning the patient's heart. This will lead to you both retaining your existing patients and attracting new ones, in turn resulting in increased sales and profit margins.

Planning

Strategies for winning your patient's heart

In this section, we are looking at how you plan to change or improve the strategies you have in place for your Patient Experience and your Patient Care programs. Remember from the previous section, that depending on the complexity of your practice, you may have a number of Patient Experience streams across various departments and/or parts of the overall sales process.

We will be introducing you to worksheets that will help you identify Patient Experience streams (a series of events, actions etc), and then add to or change those streams to improve the experience. The worksheets will also be used to identify and enhance your Patient Care programs.

What we are introducing here is a form systemising these parts of your practice, as a process to review them. We will mention a number of them in this section, but leave the broader discussion for the next section.

An expanded explanation of a multitude of Patient Experience and Patient Care initiatives and actions is in the Doing section of this module. So we will mention a number of them in this section but leave the broader discussion till the next section.

The Patient Experience

Let's review two real examples:

Example 1: The bad Patient Experience in a restaurant, followed by the good Patient Experience.

The bad experience: Two couples enter a restaurant, mid-Sunday afternoon, to have a couple of drinks and a light meal after a serious shopping expedition. The restaurant is only half full, and the two couples decide that they would like to sit out in the open section of the restaurant on the edge of the water.

After the couples have been waiting for some time, the maitre d' eventually approaches them and attempts to lead them to a table for four. This table is in full sun, and the couples suggest that they would like to sit in their chosen position which is near the water but in the shade, where there are two small round tables which they wish to pull together. The maitre d expresses that he is not happy with this as he wants to keep those tables for separate couples, and eventually suggests that they can sit at a table for eight in a similar area.

The attending waitperson takes them to this part of the restaurant, but then says that she has no problem with the tables being pushed together. She does so, and seats the couples. While now waiting for their menus, the couples notice that the maitre d is has begun to argue with the attending waitperson. The couples become uncomfortable about staying in the restaurant, and do not wish to cause any more trouble for the waitperson. The couples leave and go to another restaurant.

The good experience: In the same building is a new restaurant that neither couple have been to. They are greeted at the door by a friendly, smiling maitre d' and shown to a table on the outer part of the restaurant overlooking the water.

As soon as they are seated, a waitperson pours fresh water for each of them, presents the menus and explains the specials of the day. They are pleasantly surprised to find that breads are complimentary, the Food Menu is innovative, and the Wine List extensive and different.

The service during the rest of the afternoon was friendly, professional and timely.

The result is that they had a great Patient Experience, spent twice what they originally had expected, and in the following week, told numerous friends of the two experiences. Restaurant 2 will be the big winner over the following weeks.

A review of some of the key differences in the Patient Experience

	Restaurant 1	Restaurant 2
Maitre d':	▶ Surly, not happy, authoritarian.	▶ Bright, friendly, totally helpful.
Staff:	▶ Trying their best, but under pressure.	▶ Totally attentive and happy.
Water:	▶ Have to buy in plastic (\$2) bottles, even at a la carte tables.	▶ Complimentary and glasses always filled.
Breads:	▶ Have to buy.	▶ Complimentary.
Ambience:	▶ Many tables not re-set ready for new clients. Not an inviting look.	▶ Every table set, and re-set as soon as vacated. Always looks inviting.

- ✓ Restaurant 2 has looked at the competition, has decided on some elements of Patient Care which, if implemented, would enable it to stand out in the marketplace, and has put these into practice.
- ✓ Restaurant 1, which is more established, will need to re-assess both the Patient Care standards, and the overall Patient Experience, to stem what may be a tide of its regular patients going to Restaurant 2.

Example 2: Purchase of clothing – department store, suburban boutique store

A patient is about to go overseas, and needs to purchase additional clothing for the trip. Thinking that she knows the items and quality she is looking for, she initially goes to a large department store.

The bad experience: Our patient goes to the women's floor of the department store, starts perusing the huge array of clothing racks, and begins taking garments to the fitting room, some 50 metres away.

There is no staff in attendance at the fitting room, so she has to make multiple trips back to the area from which she has been choosing clothes. After around half an hour, she is totally confused, cannot make a selection with which she is content, and leaves the store.

The good experience: Our patient gets in her car and drives around five kilometres to a suburban shopping centre where there is a specialist women's clothing store that she has not been to before, but which has been recommended by a friend.

She enters the store and is immediately greeted by a smiling friendly attendant, who listens to what our patient is looking for and starts selecting various items for her to try on.

A number of the brands and styles are the same as our patient had seen in the Department store, but here with the help and advice of the attendant, who was providing personal service, our patient is starting to assemble a selection of clothes that she was initially planning to purchase.

The attendant then started bringing to the fitting room other items that will add to the overall wardrobe, and provide a greater range for mix-and-match dressing. Our patient is now relaxed and enjoying the buying experience, and has quite quickly developed a relationship with the attendant.

Did our patient actually purchase the clothing that she initially planned to? Yes.

Did she spend more than she had initially budgeted for? Absolutely! Nonetheless, she left the store extremely satisfied, having achieved and exceeded the purpose of her shopping trip.

A review of some of the key differences in the Patient Experience

	Department store	Boutique store
Range	▶ Huge, many labels, big price range, but all at supplier marked prices.	▶ Small range, better quality labels, average higher price, also at supplier marked prices.
Staff	▶ Few, and generally attending tills.	▶ One-to-small number, able to attend to you.
Personal assistance, particularly getting different styles, sizes	▶ Non-existent, in effect self-service.	▶ Personal attention and full assistance.

This real example is totally different to the first to show that it is often difficult to determine whether the actual Patient Experience has been thought through by the store, and whether any Patient Care initiatives (other than the absolute basics) have been thought of and put in place.

At the Department store, they are obviously targeting the "product buyer". They provide a huge range of styles and sizes on the premise. The average patient will find something that suits, take it to the register and purchase. They spend massive amounts on advertising to attract the buyers, and there is no real room or desire for a Patient Care program.

We're not saying the Department store is wrong in the way it approaches their Patient Experience – this is the way they wish to sell. What we are saying is that the suburban store can compete successfully if they develop a real difference by developing a Patient Experience, and a Patient Care program.

The smaller suburban store can not afford to carry as large a range of products as the department store, and so must be far more selective in what they stock.

The smaller store must appeal to that type of patient who wants a long term relationship.

What is our suburban store missing? The smaller store provided good service and personal attention during the buying process, but there were no Patient Care initiatives in place. The Patient Experience was satisfactory, but not outstanding.

The smaller store did not take the patient's name, address, contact details, or any of those personal details (clothes size, shoe size, labels purchased) which could be used for follow-up after the sale, or to commence a communication program to ensure the hard-won patient returns again and again.

Patient Experience worksheet

On the following two pages are worksheets where we have completed details regarding the two good experiences from above.

We have completed the basic actions that did happen, and have added some suggestions for additional actions that could be put in place.

These are very brief examples to give you an idea of how to use the worksheets. You can go overboard with detail, breaking down all the actions, but this is not the aim of the exercise. You put in the details that are significant and that can affect the Patient Experience.

So, in the restaurant example, we have not broken down the serving of each course, selection and pouring of the wine, up-sell for deserts. This all happened well, and is assumed to be OK. We are looking for where we could add to the Patient Experience.

When you first start this process, you may need a very detailed breakdown to find the "holes" in your system, or to ensure that each step is being handled as well as it should be.

There is additional information and instruction on how to use the worksheets in your own practice, following the examples.