



Adjust Your Strategy for a Down Economy

■ FRANK H. LEONE, MBA, MPH

There is a broad consensus that our country's current recession will advance to become the harshest economic crisis we have faced since the Great Depression.

On the surface, spiraling unemployment and broad-based financial pressures portend trouble for most urgent care clinics. Yet, crisis inevitably breeds opportunity if clinic owners avoid being caught like a deer in the headlights and proactively move forward.

This month's column addresses economic realities and what clinics can do now—not just to stay afloat, but to prosper in lean times.

The Effect

A climbing unemployment rate means fewer hires and less discretionary spending by employers (i.e., your customers). With fewer active workers in the workplace, there are undoubtedly fewer work-related incidents, as well. Although unemployment numbers do vary by state and specific market, most markets are feeling a severe pinch.

The Silver Lining

Things may not be as bad as they seem, however. Having been involved with occupational health programs since 1985, I speak from experience:

The provider-based occupational health program economy does not historically run parallel to the national economy. In fact, the opposite has often been true. For example, during our last notable national recession in 1992, I was pleasantly surprised that well-run programs not only weathered the storm but were thriving.



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During economic downturns, the strong tend to get stronger and the weak disappear. My company provides an illustrative example. Demand for our consulting services has been high in recent months. Why? Because occupational health programs are looking for ways to *increase* their efficiency and *sustain* their business. They need our counsel during perilous times and are willing to spend their finite funds in order to do the right thing.

The same is likely true for many companies; during such times, they need to turn to well-informed outside sources to ensure they are on the right track. This suggests it is possible for good urgent care occupational health programs to offset declining volumes by acquiring new clients who leave less-effective competitors.

What to Do

Scrub your contact base. High unemployment rates, turnover, and consolidation all contribute to the likelihood of a changing of the guard at many companies. This is a good time to establish contact with a new liaison at an old company or follow up with an established ally who has changed employment.

Shift some of your sales effort to marketing. Revenue growth during a recessionary period is more likely to come from new business generated by smaller companies than from an increase in business from large non-client targets. Comparatively inexpensive, high-visibility marketing tactics are likely to pay proportionately better dividends.

Emphasize return on investment. One might surmise that price is king during a down economy, but I believe just the opposite is true in our sector: quality, positive return-on-investment relationships take on added importance among buyers who cannot afford to make wrong choices at this time. Remember, there are many defensive-minded buyers whose purchasing decisions are driven more by fear than by

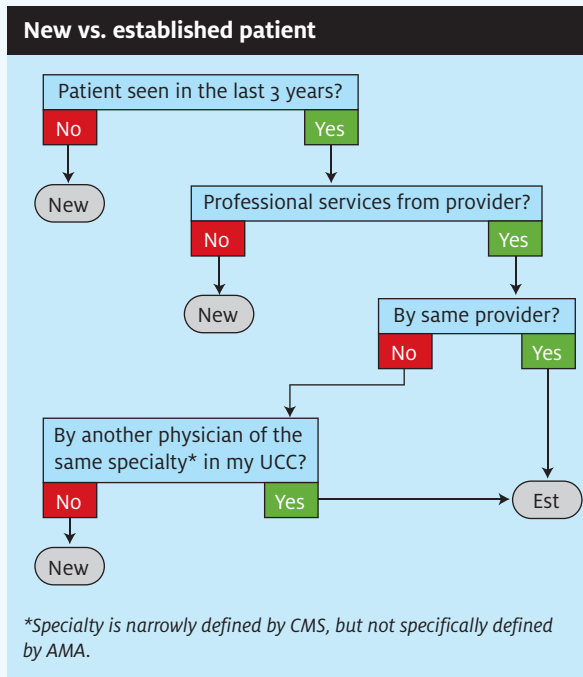
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ing in “urgent care medicine,” which CMS does not recognize with a two-digit code, then the second visit would have to be coded as an “established patient” visit.

Under AMA (CPT) rules, we are not limited to a specific, defined list of physician specialties. Again, whether the first visit was with a specialist in occupational medicine or a specialist in urgent care medicine, the second visit might be coded as a “new patient” visit, since the second visit was with a “specialist” in a different specialty.

One might recommend caution, however, when using undefined specialties such as “urgent care” that are not recognized by CMS nor have board certifications that are generally recognized by the medical establishment, as this may place the coder in the uncomfortable position of having to defend the legitimacy of a specialty that is not generally recognized.

The diagram below updates the one published in the January 2009 issue of *JUCM*. ■



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strategic thinking (see Fear as a Factor in Occupational Health Sales, *JUCM*, September 2008).

Promote on-site services. Growing numbers of large companies are offering on-site medical services. A 2008 survey by Watson Wyatt noted that “nearly 30% of large employers had a clinic on site or planned to open one by 2009.” Your clinic may well have the expertise to contribute to the operation of such clinics in a manner that provides the employer with superior management at a lower overall cost. Incremental losses in patient volume can be more than offset by just one significant on-site services contract.

Reactivate dormant relationships. The blog ieYou Marketing suggests that a clinic should contact past clients to persuade them to do business with you again. It boils down to a numbers game: make 10 such calls and you are likely to reactivate at least one dormant account.

Lock in client loyalty. Don’t take your clients for granted. Call each and every one—soon—and ask if there is anything more your clinic can do to better serve them. Saving potential revenue from attrition is just as good as generating that same revenue anew.

Troll for a big fish. Most clinics consider some employers in their market off limits; they are either too big, have an in-house orientation, or have an established relationship with a competitor. But these companies are facing a recession, too. All of a sudden, your clinic’s “Let us help you control your health and safety costs” pitch might have considerably more appeal. Nothing ventured, nothing gained.

Plan ahead. Recessions do not last forever. Meanwhile, there will be a pent-up demand for exceptional occupational health services.

Occupational health sales and marketing professionals who focus on establishing and cultivating relationships during the first half of 2009 with the expectation that financially strapped companies will be better positioned several months down the road are likely to see a payoff.

Change is in the air. This appears to be one of those watershed years in which change in almost any form is perceived as positive, and status quo is out of fashion. In this environment, there are opportunities to woo business from competitors and/or introduce new products, services, or concepts in your market. This can best be done through a vigorous and focused sales effort that trumpets innovation and value.

Be a contrarian. Be an optimist when others are forlornly predicting economic doom. Put greater effort into sales and marketing when others put their collective sales/marketing heads in the sand. People tend to be attracted to optimists during a storm. Be the star upon which your clients and prospects can hitch a ride. ■