

Core Metrics for Measuring Marketing's Financial Performance

Highlights from whitepaper "[Life Beyond Promotion: Core Metrics for Measuring Marketing's Financial Performance](#)"

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Introductions


- **Arthur Sturm**, President, SRK
- **David Marlowe**, President, Strategic Marketing Concepts
- **Bill Gombeski**, Senior Advisor, Office of the Executive Vice President for Health Affairs, UK HealthCare



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Agenda

- The Task Force Process and Challenges
 - What we learned as a committee
- The Core Metrics
 - Quick overview of the 17 metrics
 - Key parameters of metrics
- Metrics 2.0 Issues – Where Metrics May be Going
 - Highlights from marketing leaders and others
- Q&A



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The challenge: Set the standards or be told what to do

- Rapidly changing environment foretold of increasing accountability by all disciplines
- Marketing often seen as a promotional exercise vs. revenue generator
- Lack of data to support marketing's contribution
- Decision was to be proactive with finance "supported" metrics
- Biggest challenge: Establishing the foundation





Key to Success: Finance Involvement

- Participation and support from HFMA provided insight, credibility and guidance
- Identified CFO's concerns, doubts and needs for marketing metrics
- Biggest "ah-ha" finding: the need for upfront dialogue with senior leadership




What this is and isn't

- Initial metrics are the foundation for assessing marketing's financial contribution
- Metrics will probably vary by institution
- Use of new channels of communication, shifts in reimbursement and rise of consumerism will require expansion of these basic metrics



SHSMD 2016 Core Metrics


- SHSMD Task Force initially started with 30-35 metrics – way too many.
- Result of discussion and assessment was 17 metrics in 4 categories. Each category assessed along lines of Marketing “accountability” or “influence”.
 - Growth – Marketing is Accountable and has Influence.
 - Brand and Image – Marketing is Accountable
 - Stakeholder Engagement – Marketing has Influence
 - Marketing Communications – Marketing is Accountable
- Consensus – This is “1.0” – a start, not the final set. But it establishes the first potential industry-wide base for a common “core” set of metrics.



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SHSMD 2016 Core Metrics Growth


Metric	Measurement
Volume Change	Monthly, Quarterly, Annually
Increased Revenue (Or savings from risk-based pre-payment)	Monthly, Quarterly, Annually
New Patient Acquisition	Monthly, Quarterly, Annually
Market Share (IP, OP Usage. Could also be enrollment or membership)	Monthly, Quarterly, Annually



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SHSMD 2016 Core Metrics Brand and Image

Metric	Measurement
Brand Awareness (Aided, Unaided)	Annually
Brand Preference	Annually
Key Service Line Reputation	Annually




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SHSMD 2016 Core Metrics Stakeholder Engagement

Metric	Measurement
Patient Satisfaction	Quarterly, Annually


Debate – What about influence on other Stakeholders – Employees, Doctors, Donors, Members, etc.?



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SHSMD 2016 Core Metrics Marketing Communications


Metric	Measurement
Paid media impressions, responses	Quarterly, Annually Digital may be more frequent
Earned media value, tone, impression, actions	Weekly, Monthly, Quarterly, Annually
Owned media – households reached, responses	Monthly, Quarterly, Annually
Social Media (Activity, Reach)	Quarterly, Annually



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SHSMD 2016 Core Metrics Marketing Communications

Metric	Measurement
Digital Media (Wide array of metrics)	Monthly, Quarterly, Annually
Direct Marketing (Outbound calls, direct mail, e-mail, targeted e-newsletters, etc. Measure responses, conversion, etc.)	Weekly (Digital), Monthly, Quarterly, Annually.
Physician Liaison/Sales (Visits, gains in referrals/volumes)	Monthly, Quarterly, Annually
Other Sales (Incremental revenue, referrals, new business, etc.)	Monthly, Quarterly, Annually
Return on Marketing Investment (ROMI) (Revenues connected to specific efforts)	At specific points (6 months to 2 years) after implementation



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Health Care Marketing Metrics Reporting Guidelines

1. Choose metrics that matter –
 - To the audience **reading** the Dashboard.
 - To the strategic direction of the organization.
 - Consider the “so what” factor – does the metric impact operational or strategic decisions?
 - In candor – “Production” metrics are probably better limited to internal departmental tracking purposes.
2. Don't assume the reader understands the jargon.
3. As much as possible, keep it visual.

Health Care Marketing Metrics Reporting Guidelines

4. Keep it current or don't bother.
5. Make it simple to access, read and use.
 - And check once in a while – is anyone really reading it?
6. Be honest – if the results are not up to goals, acknowledge and look at solutions.
7. Decide how often to report:
 - Time periods of the data elements (why report monthly if many elements only change quarterly or annually)?
 - Resources available within Marketing
 - Patience/interest of the target audience

Health Care Marketing “Dashboards” Guidelines

8. Decide how many metrics to report.
 - How available is the data?
 - How much support and staff resources do you have to do this?
 - How many really mean anything to both the leadership and the operations of the department?
 - Consider Two Levels of Metrics – One for leadership (Operations and Strategic) and one for the Department (Production and Operations)
 - Financial metrics' reports typically focus on perhaps 10-12 key ratios and results. Maybe that's a good guideline for Marketing, even though the SHSMD “Core” metrics number is 17.

Additional Metric Discussion

- Metrics can be added to suit your organization, marketing and marketplace
- Employee/physician engagement
- As digital grows, more metrics can be added
- Value-based, population metrics
- Leading vs Lagging indicator metrics

Marketing Metrics 2.0


- In C-suite, you have your biggest impact with metrics linked to dollars
- Financial metrics include contribution margin, income/revenue per patient, value of market share point, case mix
- Hybrid marketing/finance metrics include brand valuation, cost/income of marketing generated new or former/current patient, lost patients, payor mix change, share of wallet, life time value of patient, value of a physician referral

Concluding Thoughts

- Movement from fee-for-service to value-based reimbursement and ongoing evolution of marketing will require new metrics
- As an industry, we need to continue to pilot new ways to measure outcomes
- Many ways to present data – spider charts, dashboards, summary reports, red/yellow/green format

Concluding Thoughts

- Once metrics are collected, they need to be shared widely beyond senior management to middle management and front line staff so they can understand how to help Marketing
- Determining desired outcomes and metrics for those outcomes ideally begins in the planning process, so it's always helpful if Marketing is at the table for discussions, projects, programs and organizational strategies




Q&A

Submit your question through the Q&A panel on your screen or you can select the "raised hand" icon to ask a question.

Faculty Contact information:


- **Arthur Sturm**, President, SRK, Email: asturm@srksolutions.com
- **David Marlowe**, President, Strategic Marketing Concepts, Email: dmarlow1@ix.netcom.com
- **Bill Gombeski**, Senior Advisor, Office of the Executive Vice President for Health Affairs, UK HealthCare, Email: william.gombeskijr@uky.edu



Thank you!

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