Healthcare Strategy

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CUSTOMER RELATIONSHIP MANAGEMENT SYSTEMS

What Healthcare Executives Need to Know

By **Debbie Reczynski**

Other industries have long recognized the value of customer relationship management (CRM) systems as a key to better understanding the customer. But many healthcare organizations are only now embracing the technology. To help healthcare executives better understand the potential and value of CRM, the Forum for Healthcare Strategists convened a panel of three experts at the Healthcare Marketing and Physician Strategies Summit in May 2014. Following are key insights.

Q **Let's start with the basics. What do all healthcare marketers and strategists need to know about CRM?**

Christopher M. Catallo, Senior Vice President, Healthgrades: No matter who you ask, definitions of CRM are different. But one thing is consistent across all of them: it's about data and measurement. And with the data, what can you do? Can you measure your marketing results? How do you act on the data you gather? Healthcare is not good yet even at building clean marketing lists. A CRM system provides clean data for identifying whom to target, segmenting your data, and building good lists.

Laura Lee Jones, Founder and CEO, LionShare: Healthcare organizations need a much fuller understanding of all of their audiences, including patients, employees, physicians, and other stakeholders. A CRM system provides a reading across all of those channels and

also enables two-way connections. With CRM, you can gather information that helps you communicate better with your audiences and also communicate in a much broader fashion with people before they're sick. Additionally, with the growing importance of managing population health and preventing readmissions, CRM provides hospitals with a way to help manage care of chronically ill patients post-discharge. Healthcare organizations are really starting to understand the need for one-on-one communication—and for communicating with people in the way that they want to be communicated with. That's what CRM can do.

William Moschella, Co-founder and CEO, Evariant: When it comes to what CRM can and can't do, each organization has its own needs and definition. But, to be used effectively in marketing, what a CRM platform minimally needs are data plus integration capabilities, communication capabilities, and analytic capabilities. Then, in terms of advancing marketing strategy, it's not so much the use of CRM as taking action on the data collected. You want to get to "how do we make more predictive decisions based on this data." And the value of CRM grows as the data grows. It is a constant journey; often, you're building the database as you move on.

Q Are CRM and PRM, or physician relationship management, the same or different?

Jones: They are really the same thing but for different audiences. With both, you are managing relationships. CRM is very analytical in nature, but it needs to come together with operations to manage relationships.

Catallo: There is some misconception in healthcare around CRM, PRM, and ERM, or employee relationship

management, about whether these systems need to coexist, be launched together, and other issues. In the end, though, what comes out is generally used for the same action with different groups. It's important to know your audience and use information to appropriately target and message them to influence behavior.

Q How can we help advance the use of CRM in our organizations?

Catallo: CRM is a really simple concept that can be extremely complicated. On the front end, you have your database, lists, and "push," and on the back end, you have measurement. In order to effectively work with all of this information, you have to have executive buy-in and support. Collecting, integrating, and working with data is "invisible"—it's not like building a new website where you have a defined output that everyone can see. With CRM a lot of work goes in, but it's not visible. So we all need to do more education to help CEOs and other executives understand what goes into it. You have to have an internal champion to help everyone in the organization understand the value of CRM and move it forward.

Moschella: Buy-in is critical. In so many organizations, CRM, PRM, and the call center are all in separate silos, even though they are all trying to accomplish the same thing.

Q What skills and capabilities are needed for successful use of CRM? And do you need someone to "own" the CRM effort?

Jones: The skills and capabilities depend on what you want to do with CRM. But at a minimum, you need:

◆ The right technology to make sure it's successful

◆ A strategy team—including a partner who is part of the team

◆ A culture that supports the effort—there has to be an operational readiness to get past silos and come together

◆ Staff, including a CRM director, who will "own" it, and perhaps an analyst too

Catallo: It would be really hard to build a dedicated CRM department. It is important, though, that you have an internal owner who understands the value of CRM and is able to educate others about the value and the results CRM delivers. That owner might be the chief marketing, strategy, or customer experience officer, as the data can be used for marketing purposes as well as to identify and solve business problems. The ability to derive insights from the data is key.

Moschella: In B-to-B work, someone within the sales organization owns the CRM and manages the data while the digital marketing team is responsible for the execution of campaigns. Some organizations taking on CRM have a person who owns it and a digital team that executes digital CRM, but all of the pieces are owned by marketing—that's the key component.

Q What about organizations that want to start at a smaller level … that don't want to buy a whole CRM package?

Catallo: Step 1 for all organizations: look at where the organization is now and what its goals are. Step 2: put a strategy in place for digital evolution, starting with simple lists of what information you want to go into your data system. The goal is to advance the CRM industry overall

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in healthcare. It's not about which platform or vendor—there are many good ones—it's about getting more organizations using CRM.

Q How do you see social media data feeding into CRM?

Catallo: Social media is absolutely one of the channels that has to be measured and monitored and fed into your CRM database. But most organizations are still living in the 80 percent print world. It's easier to start with the web than with social media when it comes to integrating CRM and digital marketing. For instance, you can start by tracking user-identified data from web forms that people fill out.

Moschella: There is a major disconnect between social media and linking it back to CRM. Social media is about people connecting on the Internet through different levels of conversations, without promotional intentions. Linking social media to CRM would require asking people to opt in to allowing you to access their social media conversations—and that is not "social." Once you do that, you move into the realm of promotion. So true integration—wherein an organization would be able to see people's tweets, posts, and blogs and connect it all with their clinical information—is a long way off.

Q What is the role of CRM in population health, and what might that mean for marketers?

Moschella: Population health is more than a buzzword; it is something very real. But to effectively manage population health, a healthcare

organization has to bring together so many areas. Population health models that organizations are looking at are very different from what a CRM model does. What CRM does is identify individuals who are at greater risk for health problems, and the marketer can then spend more time communicating with those individuals. Population health management also requires that healthcare organizations go at-risk, and the data needed for that purpose is not going to be fully owned by marketing. Marketers do have an opportunity to be at the table, though. They will play an important role in the communication part of population health management, with CRM as a platform for communications to and from patients.

Q Where is CRM headed in the next two years?

Catallo: Healthcare is changing direction to focus more on wellness. Something will happen as has happened around meaningful use. That is, different departments will use data for different needs, but multiple departments will have access. It's important to make sure that all of the data is coming from the same place, and the CRM system can become that data center. For the marketing department, with more widespread use of CRM, healthcare marketers will become better at building lists—for targeting traditional and digital marketing campaigns and for aiding in communications aimed at improving health and wellness.

Jones: Ideally, we will move toward having one source of "truth"—a single repository where data resides for communication, for measurement, and for changing behavior, and through which everyone is able to share data and work together. It's also likely that strategy and marketing will align

more closely, providing a more comprehensive market view. Additionally, communications will continue to evolve beyond "marketing speak" focused on promoting hospital services and will incorporate messaging around wellness, health management, and the entire continuum of care.

Moschella: Historically, vendors in the CRM space in healthcare have been small companies, while in other industries, CRM is dominated by massive companies like Google and Oracle. Now, as a result of changes related to reform, those big players are recognizing that there's money here and are coming to healthcare.

Also, as small companies, the early CRM vendors in healthcare were expected to be all things to all people. Looking ahead, I see a platform marketplace coming—an open network that will provide healthcare organizations with many more choices and with the opportunity to select different vendors for different purposes. Ultimately, this increased selection will enable organizations to optimally meet their needs for CRM, digital strategy, email marketing, and more. The ideal environment is one in which customers select the best of breed for their specific channel, market, and even specialty/service lines. They will build their solution on a platform rather than be served something out of the box.

Sources

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