

**The Magic is in the Mix: Seven steps to grow your home care business**

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**Leading Home Care ... A Tweed Jeffries Company**

In the fall of 1999, I was asked by the Senior Vice President for Post Acute Care at Jewish Hospital Healthcare Services here in Louisville to serve as Interim President and CEO of their home care company, The Visiting Nurse Association of Louisville. VNA had grown into a \$25 million business with home health, home infusion, home medical equipment, and private duty home care. I had served on the VNA Board of Directors for several years and was actively involved in the merger of VNA with JHHS.

I agreed and spent a wonderful six months working with the senior leadership team to develop strategies for growth and in getting the company ready for the new CEO. Mary Lynn Spalding joined the company as CEO in February 2000 and has done a superb job of completing the turnaround.

As I worked with the leadership team at VNA to develop a strategy to grow the business and turn around the challenging financial picture created by IPS, we recognized the need to examine our competitive position in the marketplace. Although VNA had been the market leader for many years and was aligned with the premier hospital system in the community, we were not getting all of the business we deserved.

Our competitive analysis showed that two of our major competitors, both regional proprietary chains, had very strong sales and marketing functions. They had focused on earning the business of patients coming out of our hospital, and they were successful in taking some marketshare.

Since that time, I have worked with hundreds of home care companies across the country in developing strategies to grow their businesses. A major area of opportunity is in sales and marketing.

Many years ago I was attending a convention of the National Speakers Association. (I just ended my term as President of NSA two weeks ago at our convention in New Orleans.) One of the presenters was a long time friend and mentor, Nido Qubein, from High Point, North Carolina. Nido was talking about growing our speaking businesses. His message was, "The Magic is in the mix." There is no one best sales or marketing tool. Instead, it is the mix of highly effective tools and techniques that persuades your customer to buy from you instead of your competitors.

The same principle applies to home care. The magic is in the mix of tools and techniques you use to let your customers and potential customers know about your uniqueness. Here is a seven-step process you can use to grow your home care business using a mix of sales and marketing tools:

### **1. Assess your current reality**

Take time to step back from the day-to-day busy-ness of running your agency and objectively assess your current position in the home care marketplace in your community. Here are some questions that will help you:

- What is your current size relative to your major competitors?

Sometimes this is difficult to judge accurately. Some communities have a business newspaper that publishes a list of the top 25 companies in a variety of categories. Here in Louisville, *Business First* publishes such a list about the same time each year. You can also get information by requesting copies of Medicare cost reports on your major competitors. This data is usually several years old, yet it gives you an apples-to-apples comparison.

- How rapidly is your agency growing?

Home care seems to be rebounding after the tragedy of IPS and the BBA of '97. After 25% of the nation's certified home care agencies went out of business, those of us that have survived seem to be growing.

- How is your agency positioned in your marketplace?

To find this out, you need to ask questions and listen. What are people saying about you. You can also do a survey of customers and referral sources to find out what they think about your company as compared to your competitors.

- How is your agency viewed in the employment marketplace?

Employees and prospective employees talk to each other and to their friends in the community. What do people say about your company as a place to work? This perception has an influence on customers and their buying decisions. If potential customers hear that it's not a great place to work, they may conclude that it's also not a great place to receive care. Customer relations are a mirror image of employee relations.

- What do your patient satisfaction scores tell you?

What are you learning from your patient satisfaction surveys? Are there things you can do to improve? Are there testimonials there that you can use as evidence of your company's differentiation in the marketplace?

## **2. Set Your Direction**

How do you want to grow your company? In our work with leadership teams in setting strategy for growth, we use a concept called the growth matrix. It explores four specific strategies to grow your company:

I. Penetration: Sell more of your current products and services to your current market.

II. Expansion: Sell your current products and services in new markets. In home care, this often means geographic expansion.

III. Innovation: Develop new programs and services to sell in your current market.

IV. Diversification: Develop new programs and services to sell in new markets. This is the danger quadrant. When you invest in totally new products for totally

new markets, you are moving into unknown territory and you run a great risk of failure.

### **3. Define your uniqueness**

What is it that makes you unique in your marketplace? What makes your programs and services different from your competitors? You need to be able to convince your potential customers that you are better prepared to meet their needs than your competitors. Otherwise, you are just a commodity and the only difference is price. And you don't want to be positioned as the bargain basement of home care.

- You can define your uniqueness around the quality of the programs or services you provide.
- You can package and promote your services in different ways.
- You can provide better service ... faster, easier, more friendly service.
- You can focus on a narrow segment of the home care marketplace.
- You can focus on building special relationships with customers and prospective customers.
- You can focus on your company values and find customers who share those same values.
- You can examine the total experience your customer has and find ways to craft an exceptional customer experience.

And if you can't differentiate yourself in any other way, you can become the low-price competitor in your marketplace. What will be your unique factor?

### **4. Master the Art of Strategic Selling**

Strategic Selling is the process of using your uniqueness to persuade your potential customers to buy what you are selling. You persuade them that your home care company is better prepared to meet their needs, wants, and expectations more effectively than other home care companies in your marketplace.

The strategic selling process has seven steps:

- Prospecting
- Making the approach
- Developing rapport

- Fact finding
- Presenting your offering
- Closing the sale
- Providing service after the sale

You need to master the skills in each of these seven steps.

## **5. Support your sales effort with a creative mix of promotion**

Marketing and promotion are the things you do to open the door for selling, and to make your phone ring with prospective customers. It's much easier to sell a prospective customer who calls you than it is to make a cold call. Effective sales promotion can go a long way to helping you build the relationships you need to grow your business. Here are the top techniques for marketing and promoting home care services:

- Sales support materials
- Direct Mail
- Newsletters
- Special events
- Public relations
- Public speaking
- Media advertising
- Specialty advertising

## **6. Recruit capable people**

There is a truism that we have observed over and over again in home care. "The company with the best people wins!" If you are a great place to work and can attract and retain the very best people, you will be a winner in the marketplace. Customer relations are a mirror image of employee relations. When you hire and retain great people, they will take great care of your patients and customers.

That means that recruiting and retention are key parts of your marketing strategy. If you convince people to buy what you are selling but then you can't deliver because you can't get the staff, you have a disappointed customer. If you convince people to buy because of exceptional service but the staff member you send out has a negative attitude, you have a disappointed customer. If you convince a doctor to

give you a referral and then the nurse you send out botches the relationship with the physician, you have a disappointed customer.

Finding and keeping top talent is a key part of your strategy to grow your business.

## **7. Measure and manage your growth.**

We have a saying in our company; "What gets measured gets managed. What gets rewarded gets repeated." If you want to grow your company, start measuring the results of your sales and marketing activities. Report the results to your senior leadership team every month and make the results a key agenda item. You'll find that attention gets focused on sales. The results will be increased numbers of referrals, admissions, and revenue dollars.

Remember that there's no one right answer. The *Magic is in the Mix*.

**About the Author:** *Stephen C. Tweed, CSP*, is Chairman and CEO of *Leading Home Care ... A Tweed Jeffries Company* based in Louisville, KY. Leading Home Care works with home care companies who want to grow and with home care leaders who want to get ready for the future. Stephen's expertise is in five specific areas of home care; leadership, sales & marketing, staffing, private duty, and leading associations. He can be reached at [stephen@leadinghomecare.com](mailto:stephen@leadinghomecare.com). Sign up for his FREE bi-weekly electronic newsletter at [www.leadinghomecare.com](http://www.leadinghomecare.com)