

Turn your call center into a revenue center

Dear Reader:

I hope you enjoy the following excerpt from the HealthLeaders Media book, ***Turn Calls Into Customers: Maximize Customer Experience With Your Call Center***.

Make sure you're taking advantage of the first point of contact

Customers are becoming more involved in their own healthcare, and hospitals need to make sure that they're taking advantage of the marketing opportunities available to them at the first point of contact. If a call goes unanswered, or consumers don't get the information they're looking for, chances are they'll take their business somewhere else.

Turn Calls into Customers shows hospital marketers how valuable the call center can be to their marketing efforts. This book goes beyond the basics and shows you how your call center can provide complete customer service and maximize revenue, offering practical, real-world examples of ways to provide information customers are looking for, engage them, and make them partners in their own healthcare.

Turn Calls into Customers will show marketers how their call center can become a profit center by:

- » Explaining the hospital call center's role in the changing marketplace
- » Showing how a good first experience will keep patients coming back year after year
- » Examining best practices for hospital call centers of all sizes
- » Discussing the basics of good telephone marketing
- » Exploring programs designed to measure call center ROI

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6

Demonstrating credible ROI to the C-suite

Demonstrating credible ROI to the C-suite

Depending on who you are talking to about the topic of return on investment (ROI), you may get an assortment of answers about what marketing ROI is. Some people will talk about ROI in terms of market share. Someone else may respond with “revenue reconciliation.” Others will converse about call volume, cost per call, and appointment conversion rates. Still others may consider all of these to be ROI measurements. However, the goal of this chapter isn’t simply to provide a laundry list of possible metrics that the marketer can use. Instead, the goal is to take one step back and establish which ROI metrics are going to be credible to your organization’s senior leadership.

To determine credible ROI reporting, there needs to be thoughtful, collaborative, and integrated planning to establish what the strategic purpose of the contact center is. There needs to be discussion with members of senior leadership to understand their expectations for the contact center, including desired outcome measurements. I am not suggesting you go in with a blank piece of paper and ask to have this information handed to you. Marketing and call

center leaders must be prepared to discuss their ideas, thoughts, and recommendations. Reaching agreement on the purpose of the contact center is critical, as it will drive not only credible ROI tracking, but future decision-making.

Four call center models

One approach to guiding the discussion on the purpose of the contact center and the subsequent ROI metrics is suggested by Richard D. Stier, vice president of HealthLine Systems, introduced in Chapter 5. In Figure 6.1, four different contact center models are suggested.

In the first model, the call center purpose is to be a community resource. Most often in this environment, the call center is providing physician referrals, class and event registrations, and general hospital/health system information. Usually, the metrics that are tracked in this call center are transaction oriented—the number of inbound calls, number of referrals made, number of class/event registrations, etc. These metrics will not suffice as credible ROI in the executive suite. They may be good barometers of what is immediately working with marketing calls to action, but they are not generally viewed as outcome-oriented ROI. Credible ROI should be thought of in terms of a financial measurement. Although call center transactions are necessary operational indicators for the call center manager and the marketer, they are not the strategic-outcome measurements a senior executive is seeking.

Figure 6.1

Contract Center Models



© Richard D. Stier for HealthLine Systems, Inc., 2008

For the organization looking to expand the influence of its call center, the next opportunity would be targeted growth. In this model, the contact center wants to create incremental growth for carefully selected services. The contact center engaged in targeted growth incorporates cross-selling of high-margin services, conducts inbound and outbound calls, and focuses on customer relationship management activities. Metrics then begin to take on more traditional ROI measurements, such as net contribution, physician appointment, and cross-sell rates.

The ExtremeService contact center serves as the front door to the organization that desires to showcase extraordinary service. There is a deliberate focus on creating a memorable experience for the caller at this type of contact center. In addition to the previously mentioned metrics, there are outcome measurements

of satisfaction, loyalty, repeat utilization, lifetime value, share of wallet, and share of household.

Preferred Access contact centers are the central hub for virtually all incoming and outgoing communication with an organization. They manage Web, fax, mail, voice, and e-mail correspondence with customers. These contact centers may also provide appointment scheduling, preregistration, disease management, and after-hours triage for physician offices. Additional metrics of ROI include cost savings resulting from integrated functions, dollars saved in triaging patients to the appropriate level of care, and measurable health outcomes.

Know what your organization wants

A set of common definitions within your organization is also essential for credible ROI reporting. One of the most complex aspects of revenue tracking is ensuring data reliability. This may involve working with the chief financial officer. Establishing the source of this financial data and the understanding of how the numbers are derived is critical in understanding the ROI calculations. Marketers need to work with their financial colleagues to agree upon how their organization is going to calculate marketing ROI. You must consider factors beyond reductions for contractual allowances, such as bad debt and direct, indirect, and overhead expenses.

It is also crucial to determine how downstream revenue will be attributed to individuals. For example, a customer calls the contact center after receiving a mailing for a new parent class. After attending the class, the customer becomes

an orthopedic patient and uses other hospital services. Will the hospital consider the downstream revenue generated to be part of the original campaign's ROI? Or will the ROI be limited to the customer's attendance at the new parent class?

Common ROI decisions that need to be agreed upon in advance are:

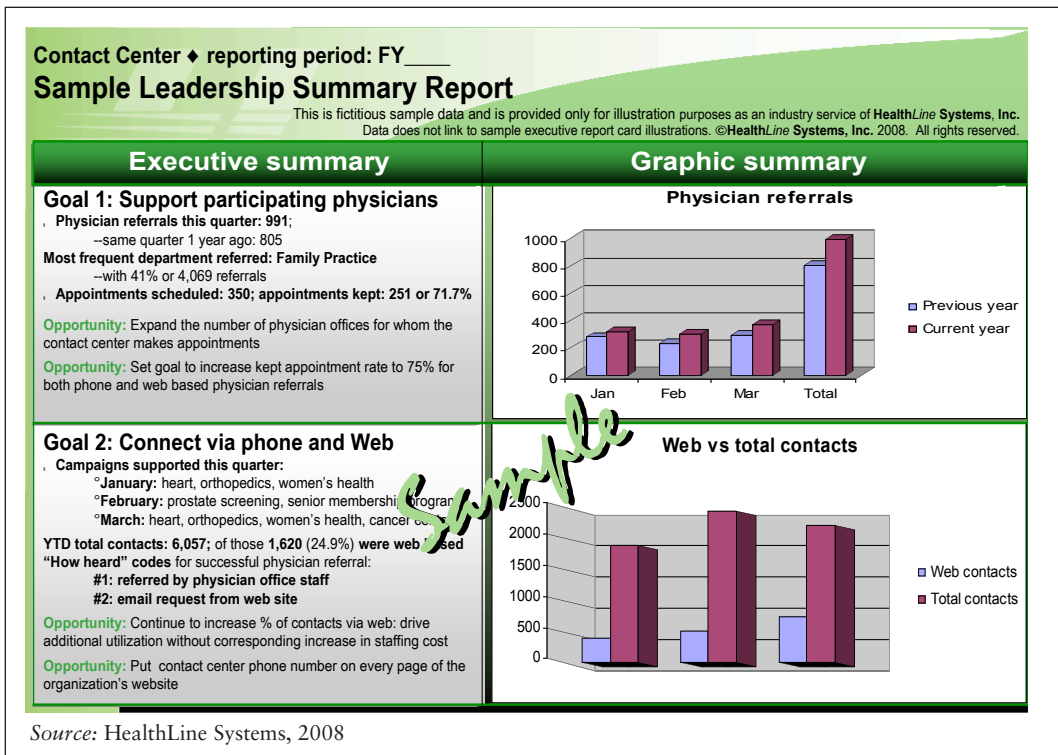
- How much time needs to elapse before someone is considered a repeat patient vs. a new patient?
- Are repeat/retained patients going to be included in the ROI calculation?
- How are you going to answer the question, "Wouldn't the patient still have come to us anyway?" Are control groups going to be used or is market share going to be factored out?
- How much time will be allowed between initial marketing and downstream utilization? One year? Two years? Or will it vary by service line?
- How frequently is ROI reporting going to be done?

For marketers who are new to ROI reporting, the book *A Marketer's Guide to Measuring ROI: Tools to Track the Returns from Healthcare Marketing Efforts*, by David Marlowe, provides a step-by-step guide to getting started with this significant endeavor. ROI tracking and reporting is challenging, especially depending on what infrastructure resources your organization has.

Reporting of ROI to senior executives can often be cumbersome and may fail to clearly demonstrate how the reporting ties to the strategic goals of an organization. Using a report-card format, HealthLine Systems, Inc., has prepared a series of figures that demonstrates how an ROI report can provide an overview for the senior executive. Figure 6.2 shows how a call center’s activity has supported two of its organization’s strategic goals and also identifies future opportunities for improvement.

Figure 6.2

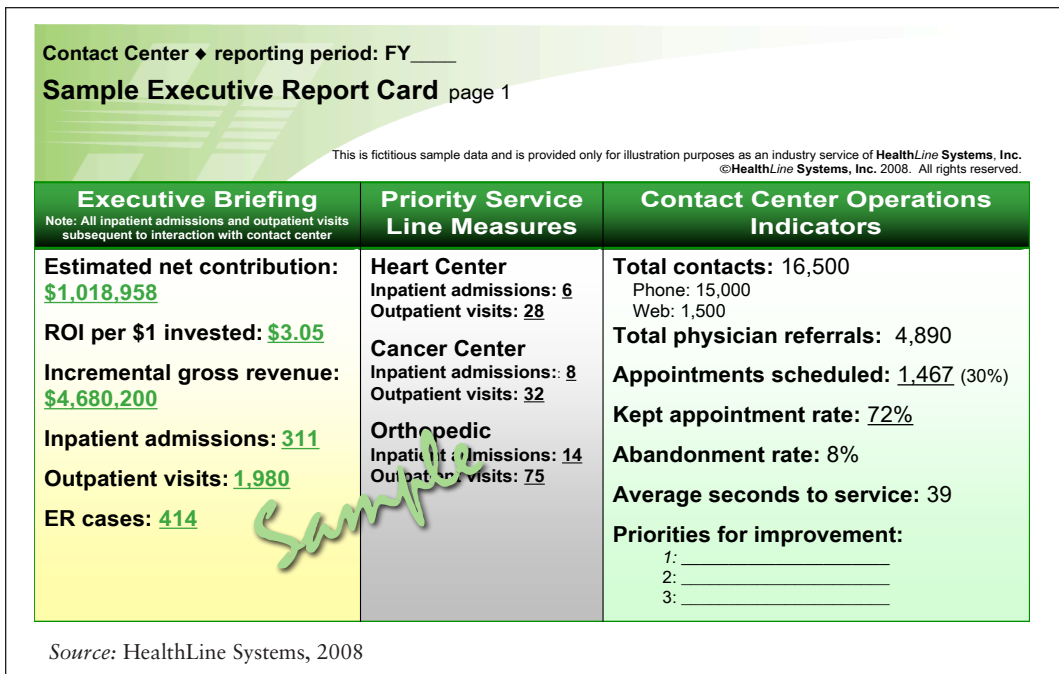
Sample ROI Report Card



In Figure 6.3, the call center activity is translated into visits and downstream revenue: emergency department, outpatient visits, inpatient admissions, and physician office appointments scheduled by the call center. It ties to strategic alignment by highlighting priority service lines for the organization.

Figure 6.3

Sample Executive Report Card, Page 1



Figures 6.4 and 6.5 provide a quick reference of the established ROI formula. These straightforward illustrations of financial calculations can help stifle what I call “marketing ROI skepticism,” which sometimes happens even after an agreement has been reached on ROI calculation methods.

Figure 6.4 Sample Executive Report Card, Page 2

Your Contact Center ♦ reporting period: FY _____

Sample Executive Report Card page 2

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Contact Center Volume	
Current number of phone contacts	15,000
Current number of incremental Web/e-mail contacts	1,500
Total phone and web contacts	16,500
Matched Gross Revenue	
Resulting inpatient admissions matched from Sharp Focus – 311 <small>(Results in average \$ per inpatient admission of \$11,000)</small>	\$3,421,000
Resulting outpatient visits matched from Sharp Focus – 1,980 <small>(Results in average \$ per outpatient visit of \$500)</small>	990,000
Resulting ER cases matched from Sharp Focus – 414 <small>(Results in average \$ per ER visit of just over \$650)</small>	269,200
Documented Gross Revenue	\$4,680,200

Figure 6.5 Sample Executive Report Card, Page 3

Your Contact Center ♦ reporting period: FY _____

Sample Executive Report Card page 3

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Estimated Net Contribution	
Documented gross revenue from Sharp Focus	\$4,680,200
Less market share ("business that would have come here anyway") (10%)	(468,020)
Total gross revenue less market share	4,212,180
Less managed care discounts and bad debt (50%)	(2,106,090)
Net gross revenue before operating cost	2,106,090
Less variable cost per case or discharge (@ 35%) (variable cost of care)	(737,132)
Less contact center direct operating cost	(350,000)
Estimated Net Contribution from contact center (A)	\$1,018,958
Estimated ROI	
Contact center direct operating cost (B)	(\$350,000)
Direct revenue from contracts for services (C)	\$50,000
Net Operating Cost of contact center	(\$300,000)
Return on Investment per \$1 invested (A+C)/B <small>Industry standard 3:1 based on study of over 800,000 calls over four years</small>	\$3.05

Source: HealthLine Systems, 2008

Most call center software systems have a component that helps facilitate this ROI process. There are also outsourced solutions in which hospital data can be sent to a third party for matching and report generation. Other organizations have pursued enterprisewide CRM database systems, which pull contact center, direct marketing, hospital utilization, and financial data together into a single database to allow an organization to track and report information at very detailed levels.

Tracking ROI: A necessary step

Regardless of which ROI tracking method your hospital chooses, the contact center should be responsible for the tracking. Due to the resource commitment required and the fact that people often stop requesting the information, many call centers abandon ROI tracking. This is unwise. Make a point of regularly meeting with your senior leadership to review results, strategic alignment, and future goals for the call center. Consider it an investment in your future viability and growth.



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