

PubH 6554
Health Care Marketing and Strategy
Spring 2009
Course Syllabus

Credits:	2
Meeting Days:	Wednesday
Meeting Time:	8:00 – 9:55 a.m.
Meeting Place:	Mayo D199
Instructor:	Steven Hillestad
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Office Hours:	1 hour after class

I. Course Description.

The course consists of two distinct topics. First, strategy setting at the corporate level concentrating on vision, critical success factors and environmental data. Second, the course provides an introduction to health care marketing with a focus on primary market research and creating a marketing plan.

II. Course Prerequisites.

Students must be admitted to the University of Minnesota Master's in Healthcare Administration Program or have consent of instructor.

III. Course Goals and Objectives.

Specific goals are listed in each class session in the syllabus.

IV. Methods of Instruction and Work Expectations.

Lecture, class discussion, case reviews, a group project to create a market research instrument and student presentations will be required. Students are expected to read materials in advance of class and to offer helpful perspectives during class sessions.

V. Course Text and Readings.

- Required: Health Care Market Strategies: From Planning To Action. 3rd edition. Steven Hillestad and Eric Berkowitz.
- Power Point Slides, data, and other materials will be posted prior to class. Sources for required articles available on line will be posted.
- Other important sources include: Harvard Business Review, Journal of Marketing, American Demographics, Journal of Strategic Management.

A Note on Reading Packages

- Each week the student will have a specific reading assignment. The chapter(s) or article(s) will be listed in the course syllabus. Readings for each week are to be read prior to class.
- Reading packages will be posted when applicable.
- Files containing information for the case studies will be posted on the course website.

VI. Course Outline/Weekly Schedule.

Jan 21 Week 1	Strategy/Marketing Structure And Role Model And Process Marketing
Students will	<ol style="list-style-type: none">1. Understand the role of strategy and/or marketing in a health care organization2. Describe organization chart and reporting relationships3. Differentiate general strategy and market planning models4. Begin to understand role of organizational vision.
Class Focus	Organization of course and expectations Strategy and marketing organizational models
Reading Materials	<ol style="list-style-type: none">1. Hillestad Chapter 2: Outlining the market planning process2. Reading package #1. The Package includes model strategic plan design, introductory material on strategic planning, and mission and vision statements .Mintzberg, Henry <u>"The Fall And Rise of Strategic Planning"</u> Harvard Business review Jan- Feb 1994 p. 107 (use www.lib.umn.edu to E-journals to EBSCOHost)
Jan 28 Week 2	Environmental Trends And Strategy Tool Box
Students will	<ol style="list-style-type: none">1. Understand the importance of environmental trend scanning2. Understand the key role of market share data in understanding health of a health care institution3. Understand the advantages and disadvantages of SWOT analysis and be able to lead a SWOT review4. Become aware of 3rd party data sources including AHD, Medstat and demographic packages
Class Focus	Conduct a SWOT analysis Demonstrate concepts using the following case study question: "We are considering creating a new health care administration program. What is the opportunity?"
Reading Materials	<ol style="list-style-type: none">1. Hillestad Chapter 1: Strategy development and the strategic mindset2. Reading package #2. The package includes information on secondary data environmental trends, SWOT analysis, and 3rd party data packages.
ASSIGNMENT DUE	Bring to class data, facts, information about the status of graduate health administration programs in the USA, including UofM data.
Feb 4 Week 3	Creating The Issues/Opportunities List And Crafting The Vision
Students will	<ol style="list-style-type: none">1. Be able to describe the key drivers of strategic success including the concepts of distinction, customers and focus and force (strategic mindset) and customer requirements.2. Explore the critical issues of organizational vision vs. mission and understand the technique of creating a vision picture3. Competitive advantage, differentiation, niche, focus concepts, what makes us different4. Understanding the vision picture including core passion
Class Focus	Using the NEWCO MHA in class case, students will learn how to use the Nominal Group Process to create the issues list

Reading Materials

1. Hillestad Chapter 3: The challenge of a competitive marketplace
2. Hillestad Chapter 5: Step 2 conducting the internal/external assessment
3. Collins, James C. and Jerry I. Poras "Building Your Company's Vision" Harvard Business Review Sep-Oct 1996 p. 65 (use www.lib.umn.edu → E-Journals → EBSCOHost)
4. Reading package #3. The package includes the Vision Picture, Nominal Group Technique, and Robert, Michel Chapter 4 "Determining the Strategic Heartbeat of the Enterprise" Strategy Pure & Simple p. 39-53. McGraw Hill 1993.

Feb 11 Week 4 Critical Success Factors As A Vision Output-Understanding Core Competency

Students Will

1. Understand the concept of critical success factors.
2. Understand other planning concepts such as balanced scorecard and scenario planning
3. Understand setting goals, tactics and accountability

Class Focus

Using the NEWCO MHA case study, classroom time will be utilized to demonstrate methods to agree on critical success factors. (Index card exercise)

Reading Materials

1. Reading package #4. The package includes information on Scenarios as a planning tool.
2. Visit www.wikipedia.org and type in balanced scorecard. While in the site, check out digital dashboard

Feb 18 Week 5 Guest Speaker Patti Arnold Executive Vice President University of Minnesota. Creation Of The Strategic Plan

ASSIGNMENT DUE CASE #1 ON STRATEGY PROCESS IS DUE. Review the material that was posted for the West Hawaii Region Strategic Plan. (Case #1 PDF). Assume you are the new Chief Strategy Officer. Provide the CEO with your initial evaluation and next steps regarding the plan. Also, offer your thoughts regarding what the CEO can expect from you in the future. What will be your agenda over the next 6-12 months?

Students Will

1. Understand the logistics of a strategic plan
2. Have a conversation with a health care executive connecting vision and operations
3. Learn about tools that can be used to focus a successful strategic plan

Class Focus

Have a conversation with an executive
 Discuss the Hawaii case. Review vision, strategies and tactics.
 Using NEWCO MHA case, Use 10 dot exercise to focus strategic initiatives, goals and tactics

Reading Materials

1. Visit www.wikipedia.org and type in marketing. Explore links.

Feb 25 Week 6 Introduction To Marketing, Customer Decision Behavior And Market Segmentation

Students Will

1. Grasp the marketing concept, the marketing plan, and the 4p's of marketing
2. Know the myth vs. reality of the marketing discipline
3. Understand key distinction between customer and consumer

Class Focus

Conversation with an executive
 Begin conversion of marketing discipline.

Reading Materials

1. Breene, R. Timothy, Paul Nunes, Walter Shill "The Chief Strategy Officer" Harvard Business Review October 2007, p. 82 65 (use www.lib.umn.edu → E-Journals → EBSCOHost)
2. Slide package on Customers

March 4 Week 7	Market Research
Students Will	<ol style="list-style-type: none"> 1. Understand market survey design and alternative methods 2. Understand basic concepts of market research design 3. Understand the requirements of the small group market research project 4. Understand issues related to consumer decision making
Class Focus	<p>Review survey instruments Try the paired comparison method Review cross tabulation data and review how cells are created in preparation for the Grand Clinic #2 case study</p>
Reading Materials	<ol style="list-style-type: none"> 1. Reading package #5. The package includes information on how to create market research instruments and examples of market research questions. The Paired Comparison tool is also explored. 2. Go to www.marketresearchportal.net for information about the field of market research.
March 11 Week 8	Market Research II, Paired Comparison, Customer Requirements And Segments
Students Will	<ol style="list-style-type: none"> 1. Review Secondary Research tools 2. Be able to think through methods to determine customer requirements 3. Know how to implement the paired comparison method 4. Be able to understand how market segments are formed
Class Focus	Market Research and Designing a Research Study by discussing case #2.
ASSIGNMENT DUE	CASE #2 MARKET RESEARCH DESIGN - GRAND CLINIC REPORT IS DUE. Study the data provided (Case #2 The Grand Clinic). Based on what you see, create a market research design proposal for further research, including research objectives, key topics to cover and a sampling plan. The main objective of the assignment is to <u>identify additional areas for market exploration</u> and the plan to gather the data. The intent of the assignment is not to get bogged down in the data contained in each cell but to use the existing data as a starting point to determine where to go from here.
Reading Materials	<ol style="list-style-type: none"> 1. Visit www.wikipedia.org and type in market segmentation. Once in the site, check out consumer behavior, and cluster analysis 2. Visit www.google.com and search “boomers” or “baby boomers” to get information about the growth and health care impact of this segment on society and our economy. 3. Reading package #6. The package includes examples of market segmentation
resources and data.	
March 18	SPRING BREAK – No Class
March 25 Week 9	ACHE Congress - Informal class time at program office as needed. Appointments by project group are recommended.
April 1 Week 10	Guest Speaker Mark Dixon Regional Vice President. Fairview Health Services
April 8 Week 11	Group Research Project Presentation And Reviewing Data Case Study
Students Will	<ol style="list-style-type: none"> 1. Experience a management group process of presenting and defending a market research plan 2. Learn How to evaluate market research data 3. Understand the need for precision in terms of study objectives and clarity in terms of research tool design.

Class Focus Small group presentations
Reading Materials None

April 15 Week 12 Alternative Marketing Strategies And The Strategy Action Match

Students Will
1. Understand what strategies are appropriate for different market conditions
2. Know what tactics to consider under different market situations

Class Focus Creation of a bridge between market data and tactics

Reading Materials
1. Hillestad Chapter 6: The Strategy Action Match

April 22 Week 13 The Marketing Mix: Product And Distribution

Students Will
1. Appreciate the key differences between primary and secondary product features and the role each plays in consumer decision making
2. Know the different distribution methods available to health care

Class Focus Understanding the critical role of product features

Reading Materials
(Weeks 13-15)
1. Hillestad Chapter 7: Determining Marketing Actions
2. Hillestad Chapter 8: Integration of the Marketing Plan
3. Hillestad Chapter 9: The Approval and Monitoring Process
4. Hillestad Chapter 10: Conclusion
5. Reading Package #7. This package includes Robert, Michel Chapter 3 "The 10 Deadly Sins That Lead To Strategic Malaise" The New Strategic Thinking p. 27-32. McGraw Hill 2006.

April 29 Week 14 The Market Mix: Price And Promotion

Students Will
1. Learn about pricing tactics that impact quality and impact demand
2. Know about alternative promotion strategies and relative advantages and disadvantages

Class Focus Pricing as the emerging strategy concern of marketing

May 6 Week 15 Putting It All In A Model. From Strategy To Marketing

Students Will
1. Understand how strategy and operations fit
2. Discuss the difficulties of a successful strategy cycle

Class Focus
The top, key issues with strategy and marketing
Answer questions

ASSIGNMENT DUE CASE #3 PREPARATION OF A MARKET PLAN – GRAND CLINIC REPORT IS DUE.
Based on the data provided, prepare a market plan for the organization that would cover the next 18 months.

VII. Evaluation and Grading.

The typical grade in this course is a B. In order to get an A, a student is required to:

1. Write in a clear, concise, executive style
2. Be clear about your conclusions and alternative courses of action
3. Support your view with data
4. Demonstrate that you have gone beyond readings required in class and that you have drilled as deeply as possible into an issue to determine a precise course of action. Look at the following example.

GRADE F	Grow market share
GRADE D	Grow market share in zip code 55665
GRADE C	Who in zip code 55665 uses care, where do they go, why?
GRADE B	What is important to these people? Will they switch doctors?
GRADE A	Who will switch? Why will they switch? How much can we capture?

Grades will be determined as follows:

Case #1 Hawaii plan evaluation	20%
Market research group project	30%
Case #2 Grand Clinic research design	20%
Case #3 Grand Clinic market plan	20%
Class contribution	10%

General Grading Checklist—The form that will be used to grade papers

+ Exceeds expectations. 0 Meets expectations. – Below expectations

1. ____ Written in an executive style. Clear, concise and to the point-with facts
2. ____ Ahhhh- the old wide margins trick/I have seen this before/not exactly/
3. ____ Drill deeper, what are your views, what are the alternative arguments?
4. ____ Good job, insightful and useful
5. ____ Difficult to follow, not specific, not organized as an executive report
6. ____ Show me the key data, but then what are your thoughts and suggestions.
7. ____ Give me something beyond what is required in class, such as some new data, studies, articles

For Market Plans:

1. _____ The goals are/are not measurable

2. _____ Not enough detail for each goal/ what about accountability

For Group Project

1. _____ The Business question and study goals are/are not clear and precise

2. _____ The questions will/will not support answering the business question

3. _____ The questions did/did not drill deep enough

4. _____ The instrument design was great/poor

5. _____ Sample plan makes sense/design is field ready

6. _____ Good/poor review of marketplace, competitors and issues

VIII. Special Note On Papers

Assume you are an executive. As an executive use an executive style of writing. Assume you are a marketing or strategy consultant and you are writing a briefing report to the Chief Executive Officer. An executive style format will usually consist of 3-6 pages of single spaced material. Special Note: 50% of the class, on a historical basis, will get a 'B' or lower because they fail to use executive style. Many students think they know this method but they do not. Don't lower your grade because the format was not correct.

What do I mean by "Executive Style?" The following represents a template.

To: Ms. Jane Madson CEO

From: Josh Greenbug Strategy Officer

Subject: Merger with St. Paul Center

Overview and conclusions

You asked me to look at the risks, options and next steps regarding a possible merger with The St. Paul Center. . You should be aware that over the last 5 years St. Paul lost over \$2.5 million and continues to lose money today. Also, based on data filed with the state of Minnesota, St. Paul volume of patients in the three locations has declined somewhat. However, the reason to consider the merger is the possibility of entry into 9 zip codes where our market share is less than 10%. I suggest that before we enter into formal merger discussion, that a team of two or three people are given the opportunity to do some due diligence with the St. Paul management over the next two weeks.

Key findings and observations

1. St. Paul is a local not for profit with revenue of \$8.9 million and losses of \$435,000 last year
2. They serve 4,300 families per year but it appears that volume is declining
3. We do not have any real presence in the area served by this organization. However, we have initiatives and merger discussions going on with three other organizations around the Midwest region. The extent to which our staff is able to handle multiple mergers is a significant issue, particularly when St. Paul is losing money. A merger with St. Paul could be a significant drain on our own management staff.
4. It is not clear how this merger fits with our organizational vision.
5. It would appear that no other competitor of ours is interested in merging with St. Paul Center

Proposed detailed next steps

1. Review with the board the relationship between a merger with St. Paul Center and how it fits within our vision
2. Arrange for a meeting with St. Paul to discuss a limited due diligence process.
3. The due diligence process would consist of the following elements
 - a. A detailed review of the strategic plan
 - b. Review of three years of audited financial statements
 - c Examination of market size and customer characteristics

IX. Group Market Research Project

Select a company and create a specific market research study. Review the organization and its marketing strategies, opportunities and challenges. Determine the key business question that needs to be answered. Determine if your research design, in fact, will help to answer the business question you posed. You will be required to prepare a written report and a seven-minute presentation with overheads.

1. Should Red Wing cut its retail price for eye surgery?
2. How can Abbott Northwestern improve market share from Stillwater Minnesota?
3. Should Aspen Medical Group change its name to Allina Clinics?
4. Blue Cross would like to open 2 prototype urgent care centers for members. Where should the centers be located?
5. Buffalo Minnesota. Why do patients leave town for care?
6. Is a patient advocate membership program viable and profitable?
7. Given new market conditions, will the new hospital in Maple Grove be successful? And when?
8. What will happen to membership in Medica if we have a joint replacement, heart, and elective surgical program affiliated with a new hospital in Mexico in conjunction with Johns Hopkins Medical Center. Assume that the package would include free airfare and 7 days post recovery in a beach setting environment.

What will happen on the day the market research projects are presented? What are the expectations?

This experience can be a learning opportunity or it can be an embarrassing and frustrating moment. If you follow the instructions carefully, this is a great way to learn about the application of market research.

The situation you should assume looks like the following:

It is Monday morning at the headquarters of the company to which you have been assigned. This is the weekly senior marketing team meeting and the agenda, as always is packed. Assume your team is presenting your market research idea to the company senior marketing team (the rest of the class.) Your job is to show and describe why your methodology and specific questionnaire make sense. The senior marketing team (rest of the class) on the other hand has a huge agenda this day and wants to get to the details. They are somewhat concerned about wasting market research dollars on this project; because they want their projects to be funded instead.

This management group has a tendency to get into the details of project design and they tend to ask a lot of questions because they are concerned that the answers to the questions will not be detailed and specific.

In order to prepare for the meeting outlined:

1. Your group should plan to meet at least 5 times. At the first meeting, determine who is responsible for coordinating the written report, who is responsible to gather data and who will begin framing the research instrument. This meeting should occur within 72 hours.
2. At your second meeting, you should have complete data regarding your company and the market your company operates within. At this meeting you should also draft your market research goals.
3. At your third meeting, you should have a first cut draft of the market research instrument. Now is the time to debate, fight, think, test, and try ideas.
4. Figure out how you are going to manage within the seven minutes allotted to you. Try out your presentation in advance. Know exactly who is going to be involved in what function.

Written Report

1. Follow the executive style format
2. Make sure you have established clear research goals

Focus of Seven-Minute Presentation

Design a complete market research protocol including research goals, sampling plan, and questionnaire applicable **to telephone, or Internet** applications. Expect to spend two minutes on an overview of the situation and five minutes on the detail of the instrument. Make sure the final, **field ready** market research questionnaire is on an overhead, and a copy is given to everyone.

X. Other Course Information and Policies

Incomplete Grade

An incomplete grade is permitted only in cases of exceptional circumstances and following consultation with the instructor. In such cases an "I" grade will require a specific written agreement between the instructor and the student specifying the time and manner in which the student will complete the course requirements. Extension for completion of the work will not exceed one year.

University of Minnesota Uniform Grading and Transcript Policy

A link to the policy can be found at onestop.umn.edu.

Grade Option Change (if applicable)

For full-semester courses, students may change their grad option, if applicable, through the second week of the semester. Grade option change deadlines for other terms (i.e. summer and half-semester) can be found at onestop.umn.edu.

Course Withdrawal

Students should refer to the Refund and Drop/Add Deadlines for the particular term at onestop.umn.edu for information and deadlines for withdrawing from a course. As a courtesy, students should notify their instructor and, if applicable, advisor of their intent to withdraw.

Students wishing to withdraw from a course after the noted final deadline for a particular term must contact the School of Public Health Student Services Center at sph-ssc@umn.edu for further information

Student Conduct, Scholastic Dishonesty and Sexual Harassment Policies

Students are responsible for knowing the University of Minnesota, Board of Regents' policy on Student Conduct and Sexual Harassment found at www.umn.edu/regents/polindex.html.

Students are responsible for maintaining scholastic honesty in their work at all times. Students engaged in scholastic dishonesty will be penalized, and offenses will be reported to the Office of Student Academic Integrity (OSAI, www.osai.umn.edu).

The University's Student Conduct Code defines scholastic dishonesty as "plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis."

Plagiarism is an important element of this policy. It is defined as the presentation of another's writing or ideas as your own. Serious, intentional plagiarism will result in a grade of "F" or "N" for the entire course. For more

information on this policy and for a helpful discussion of preventing plagiarism, please consult University policies and procedures regarding academic integrity: <http://writing.umn.edu/tww/plagiarism/>.

Students are urged to be careful that they properly attribute and cite others' work in their own writing. For guidelines for correctly citing sources, go to <http://tutorial.lib.umn.edu/> and click on "Citing Sources".

In addition, original work is expected in this course. It is unacceptable to hand in assignments for this course for which you receive credit in another course unless by prior agreement with the instructor. Building on a line of work begun in another course or leading to a thesis, dissertation, or final project is acceptable.

If you have any questions, consult the instructor.

Disability Statement

It is University policy to provide, on a flexible and individualized basis, reasonable accommodations to students who have a documented disability (e.g., physical, learning, psychiatric, vision, hearing, or systemic) that may affect their ability to participate in course activities or to meet course requirements. Students with disabilities are encouraged to contact Disability Services to have a confidential discussion of their individual needs for accommodations. Disability Services is located in Suite 180 McNamara Alumni Center, 200 Oak Street. Staff can be reached by calling 612/626-1333 (voice or TTY).