



%

1,843	+
629	+
1,961	+
1,809	+
690	+
763	+
85	+
508	+
1,258	+
1,310	+
1,400	+
1,500	+
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2,000	+

# The A Word

A marketing audit may improve your company's overall health. BY TERRI GOREN

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When someone mentions the word “audit” to a healthcare marketing staff, the first reaction is often one of fear and loathing. However, in most cases a marketing department audit will result in positive changes for the organization and the marketing staff and should truly be viewed as an opportunity.

Some of the positive changes that frequently occur include additional financial and staff resources allocated to increase the department's effectiveness as well as more targeted and effective strategies and tactics. An audit can also result in a more focused and integrated approach to marketing and communications and can help produce clear guidelines for working smarter with available resources.

Once an audit has concluded, staff members might see better alignment of staff roles and responsibilities. They can also expect increased recognition of the need to educate internal customers, especially leadership, about the discipline of healthcare marketing, including managing expectations. Conducted properly, an audit can also lead to a happier and more productive marketing staff and thus better retention. It can also offer opportunities for staff training and development.

Therefore, if someone has mentioned the “A word” in your department, remember that it can be a positive experience and not something to approach with wariness. In fact, it's curious that more department heads don't initiate audits themselves to help protect their position and increase internal credibility. More often than not, an audit initiated by the marketing director or vice president, as opposed to a board member or CEO, will help position marketing leadership as proactive and forward-looking.

Specifically, conducting an audit demonstrates a marketing leader's (1) desire to continually evolve and improve the marketing function, (2) unwillingness to maintain the status quo and (3) confidence, especially when the findings are shared with other leaders and departments—warts and all.

## When to Audit?

How do you know when the timing is right for an audit? There are a number of events that occur in the life of a healthcare organization that can trigger the need for an audit. These junctures usually offer marketing departments the chance to enhance their position within the organization going forward.

### Types of Audits

Audit type	Cost	Time issues	Internal credibility	Other
Self audit	None	Requires dedicated time/ focus when workload may not permit	Low, depending on how the department is perceived internally	May lack objectivity and best practices benchmarking
Business college audit	Limited	expect days because of scheduling difficulties and conflicting work priorities	May be more academic than practical	May lack best practices benchmarking
Marketing colleague audit	Limited	Other job demands may increase time	Moderate	May be influenced by the relationship
Internal committee audit	Moderate to high	Expect delays because of scheduling difficulties and conflicting work priorities	High	Familiarity with best practices, but some committee members may lack expertise to adequately evaluate function
Independent consultant audit	Moderate to high	8-10 weeks	High	Objective process, familiarity with best practices

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Such occasions include times when proposed budget cuts could adversely affect the marketing department's effectiveness; after the departure of the department head and before a new leader is hired—to assess the structure and function of the department; when a new department leader arrives—to give him or her an accurate assessment; when there is other marketing staff turnover; when there is a change in CEO leadership—to give the new leader an accurate assessment; when the board of directors requests an assessment; when internal customers, such as physicians, are questioning the department's effectiveness; and when there is a need to refocus the department's efforts and revitalize its staff to adopt new, more effective approaches to marketing.

### What Type of Audit?

Generally, audits fall into three categories: (1) an infrastructure audit that assesses staffing levels, roles and responsibilities; (2) a programmatic audit that evaluates the current marketing program, including strategic direction and budget; and (3) a blended audit that assesses both the department's infrastructure and strategic priorities, providing recommendations for optimal design and strategic direction. These types of audits can be performed in a number of ways and there is no one right or wrong approach.

**Self audit.** One approach is the self audit, in which the marketing leader or other internal management representa-

tive undertakes the assessment. Pros of this approach include lower expenses and increased familiarity with the department, its function and its relationship to the organization as a whole. Cons include a lack of true objectivity and potential lack of familiarity with marketing best practices of other successful organizations.

**Business college audit.** Here a faculty member from a prominent university business college performs the assessment. Pros include limited, if any, expense and the benefits of a business-oriented approach. On the other hand, the business college audit may potentially be more oriented toward an aca-

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demically assessment. It also may lack familiarity with marketing best practices in clinical settings.

**Marketing colleague audit.** In this type of audit, a respected marketing colleague undertakes the assessment as a favor. On the plus side, it offers limited, if any, expense and added

familiarity with healthcare marketing best practices. Some drawbacks include a potential lack of structure and the possibility that the audit might take longer because of the demands of the colleague's own job.

**Internal committee audit.** Practitioners, academics and possibly a national consultant can be invited to participate in this type of audit. This blend of expertise offers a theoretical point of view, a national perspective and the day-to-day realities. Thus, it offers the benefit of multiple perspectives. Unfortunately, it also entails the expense of the consultant's and possibly the academician's time and can take longer because of scheduling issues.

**Independent consultant audit.** When a national consultant is hired to perform the audit, firms can expect complete objectivity and familiarity with marketing best practices of successful healthcare organizations. These professionals are also experienced in dealing with the political pitfalls and challenges that might arise from an assessment. Some drawbacks of the independent consultant audit include the expense. Professional fees for experience and objectivity can vary considerably depending upon the size and complexity of the organization, how many on-site days are required to complete the interviews, the amount of materials to review and the number of days on site for presentation of findings. Some audits involve as few as three days on site; others can be as many as six days.

## The Audit Process

A successful audit is never secretive and is always collaborative with the organization's marketing department. Generally an audit will take two to three months to complete, from inception to presentation of findings. The audit begins with interviews of a number of key organization representatives, including:

- Marketing leadership and staff
- CEO
- CFO
- COO
- Chief of staff
- Planning
- Key clinical service line physicians and administrators
- Nursing
- Human resources
- Philanthropy
- Others, such as board members and external consultants, depending on the type of audit

In addition, it is often advantageous to include physicians or board members. Obtaining their perspectives is smart politically, but it may also yield valuable suggestions. Simultaneously, the audit will include a review of the healthcare organization's strategic plan and other pertinent materials.

## Audit Materials Reviewed

For programmatic and blended audits, it is helpful to conduct a thorough review of marketing and planning data, including the following:

### Organizational Information

- Strategic plan or stated objectives
- Current business plans
- Current marketing and communications plans (overall and/or by service line)
- Crisis communications plan
- Organizational chart for the department
- Key marketing job descriptions
- Areas of concentration/services of the department
- Historical and current marketing budget patterns
- Policies and procedures
- Standing marketing-related committees across the organization

### Existing Research

- Consumer research
- Referring physician research
- Patient satisfaction research

### Performance Data

- Return on investment analysis from marketing and Web projects
- New business generation analysis from marketing and the Web
- Other performance measures/success metrics

In addition, programmatic and blended audits include a visual review of sample marketing communications vehicles. Usually these materials are analyzed in relation to their intended audiences to understand the department's scope, workload and focus. Items in such a materials review include the following:

- Publications (newsletters, brochures, magazines, annual reports, etc.)
- Production schedules
- Direct mail
- Advertising
- Press clips
- Other types of communications (email blasts, posters, etc.)
- URLs of public and/or referring physician Web sites

## Using Audit Findings

- Share with your boss
- Use as an internal educational tool across with other departments
- Use at a marketing department retreat to
  - Guide growth
  - Discuss new opportunities
  - Enhance efficiencies
  - Define goals and objectives

## Revelations and Results

A useful audit should evaluate an organization's marketing department in relation to several critical success factors. First, be sure the marketing function is a direct extension of the overall strategic plan. Also, marketing must have a disciplined approach that reinforces brand management by differentiating the value, benefits and promise of the brand to both internal and external audiences. In addition, the marketing and communications structures, roles and policies must be smoothly coordinated

To be most effective, decision-making and prioritization must be based on strategic thinking and the current staff must possess the appropriate skills and abilities to meet the challenges of the strategic plan. Finally, before performing an audit, be sure that tracking and evaluation methods are in place and that plans are in place for professional development.

The audit's analysis should answer the following critical questions:

- Is there a clear, consistent understanding of business objectives among the current director and the department's support staff?
- What are the department's current priorities? How are priorities established?
- How well does the marketing staff understand its constituents (administrators, physicians, board members, consumers)?
- How effective are the structures supporting the marketing and communications function in meeting the organization's objectives?
- How responsive is the staff to internal customers?
- How solid are relationships with physicians and management?

- How is the success of the marketing and communications function measured?
- What current systems hinder progress? What systems work well?

After the information is obtained and analyzed, recommendations will fall into the categories of structure, process/systems and/or general strategies. Structural recommendations usually address new opportunities and thus additional strategies and tactics; roles and responsibilities; reporting relationships; recommendations for additional staffing, if needed; gaps in required skill sets; and staff training and development opportunities.

## What We've Learned

Interestingly, audit findings almost always yield varying definitions and expectations about healthcare marketing, spotlighting the lack of understanding in many institutions about the discipline and need for constant education. Very often an audit will reveal the fact that the CEO and other members of senior leadership have never seen a mature marketing function. Thus, they may have a cynical perspective or are simply uninformed about marketing's role and potential impact.

Often, confusion exists about the differences between marketing, planning, business development, referral relations, PR, strategic communications and community relations—and where these different components should reside within the organization. Therefore, recommendations often address the need for internal education about the ideal role and purpose of the marketing function and how it should drive an integrated program. In addition, strategic recommendations almost always include priority adjustments and suggestions for using resources more effectively or the need for additional resources.

Finally, it's worth noting that marketing staffs and administrative leaders may not necessarily like or agree with all the findings of a marketing audit. Staff and resource realignment and other changes indicated by an audit can seem threatening at first. However, the audit findings will almost always arm the department leader with the ammunition he or she needs to make positive changes that will benefit the entire enterprise going forward.

To be sure, marketing audits take time and resources but rarely are they not worth the effort. This is especially true in these difficult economic times when organizations are scrutinizing expenses and rightfully demanding value and return on investment from their marketing departments. **MHS**

## About the Author

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