

Business is down, so let's spend money!



You might say the real heroes of business success are those who virtually overnight have an earthquake hit their business model causing them to lose their market and yet, they survive and prosper.

Most people don't have to think very hard to find examples of

businesses that lost their market due to external changes. Remember that ancient relic the telegram? How about the typewriter? There is a long list of both products and services that became obsolete either because of innovative competitive technology or changing external business practices.

Sierra Tucson was poised to be the latest victim of changing times when, in the 1990s, insurance companies shifted away from managed care to private pay for in-house treatment for chemical dependencies and other behavioral health treatment.

"Shifted away" is too gentle a phrase. Almost overnight behavioral health treatment facilities found themselves without their traditional payers and their beds were empty or at least most of them were empty.

In 1995, Sierra Tucson was filling only 25 of its 48 beds when Keith Arnold, now the executive director, joined Sierra Tucson's staff as marketing director.

Quick to point out he is not solely responsible for Sierra Tucson's remarkable turnaround, Arnold concedes he helped institute at least some of the successful strategies and best practices.

Always stressing the collaborative philosophy of the organization and crediting it for building the brand into one of the best in industry, Arnold shared what he considers the biggest contributors to Sierra Tucson's successful marketing and business strategies:

1. Looking at the business model from the viewpoint of the customers.
2. Finding out what customers really wanted from Sierra Tucson.
3. Analyzing what was learned from customers and making changes.
4. Keep innovating and introducing new programs to better serve the population.

"This is not new stuff. It is pretty much common sense," said Arnold.

Actually, in my experience, when a business is going down fast, few executives have the guts to take time to talk to the customers. They are too afraid of

another day of slipping revenue and looking as if they aren't taking action.

Fear and lack of confidence also prevents businesses from making the investments in marketing and programs needed to get the company back on a profitable track.

By talking with the customers n i.e. clinical people in the national community n Sierra Tucson determined it needed to replace a good many of its marketers. Customers wanted people who were clinically trained and they wanted them relatively close to where they lived.

In response to this feedback, Sierra Tucson hired clinically trained therapists in major markets including Texas, California and New Jersey. The therapists spent time being trained in marketing and then were sent to begin calling on customers.

The results were almost instantaneous.

Since Sierra Tucson values and stresses collaboration, the approach in the marketplace improved communication between marketing and the clinical staff because they all spoke the same language.

The strategies paid off.

Today Sierra Tucson is one of the leading behavioral health treatment centers with a goal and reality of being a healing vortex in the world. The facility has 100 beds and averages a census rate of between 85 percent and 95 percent full. Another 44 beds are being added.

Sierra Tucson put in what Arnold calls "common sense best practices." Perhaps a more accurate description might be: uncommon best practices under fire..

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