

Creating Renewable Differentiation

Healthcare Case Studies



All products and services commoditize, but companies don't have to.

Renewable Differentiation allows companies to work **above the Safety Line** as an **advisor**, a solver of pressing customer issues, and to **pull through** the commoditized portion of customers' portfolios.

The following synopses describe how we have helped healthcare clients drive Renewable Differentiation to combat commoditization and power financial results.

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AT A GLANCE

01. Revive the Portfolio to Command Executive Attention

02. Focus Messaging & Outcomes to Create a New Market Space

03. Reframe Market Understanding to Power the Use Case

04. Synchronize Service Partnerships with Key Customer Goal

Case 1: Revive the Portfolio to Command Executive Attention

Client Challenge: A large client that served the healthcare provider industry was struggling to maintain the novelty of their offerings. As their products began to commoditize, they experienced increasing price pressure. Though the client continued to introduce new products to market, the lifecycle of the differentiation increasingly shortened. The client needed to access the executive suite with distinct and innovative products and offers.

Our Approach: We helped this client develop an offer that addressed operating rooms errors — a top of mind issue for leaders of health systems. In the development process, we determined that you could both make the operating room profitable and productive while eliminating many of the issues that cause errors. The result was a unique offer that combined safety and risk mitigation with financial improvement, and even surgeon satisfaction.

Results: The client successfully differentiated through this idea and gained access to the top executives of major hospitals and health systems. It allowed the client to renew account relationships that had gone stale and penetrate new accounts. Guiding the client along this comprehensive offer development process fundamentally shifted their market position, as well as provided them billions of dollars in revenue growth.

Through introducing an innovative idea to market and driving key outcomes, our client commanded executive attention, differentiated its brand, and drove substantial revenue growth.

By shifting its offer messaging and focus to enable dynamic decision making when prescribing drugs, our client increased product efficacy and delivered greater cost savings and quality outcomes to customers.

Case 2: Focus Messaging & Outcomes to Create a New Market Space

Client Challenge: Our client, a national leader in pharmacy technology, was struggling to drive adoption of its products in the provider space. The client aimed to maximize the efficacy of its products and minimize the cost of pharmaceuticals ordered for inhouse patients — another top of mind challenge for health system executives.

Our Approach: We conducted an in-depth analysis of the product and segment which helped us gain a new perspective on the client's messaging. Rather than backend cost-savings-focused messaging, we helped the client engage providers with messaging about dynamic drug management. Instead of retrospectively tracking the drugs ordered from static cost or preferred efficacy tables, orders were intercepted in real time, notifying clinicians of the difference between the drug ordered and the recommended drug, and requiring an override of the recommended drug with a reason.

Results: This novel approach immediately increased cost savings for customers and maximized the impact of the product, while empowering hospitals to be more dynamic in their analysis and decision-making in line with the dynamic nature of drug cost and efficacy information. This major breakthrough elevated the provider market's view of the client, differentiating the brand and commanding executive attention in the space.

Case 3: Reframe Market Understanding to Power the Use Case

Client Challenge: The client had recently brought a new product to market that failed to gain immediate customer attention. The client was entering an adverse market space as those who had purchased similar product were dissatisfied with the results.

Our Approach: After assessing the product, we diagnosed that the client (and its competitors) prematurely introduced it to the market without a well-communicated use case. In response, we dissuaded customers from buying this product without a clear and impactful use case, thereby freezing the U.S. market.

Prior to the product relaunch into this frozen market, we established understanding around the product by supporting the client in designing and conducting educational, in-person, group, and video series aimed at helping customers determine the technology use cases in their businesses.

Results: This program, which required the integration of higher-end services, created a comprehensive platform that engaged and educated customers. The client differentiated themselves from competitors who were pushing the product without providing proper support and education. Within 18 months, the client became the leader in this product space, gaining widespread recognition and trust with their customers and driving significant financial improvement.

By educating the market on the true value and use case for the product, our client built credibility and customer intimacy and captured value-added services around the product.

Through honing its agreements and approach to achieve the strategic outcomes most desired by customers, our client eliminated a competitive threat and opened new growth avenues.

Case 4: Synchronize Service Partnerships with Key Customer Goal

Client Challenge: The client, a major OEM of healthcare equipment, had primarily driven revenue through service agreements. The market, recently infiltrated with non-OEM, third-party servicers, was placing significant cost and margin pressure on the client. Without a new approach, our client would experience severe market share and/or margin erosion.

Our Approach: We started by analyzing the clients' service agreements. In an effort to distinguish themselves from the small, third-party firms, the client had incorporated into its contracts software and other "bells & whistles" that complicated the contracts and customers did not value. These overly-complicated contracts were ramping up the client's costs, further tipping the scales to third-party competitors. Our analysis revealed not that the hospitals didn't want the OEM, but that they prioritized cost savings over all else. With this key insight into the customers' point of view, we devised a new service agreement that guaranteed savings in other parts of the hospital. The client attached a consulting group to help uncover savings opportunities. Further, the client would gain a revenue benefit after identifying and realizing a certain amount of savings for the hospital.

Results: To eliminate the risk for the hospitals and increase their willingness to enter into the partnership, we designed the contract to include information about what the customer will provide, what the steering committees will be, and what the actions will be, with off-ramps for the customer if the client failed to perform. The new approach was extremely successful and arrested the development of the third-party competitors that were eroding the client's market.

About Us

For more than 20 years, McMann & Ransford has helped some of the world's leading B2B companies overcome commoditization by realizing the value of customer intimacy as a sustainable business model.

The greatest risk facing business-to-business (B2B) companies today is commoditization of the very products and services that made the company successful.

McMann & Ransford provides B2B companies a means of thwarting the commoditization cycle through Renewable Differentiation, a proven mechanism for returning to growth and margin. We help our clients create True Intimacy™ with their customers and in their key markets.

This allows our clients to become members of their customer's management team, as a trusted advisor that leads the way in helping their customers address problems and take advantage of opportunities — giving them access to a greater share of their senior executive's attention, focus, and ultimately, share of spend.

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