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## **MAGNA HEALTH SYSTEMS**

### **MARKETING A CENTER OF EXCELLENCE**

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ENVIRONMENTAL  
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*From left to right:  
Magna Health Systems president Guita Griffiths  
and Ken Bozorgi, MD, chief operating officer  
of Magna Health Systems.*



# MAGNA HEALTH SYSTEMS

## Marketing a Center of Excellence

By Lonnie Hirsch and Stewart Gandolf

**I**n many ways, Chicago's Magna Health Systems' (MHS) business model is much like any other ASC. Cultivating relationships with surgeons is a driving factor for business development.

But MHS is also significantly different from other players in the industry. A proactive and leading-edge marketing initiative — targeting both surgeons and prospective patients — sets them apart from many others in the business. It's a successful program that leaves some people curious, if not mystified.

To illustrate, MHS president Guita Griffiths shares this anecdote. As the story goes, a senior ASC industry executive commented (on behalf of their company), "We don't believe in marketing."

"This individual wanted to know why our bariatric program has been so successful while their effort has been a disaster," Griffiths recalls. It's not clear if they just haven't had any success at marketing, or if they don't understand the power of effective marketing. Both answers seem likely.


"ASC marketing isn't passive or accidental," Griffiths explains. "Magna Health Systems has carefully defined goals and tracks outcomes data for our marketing efforts, mirroring our approach to tracking clinical outcomes. Our marketing is focused on surgeons, referring physicians and direct-to-consumers for bariatric. If there's a secret to the success of our bariatric program, it's in continually monitoring our marketing effectiveness and making regular updates."

For MHS marketing plans, return on investment (ROI) is the yardstick of success. "Marketing is not an expense, it's an investment. And ROI is a business fundamental that every ASC understands. Marketing is expected to produce measurable results," Griffiths asserts.

As background, the MHS operation is multifaceted. It provides turnkey management services for three accredited multi-specialty ambulatory surgery centers and several large physician practices that collectively employ more than 160 people.

In addition, the 60,000-square-foot Magna Medical Campus is under development near Chicago's Midway Airport to bring Magna Surgical Center together with an advanced imaging facility and an urgent care center, as well as physician office suites.

DayOne Health is MHS' branded direct-to-consumer bariatric program for outpatient surgical weight loss using the Lap-Band® System and patient support. DayOne Health at 900 North Michigan Surgical Center was one of the first facilities to perform the outpatient surgery 10 years ago, and has been



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designated a Bariatric Surgery Center of Excellence by the Surgical Review Committee of the American Society for Metabolic and Bariatric Surgery.

While bariatric surgery is an important part of the mix, MHS facilities also perform orthopedic surgery, general surgery, neurology, pain management, plastic surgery, gynecology, ophthalmology, podiatry, urology, GI and ENT. Collectively, these facilities represent 10 operating rooms with approximately 12,000 surgical procedures annually.

The success of the bariatric and marketing programs of MHS has been proven through the years. But as complex as their business is, there are essentially six core components to their marketing activities:

### PROFESSIONAL REFERRAL MARKETING

Existing professional referral sources can't be taken for granted and new referral sources don't materialize spontaneously. Success requires a written plan and an unflinching system that preserves and grows the stream of inbound referrals.

### INTERNET MARKETING

Online marketing is a mainstream channel for branding, marketing, advertising and public relations. This can include websites and social media tools, as well as patient portals and mobile apps – all in the right mix.

### BRANDING

A powerful, differentiating brand is an important part of establishing and building a positive reputation and the ability to attract referrals and new business. This is also a deliberate endeavor that shapes and expresses the right message at the right time.

### INTERNAL MARKETING

These are all the ways of communicating with those people who are already familiar with the ASC, including present referral sources and previous patients. It's an influential resource for referrals, additional services, testimonials and/or word-of-mouth advertising.

### EXTERNAL MARKETING

These are the media and messages that reach prospective patients and referral sources that don't know you. Advertising via the Internet, newspapers, radio, television, billboards and the like, tells others about a solution for their needs.

### PUBLIC RELATIONS

Planning and generating "free press" exposure, such as newspaper articles or broadcast interviews, can be a positive and powerful influence. But free press typically results from careful planning, good timing, a clear message and a deliberate effort.

MHS proactively tackles two high-level initiatives in this multi-faceted picture. One of these programs targets doctors, while the other focuses on direct-to-consumer marketing.

### ASC MARKETING TO SURGEONS

Surgeons and medical groups are a primary target audience for MHS' surgery centers. "While we have run successful surgery centers for more than 30 years, we don't rely only on word of mouth. We actively work to increase our visibility, name recognition and trust with the community, and to maintain and extend our relationship with approximately 150 doctors across all surgical specialties," explains Ken Bozorgi, MD, chief operating officer of MHS.

"As a surgeon in private practice, I was initially skeptical about the importance of healthcare marketing. We all want to believe that patients come to us because of our professional reputations. Once I joined Magna and could see measurable results from a carefully implemented campaign, I became a strong supporter of investing in our marketing efforts. The returns clearly validate the costs," Bozorgi reports.

MHS puts a physician representative into the field to find and build relationships with admitting doctors. In addition to her continuing physician-relations efforts, the MHS management team wanted to take things even further and introduce greater marketing awareness to this group of doctors.

Bozorgi explains, "We decided that sponsoring a marketing seminar in Chicago for doctors who use our surgery center could benefit their practices. In our view, our role as an ASC is to partner with our physicians and support their efforts to become savvy about current marketing trends."

From a business and marketing perspective, the logic is sound for several reasons. For one, healthcare providers often find themselves needing to grow their practices, but they have limited training in the marketing side of their business. What's more, marketing a physician or medical practice tends to have a greater sense of personal benefit for the prospective patient than marketing about a seemingly impersonal ASC facility.

With that in mind, MHS subsidized a portion of the tuition for doctors to attend a marketing seminar, given the assumption that if these doctors can be more

successful in marketing their practices — and attracting more of the patients and surgical cases they want — then those cases will likely be performed at the MHS surgery centers.

### WEIGHT-LOSS MARKETING DIRECT TO CONSUMERS

Griffiths isn't about to reveal all of the secrets to the success of the DayOne Health bariatric program, but their direct to consumer approach is innovative. External advertising has included broadcast/TV. And the DayOne Health website — a primary marketing tool — presents a compelling and consistent branding message, and displays some of the marketing strong points.

For starters, the DayOne Health website, [www.dayonehealth.com](http://www.dayonehealth.com), is information intensive and benefit laden. The message for the visitor is primarily about the program and the healthy value of weight loss and support, and not so much about the surgical facility.

On the website, there's an impressive string of patient testimonials — one of these is a prominently placed video clip. How to make an appointment, register for a seminar or request a brochure is quickly apparent. Plus, there's a phone number to "speak with a real Lap-Band® patient."

But simply having a website, even one as strong as DayOne Health, does not assure visitors, prospective patient leads or conversions to actual surgery cases. And for that all-important three-step sequence of events (visitors > leads > cases), MHS includes in its tactics:

Search Engine Optimization (SEO) – Most individuals look online for healthcare information using a search engine such as Google. SEO is the

behind-the-scenes process that gives a website visibility with the search engines (and prospective patients).

"Success" is when the mechanics of SEO cause the website to be among the highest listings (generally, on the first page) of the unpaid or organic search results. Higher listings generally produce more visitors to the website from the search engine.

Pay Per Click (PPC) Advertising – DayOne Health uses PPC, a form of Internet advertising that is triggered by keywords in a search and causes paid advertising to appear along with the organic results. The mechanics of PPC advertising are also a bit technical, and usually require a specialist to assure the most productive use of a budget.

Prospect Conversion – Attracting website visitors and generating leads is roughly equivalent to "getting the phone to ring." It is the moment when an individual has expressed interest in the program, although they have not yet made a final commitment. Healthcare Success Strategies works with MHS to refine and improve the prospect follow-up system that qualifies and converts leads into surgical cases.

All three of these steps are vital to a successful program. But among these, the prospect conversion system and training are often neglected in provider marketing plans. Unfortunately, practices and ASCs lose prospective business when they don't recognize why this step is critical, and they fail to hire and train the right people for the job.

So, what's the secret to successful marketing for MHS? "First, we truly believe in marketing," Griffiths says. "The Magna Health Systems programs and facilities are a 'center of excellence' in many ways, and our marketing plan is how we communicate exceptional value to our two most important audiences. We inform and educate the public regarding healthcare and weight-loss program benefits, and we actively support the marketing efforts of the doctors and medical practices that we work with in the Chicago area.

"We are both the same and different from other ASCs. But for any individuals who 'don't believe in marketing,'" Griffiths adds, "They are welcome to stay on the sideline in this highly competitive industry. And it's OK with us if they don't read this article either." ©



**Lonnie Hirsch and Stewart Gandolf, MBA,** are co-founders of *Healthcare Success Strategies* and are widely respected as two of the nation's most experienced healthcare marketing authorities. They have consulted with thousands of medical practices, hospitals and healthcare organizations, and their practical guidance appears regularly in

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