

The Source: Strategies and Solutions for Supply Chain Success

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NEED/OPPORTUNITY/ Consorta is a leading health care resource management and group purchasing organization (GPO) whose shareholders are faith-based or nonprofit health systems. Consorta's members are among the leading integrators of nonprofit health care in the U.S., and encompass more than 3,280 care sites, including more than 530 acute care and over 250 extended care facilities. However, the industry is a crowded "field" with not much differentiation between the top 10 companies. When it comes to contract value, only a small fraction of pricing separates the leading GPOs. All of the major GPOs offer comparable value-added services and similar technical solutions. Therefore, with Consorta ranked sixth, and aggressive plans to grow the organization's membership, the company needed to do something bold and unique to set itself apart.

Consorta's corporate communications team had been investigating ways it could improve its outdated newsletter, *Consorta News*, when they discovered an unfilled need in the marketplace. As they began researching the requirements for a redesign, one research strategy led them to another, which in turn took them in an entirely different direction—one that they had never imagined or planned (or budgeted for).

Before the team embarked on the newsletter redesign, they performed extensive research to understand how Consorta could improve the content of its newsletter. In November 2005, a web-based survey was e-mailed to four main audiences, which consisted of three member segments, as well as Consorta employees.

The responses for each segment provided an overall response rate that was considered statistically valid at the 95 percent confidence level (plus or minus no more than 5 percent). After reviewing the results of this needs assessment, the team went one step further and performed a market gap analysis on industry publications. Armed with the results of those two studies, and to gain more qualitative responses, they conducted a series of in-depth one-on-one interviews with readers from the four key audience segments.

The findings from those discussions, combined with the previous results, fascinated the team enough that they conducted a comprehensive competitive review of current health care publications (including ones that are subscription-based and those provided as part of membership in a professional society). After putting all of the results and anecdotal information together, they discovered that there was a strong need for an industry publication that addressed the concerns and challenges of a multidisciplinary audience of health system professionals with varying roles in supply chain and resource management.

The team's findings presented Consorta with a unique opportunity to seize upon an opening in the market and launch the industry's first and only magazine published by a health care GPO. With one communication vehicle, they could reach multiple member audiences and serve their unique needs for intersecting health care information.

Furthermore, with the planned launch of *The Source: Strategies and Solutions for Supply Chain Success*, Consorta would be able to capitalize on this new publication to position itself as the source for information among its key audiences, expand its brand recognition and differentiate itself in the marketplace. This in turn would help with new member prospecting.

INTENDED AUDIENCE / Consorta focused on its core target audience of mid- to senior-level health system executives. These professionals face a host of budget stressors daily. In addition, when it comes to health care purchasing they must balance bottom-line conscientiousness with maintaining quality patient care. This audience is a multidisciplinary group that requires integrated financial and clinical information to facilitate decision making across many business areas. Working within the audience specifications, a readership of 25,000 was identified to receive the publication on a quarterly basis as either part of their membership in Consorta or as a complimentary subscription (i.e., new member prospects). Demographics of the readership included:

- Health system professionals with senior-level accountability in materials management, sourcing, purchasing and supply chain management
- Directors and managers of clinical areas, such as pharmacy, nursing, surgical services, imaging, dietary and laboratory
- Members of the C-suite (CEO, COO, CFO, CMO, CNO)
- Hospital administrators
- Medical directors
- Consultants
- Consorta staff
- National account representatives and sales executives from health care suppliers

The publication is also mailed to non-members and prospects that Consorta needs to reach as part of its marketing and prospecting efforts. In addition, yearly paid subscriptions were also made available.

GOALS AND OBJECTIVES / The overall goal for developing this communication vehicle was to reach multiple member audiences with varying information needs. At the same time, the team wanted to create a strong understanding and awareness of Consorta as a leader in the GPO industry and position the company's executives as thought leaders.

They established a three-fold goal for the magazine:

- To be a respected and reliable source of information on supply chain and resource management information for health system professionals.
- To provide a multidisciplinary focus on topics and challenges facing health care facilities, imparting benchmarking strategies and innovative solutions to readers so that patient care will benefit as a result.
- To set a new level of excellence for health care industry publications.

The content developed for *The Source: Strategies and Solutions for Supply Chain Success* could also be re-purposed in a variety of ways:

- Consorta account directors would be able to use reprints of articles during their consultations with the individual shareholders they serve.
- Consorta's new business development staff could use the magazine in their member prospecting efforts.
- Consorta members could use the content for continuing education purposes (either individual or hospital-based).
- Consorta suppliers would be able to use reprints of best practices in their own marketing efforts.
- Corporate communication staff would be able to expand on the articles to develop content for Consorta's annual educational conference as well as re-purpose the conference sessions into future articles.

SOLUTION OVERVIEW / There are many components that go into the contract decision making process and even more that go into creating purchasing strategies that are patient-focused, yet preserve the health system's bottom line. For the target audiences, obtaining information is crucial to making informed decisions. Consorta used the findings of its research from the newsletter redesign to create a new industry publication. Their audiences told them what was lacking in other publications and how a new magazine could best fill that void. Armed with this information, the corporate communications team devised a robust editorial plan that would provide actionable strategies, along with a graphic look that would immediately grab the industry's attention. The team believed their approach would help to quickly establish a readership base.

In developing the look and feel of the new magazine, the team knew it was imperative to stand out in the marketplace if they were going to compete with long-time, respected industry publications such as *Materials Management in Health Care*, *Journal of Healthcare Contracting* and *Healthcare Purchasing News*. Their audience would be unique, and they began differentiating their publication by developing editorial

content and graphic standards that would distinguish *The Source* from other current health care publications targeting comparable audiences.

Research indicated that the target audiences need case studies, benchmarking information, and in-depth articles on issues and challenges their hospitals and health care facilities are facing. Unfortunately, many articles are written in a clinical or technical manner. The team decided to deliver this content in a softer manner, by using a feature style of writing. Even highly clinical topics, such as pharmacy and laboratory, are written to appeal to nonclinical audiences, while simultaneously keeping a “peer-reviewed” level of quality in the writing.

The magazine’s editorial contents are comprised of in-depth stories on health care purchasing issues, technology trends, best practices, member and supplier case studies, and therapeutic advancements—all designed to help improve supply chain operations and enhance clinical initiatives. To position Consorta executives as industry thought leaders, the magazine contains state-of-the-industry columns from Consorta executives, including CEO John Strong’s “A Strong Viewpoint,” COO Darrel Weatherford’s “The Final Word” and Vice President Jake Groenewold’s “Key Perspectives.” The executive team also wanted this magazine to serve as a forum to take editorial risks, as well as serve as a catalyst for commentary on the state of the industry, at times challenging time-worn methods and/or examining less traditional practices.

Using the qualitative and quantitative research results, the team addressed industry needs by developing specific editorial content and ongoing columns to speak to the educational needs of their audience. Features such as “Technology Trends,” “Making a Difference,” “Washington Update” and the “Environmental Edge” were born. The publication also highlights guest columnists from hospitals, health systems and manufacturers, as well as noted business thought leaders.

The December 2006 issue saw the debut of three new featured columnists that included noted management author, speaker and business consultant Ken Blanchard, Ph.D.; strategist, author and business leader Tim Sanders; and humorist and lecturer C.W. Metcalf, crafting columns on vital business issues, all of whom submit their materials on a complimentary basis.

In an effort to preserve the quality and integrity of its editorial content, *The Source* maintains a 70/30 ratio of editorial to advertising content. The team established a policy that prohibited placing ads around stories that could be possibly deemed “connected” to the product line of the company that was advertising. Plus, the publication will not accept advertising in an issue where a supplier is featured in an article or is a contributing author, so as to not give the appearance of “pay for play” editorial. This approach has been applauded by suppliers, who said that they feel “strong armed” by other publications to advertise in issues in which their company is even remotely highlighted.

From the front cover, readers know that *The Source* stands out from the pack. Other magazines in this space either have a full-bleed cover photo of a person or a product, while *The Source* carries an abstract non-bleed photo in combination with a clean looking and easily readable masthead. Each issue has an intriguing cover photo that immediately grabs the reader’s attention and best illustrates the signature story. The paper is also not the traditional magazine stock, with the silk matte giving the publication a high-end look.

To draw readers into articles and carry them through the story, the team used a variety of graphic techniques. The design team created graphic standards and templates with vibrant colors, and a creative use of type was employed to add interest to the articles and provide readers with a “friendlier” and more approachable read. A strong use of graphics accomplished the magazine’s goal of being “reader-friendly” and avoided the “dry” journal type of read that might have otherwise resulted. The regular columns and ongoing features contain a consistent identity, which creates continuity throughout. The publication makes use of stock photography and abstract colors and screens, which while enhancing the article do not overshadow the content.

In addition to the paid ads, in-house ads were created to promote various Consorta programs, thereby extending the marketing value of this publication.

IMPLEMENTATION AND CHALLENGES / The team had a great idea and a strong plan, but they didn’t have the luxury of time. The president and CEO brought the idea to the board of directors in early 2006, which unanimously approved the publication and gave the corporate communications team a directive: Launch the magazine to coincide with the 2006 Annual Resource Conference & Exhibition in mid-September. This meeting, where all of the audiences would be in attendance, was the perfect opportunity to expand on the marketing potential of the magazine. Therefore, the team had less than seven months to accomplish this task. Not only was the compressed time line an enormous challenge (most publications take 12 to 18 months to successfully implement), but staffing (or a lack thereof) also posed a huge challenge.

The corporate communications team consists of a staff of three, of which only one had any experience in publishing a magazine (and that was 10 years prior). They quickly needed to identify which roles could be performed in-house and which should be outsourced. They seized upon the opportunity to involve their clinical contracting directors in writing some of the editorial materials. To supplement that content, they hired two freelance writers to work with their members and suppliers on additional articles. Neither of these writers had any experience in the industry, so they had to ramp up quickly to deliver on the high quality articles the team promised their readers.

Nearly all of the target audiences receive other publications, either subscription-based or complimentary through their professional membership organizations. To create value for the magazine and make it a “must-read,” the team needed to address the voids of those publications. Again, they relied on their research to point them in the right direction. They also established an editorial board to set each issue’s signature story theme and content. They called upon members of the various clinical and contracting committees to assist in identifying topics for the articles. Using this informal input helped to ensure they were addressing issues that affected multiple audiences with varying roles and responsibilities, yet each with a common goal.

Another large challenge was the newsletter budget. The previous publication was budgeted at US\$50,000 per issue, so the team had to maintain that budget or find an alternative source of income to offset the additional costs. They cut some of that cost by moving the design work from the current agency setting to

their printer, who had just recently staffed a design department. They were able to leverage printing and design costs for the best price and successfully negotiated with the printer to work within their budget constraints.

The plans for the new magazine called for a budget of US\$65,000 (US\$2.60 an issue), so the team needed to quickly find additional revenue sources. They are in a highly regulated and scrutinized industry, and because Consorta was setting an industry precedent by publishing a magazine, they had to legally review all potential revenue streams. After receiving approval from legal counsel to accept advertising, they floated the concept to targeted industry suppliers, extolling the benefits of advertising in the debut issue of *The Source*. Within a month, BD and Toshiba signed up for premium positions, and Aspect, Cardinal and Medline also bought ads. The second issue of *The Source* (December 2006) brought even more advertisers to the publication. There was strong interest from suppliers and their agencies, with Consorta staff receiving daily, unsolicited inquiries from those finalizing their 2007 ad budgets.

There were many long nights, weekends and cups of coffee, but on 30 August 2006 *The Source: Strategies and Solutions for Supply Chain Success* was mailed.

MEASUREMENT/EVALUTION / Since the launch in August 2006, *The Source: Strategies and Solutions for Supply Chain Success* has become Consorta's best marketing tool. It differentiated the company in a market that has traditionally been commodity-focused, and educated supply chain decision makers on the need to integrate clinical evaluations into product selection. Not only have a flood of letters to the editor let the team know they had a winner in this new publication, but e-mails and phone calls from readers to Consorta board members and staff validated their goals.

The CEO's debut column created such a stir that the CEO of a major supplier sent his response to the CEO's controversial position overnight. The letter was printed in its entirety in the December issue. Other letters (many accolades and some taking issue with his position) also arrived at Consorta. This showed that people were reading the magazine.

Only two issues of the magazine have been published, and yet media buys from big name advertisers such as BD, Cardinal, Georgia-Pacific, Medline, Toshiba and Tyco (to name a few) validated the importance of this magazine and its readership. It also demonstrated that the team had successfully found their niche. In fact, the response from potential advertisers to *The Source* has been overwhelming. After its debut issue, there were immediate ad requests from health care suppliers because the magazine successfully delivers the highly targeted multidisciplinary audience they need to reach, compared to current industry publications. The team heard from several advertisers that they have shifted their media buys to *The Source* from competitors (and they heard from upset competitors as well that they were taking ad revenue away from them). In fact, one publication that regularly covered Consorta has not run any information on the company since the magazine's debut. The quality of the articles and the comprehensive content caught the eye of readers, and inquiries for contributed articles have surged in recent months. All of the positive input has given Consorta confidence that they are successfully meeting their stated goals.