

Delivering growth in the healthcare sector through a joint venture focused on business development, strategic marketing, sales management, and brand strategy

Executive Summary

Navocate Consulting (NavCon) enabled 14 companies to expand into a new, high-growth health care market by creating a national marketing network to pursue business that was beyond the scope and scale of any one affiliate member. The network affords these independent businesses the opportunity to compete as a single company for national accounts, while retaining autonomy, as well as their company brand name, in local markets.

Background

Navocate Consulting was approached by several companies that wanted to find a growth model in their mature, capital-intensive industry. These companies battled well-entrenched competitors for moderate growth in their local markets—defined by fixed operating territories limited to a 200 mile radius of each service facility. Historically, new business resulted primarily from fighting for market share one account at a time—a tried and true, but time-consuming strategy that resulted in relatively slow growth.

Boxed in by these challenges, our clients struggled to find new markets that offered broader and more significant growth potential.

Business Strategy

The concept with which our clients approached us promised significant opportunity, yet required a completely new way of doing business. They wanted to target regional and national outpatient customers with marketing territories well beyond the reach of any one of their individual businesses. Reaching this new market within the fast-growing health care sector required a national marketing plan executed by a single company with a distinct brand identity.

Our clients specifically wanted answers to two questions: First, did the concept of a national marketing organization, backed by an alliance of independent service companies, offer a viable solution to these customers? Second, could NavCon create, market, and manage that network association?

Action Plan

Navocate Consulting:

- 1) Designed and conducted research to validate the concept.
- 2) Conceived and implemented a business development plan with a sustainable business model, which included structuring a Limited Liability Corporation joint venture.
- 3) Created the brand name and managed development of the graphic identity.
- 4) Crafted a marketing plan to cost-effectively target the national business opportunity; and also created marketing materials to support the local affiliate businesses.
- 5) Secured a business review letter from the Department of Justice stating that the MEDtegrity network was pro-competitive. This provided two critical strategic advantages: First, it created a safe harbor within which to discuss network pricing free of anti-trust concerns. Second, it discouraged competitors from pursuing an anti-trust remedy with costly legal proceedings.

Results

- Network membership has increased 100%, from seven companies in 2005 to 14 companies in 2007; and the network continues to expand.
- Network marketing programs are creating cost-effective new leads and business opportunities, driving both local and national new business.
- Client comment: "The marketing materials you created for this association have energized our sales force, and have been very effective in bringing in new business. These revenues wouldn't have been realized without this initiative. We'd like you to create a similar approach for our primary business segment."
- Refer to: www.medtegrity.us