

## **Module 5**

**Business  
Processes:  
Operations to  
Enhance Business  
Productivity**

- A. Make Marketing Work for You**
- B. Serving Customers to Increase Sales**
- C. How Your Business Measures Up Competitively: A Practical Way to Keep Score**
- D. Staffing—Balancing Client Level, Services, and Staff Time**

## **Module 5—Business Processes: Operations to Enhance Business Performance**

### **Objectives:**

By the end of this session, you will

- describe how marketing can be used to continue to enhance business performance
- discuss three levels of advertising to understand how to sell clinic services
- identify low-cost advertising initiatives to tap and potentially expand your client base
- discuss customer service techniques and the impact of good customer service on client retention and expansion
- develop a method to evaluate your business against your competitors
- identify ideas to use staff productively



## Discover What People Want to Buy: What Are You Really Selling?



Your customer buys a service or product to meet a need or want. For your customer, your service is a means to an end—health.

You buy a product or service because you think it satisfies a need or benefits you. It is the same for your customer.

What your customers really buy is what your service or product will do for them.

### What you really sell is what your customers need or want.

- "In the factory we make cosmetics. In the store we sell beauty."
- "We do not sell 10mm drills, but 10mm holes."
- "We make bicycles but sell the way to get somewhere."

Do customers need your product? Want it? Or both?

- A woman doesn't *need* a hairdresser; she *wants* to look good.
- A computer company could provide a personal computer off the shelf like a television - the customer wants it to solve a business problem.

Remember, people buy to meet a **need** or a **want**.

### What Need or Want Does Your Business Satisfy?

People do not need or want your service merely because you can supply it.



**Do not market your product until you can answer, "What am I selling?"**

Describe the product or service you market: What need or want does it satisfy?

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## **Advertising Effectively**

Advertising should create awareness and a preference for your products and services, and motivate the customer to buy them. Your advertising should generate high sales at a low cost.

Before spending time and money on advertising, understand three things:

- customers must know about your business and services.
- customers must prefer your service to your competitors'
- customers must be motivated to buy from you

### **Create Awareness**

To create awareness, you must make your company visible. It can be as simple as an Open sign tacked on the door.

- Signage: Keep your signs interesting, simple, and clear.
- Sponsorship: Sponsoring contests and promotions gets your name in front of prospective customers.
- Location: The right high-traffic location may be the most important factor to attract customers.

### **Establish Preference**

To create preference, you must become your customers' first choice in meeting their needs.

- Stories: Provide an article for the local paper about what is special in your business. This information instills confidence.
- Advantages: "We are here when you need us!" This fact shows you're reliable.

Recommendations: "I always visit Dr. Mohammed. He makes me and my family feel better. The staff is helpful, there is a range of services, and the prices are affordable." Testimonials also instill confidence.



### **Stimulate Action**

To motivate them to act, provide an incentive for your prospective clients.

- Point-of-sale promotions: Use banners, merchandise signs, games, and in-store promotions.
- Coupons: Offer 10 percent off for a limited time only.
- Contests: Sponsor a most healthy baby contest.

One-shot advertising rarely works. Advertising can be simple but to move a prospective customer from awareness to preference and finally to action, you must use repetition.

### **Remember:**



**Individual Exercise**

**Your Clinic: Effective Advertising**

Kind of advertisement	Describe the idea	Cost	Timeframe
Awareness			
Preference			
Motivation			

## Six Low- or No-Cost Ways to Tell Your Story

Customers buy if they know your product or service is available. They must be aware of it.

Consider what method or methods may work for you from the following list and use the action chart to plan your activity.



## Low-Cost or No-Cost Ways to Create Awareness

- Encourage existing customers to bring in new ones; they are often your best and cheapest promoters. Offer incentives, such as discounts for 10 referred customers, or appreciation gifts.
- Post signs on bulletin boards, utility poles, and walls (where allowed).
- Demonstrate your product or service in person, either at your own store or at a public event. Show what you can do for your customer.
- Speak to community groups (such as industry associations, chambers of commerce, and clubs) about new products and trends in your industry. Read and prepare. Be knowledgeable.
- Sponsor a contest to create awareness about your business. Think of new and innovative variations on old themes (such as healthiest baby, super-mothers, biggest vegetable, oldest running piece of equipment), whatever is most appropriate for your business and culture.
- Prepare a news article about trends in your industry. Many articles you read in the newspaper began as press releases, which owners write and send to the newspaper. Newspapers often print these articles as is, creating free advertising. You can do it too.

## Action Chart

Method	Tips
Encourage referrals	Make your existing customers your best promoters. Give them something extra once in a while. Develop loyalty.
Post signs	Keep signs simple. Use large print. Offer a way to respond via a telephone number or coupon.
Demonstrate	At schools give a sample for children to take home. At an exhibit or festival, have products for sale.
Speak	For civic groups, do not try to sell to them. Instead create confidence in your expertise.
Sponsor	Uniforms need not be expensive, often printed t-shirts will suffice. But keep your team well outfitted or it will reflect poorly on you.
Host a contest	Make every contestant a winner by providing recognition and token participation prizes. You can often get other businesses or media to co-sponsor contests.
Write news articles	Make them short and accurate. Write in the same style as other articles in that newspaper. Include a picture or illustration.

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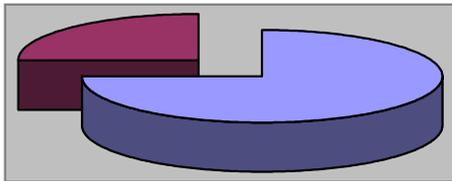
Your business: What other ways can you use to tell your story?

## B. Serving Customers to Increase Sales

Your staff needs to be service oriented, making the client feel important. Customer service is the ability to resolve problems, answer questions, and help clients make the best use of the service to satisfy their needs. There are two main reasons you should provide customer service that is better than your competitors:

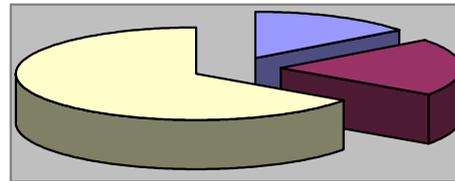
- superior service sets you apart from your competitors and gives your customers a reason to buy from you on a continuing basis
- if your service is good enough, you may be able to charge a higher price and make a better profit without losing sales.

### Where New Customers Come From



■ 75% From Referrals ■ 25% From Advertising

### Why Sales Are Lost



■ 66% Poor Service ■ 19% Other □ 15% Price

The sale can be made only when the prospective customer is in your store or considering your product or service. What happens inside your store is what makes the sale. People make the customer feel important, people make the sale, and people bring the customer back.

### Actions Make Up Customer Service

These are examples of service actions that can set your business apart from its competitors. Customers often are willing to pay for these kinds of services beyond the basic cost of the product. And they can increase your sales.

**Information:** A company that sells computers and software might maintain a help desk, where buyers can get technical questions answered. A medical clinic may provide pamphlets with health and nutrition guidance for families.

**Additional goods:** Companies that sell machinery often also sell spare parts to keep the products in good repair. A medical clinic may have free samples of vitamins, condoms, and other small giveaways that are available only to clients. Or a clinic may sell a selection of frequently needed drugs, which will save patients a trip to the pharmacy.



**Additional services:** Copying machines often are sold with a contract to service and repair the machine for the first year. A clinic may contract visiting specialists for patients in need of follow-up visits.

**Policies and other actions:** A clinic may have a policy to schedule patients so that no patient should spend more than 20 minutes in the waiting room.

### Attitudes Make Up Customer Service

Crucial to good service is teaching your employees how to deal with customers (sometimes angry ones) and how to answer questions about your products and their uses.

Often a good customer service employee is more important to the customer than the salesman or the people who produce the product.

A smile and a friendly “hello” to each patient that walks in the door can be priceless.



Here are some ideas to promote customer service:

- demonstrate through your own attitude how important customer service is
- provide product information that allows buyers to quickly answer questions
- respect the customer's time; respond with urgency
- work pleasantly with angry customers to turn them into loyal supporters
- make sure employees know your services
- make decisions in the customer's favor when possible

Remember:

- Service may be why a customer visits your clinic rather than that of a competitor
- Good service creates new sales opportunities with existing customers
- Existing customers are the best source of new sales and the least expensive way to generate new sales—keep them satisfied

### Your Business: Do You Focus on Customer Service?

Even if your clinic provides good customer service, there is always room for improvement and new ways to add to the customer service you provide.

List five ways you can improve customer service in your business:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Describe how you as the manager can make these five things happen:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

## C. How Your Business Measures Up Competitively: A Practical Way to Keep Score

To score your business against the competition, try this simple comparison test.

It is easy to fool yourself into thinking that your opinions about your competition matter and will influence the success of your business. They won't. In the end, only your customers' opinions matter!



### Know Your Competitors

Who are your clinic's competitors? Your clinic's competition may be other private health care clinics and it may include other types of providers and retailers.

My clinic's competitors are:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### What is your clinic's advantage over these competitors?

Keeping ahead of your competitor is your competitive edge. A competitive edge is not some vague concept, but the combination of many different factors. You probably can think of others that may be unique to your location or situation. But before you add something to the list, think about whether it can be observed or counted.

The most common factors in a competitive edge include:

- technical knowledge
- marketing ability
- purchasing skills
- personal contacts
- financial skills
- size
- location
- financial strength
- specialization
- customer service
- price
- credit policy

Consider how easy it would be for you to match some of your competitor's most successful factors. How easy would it be for others to match these?

What do you need to do to maintain your competitive edge?

Know how you rank with your competition even if there does not appear to be any competition or you do not know enough about them. You need to find out the nature of your competition, and whether it satisfies the market need.

Your Business: Are You Competitive?

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Competitive factor	Business name	Competitor name	Competitor name
Location	_____	_____	_____
Price	_____	_____	_____
Quality	_____	_____	_____
Purchasing skills	_____	_____	_____
Marketing ability	_____	_____	_____
Size	_____	_____	_____
Specialization	_____	_____	_____
Financial strength	_____	_____	_____
Customer service	_____	_____	_____
Technical knowledge	_____	_____	_____
Personal contacts	_____	_____	_____
Credit policy	_____	_____	_____
Delivery	_____	_____	_____
Site layout	_____	_____	_____
Cleanliness	_____	_____	_____

*Participant Guide—Module 5 Business Processes*

Selection

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Flexibility

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Hours of operation

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Financial skills

Total score

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Rank your business and your competitors, five is the highest and one is the lowest. Ask two or three customers to do the same. Compare your own ranking with others.

Do not try to measure your opinion. Measure your observations. Be honest with yourself!

## D. Staffing —Balancing Client Level, Services and Staff Time

Many clinics face the challenge of balancing the number of staff with client level and offered services. Sometimes there can be uneven client flows and daily patient loads based on walk-in clients. In other cases staffing problems can be the result of not appropriately managing the allocation of staff. For both cases staffing problems can result in downtime and the under utilization of important resources to the clinic. There are a number of techniques to ensuring appropriate staff levels with client numbers.

It is important to

- understand how clinical staff time is accounted for in financial information and what to do with that information
- know how to utilize staff time (clinical and non-clinical) when a clinic is not busy

### Small Group Exercise

#### 1. The New X-Ray Service—Not What it Appears to Be?

After an analysis of revenue generated for the clinic’s x-ray services you identify that for one month

- revenue for the x-ray line of service is birr 12,890.
- direct labor for x-ray services is birr 2,000
- monthly x-ray supplies are 3,225.

You decide to track this information over the next few months and uncovered this information.

	Month 1	Month 2	Month 3	Month 4
Revenue	12,890	12,390	12,430	13,050
Direct labor	2,000	2,000	2,000	2,000
Supplies	3,225	4,000	3,020	3,350

Furthermore during one week you tracked when the x-ray service is used throughout the day. You identified that the service is used a few times throughout the whole

day, yet during this time you employ one x-ray technician, one x-ray assistant, and a part-time x-ray technician for the clinic's night-time hours.

Based on this information what suggestions do you have to use the labor more effectively? And how would you go about this?

## **2. Tuberculosis Services: Do You Need to boost staff?**

It has been a year since you started offering tuberculosis (TB) services (diagnostic and treatment). During this time you have noticed that the number of TB clients coming to the clinic has increased considerably.

You have one nurse who is responsible for administering TB treatment. You know there are 48 patients on the books and the nurse has said that they come in for treatment throughout the day and that while she is not busy administering treatment all the time she must remain in the TB treatment room in case a client does come.

Based on this information what suggestions do you have to structure this service and use the nurse's time so that some of her labor costs can be more productive?

As the clinic owner, you start to understand that as the nurse's time is not a recoverable cost, because you do not charge for TB treatment, the nurse's salary actually is an overhead expense.

## **3. Keeping Staff Productive At All Times**

Lately you have noticed that there are times during the day when the clinic does not have many patients. In fact during the last month you have observed that not all the nurses are as busy as you think they should be. There are people in the waiting area—some of them have accompanied clients and others are getting lab work or other services.

As there are people in the waiting room and the nurses are not busy with clinical services, there must be some ways that the nurses can be more productive.

Help this clinic owner develop ideas to utilize the nurses' time when they are not busy with clients but there are people in the waiting room.