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## About the Author

Kurt Kazanowski is a native of Detroit Michigan and has over three decades of experience in the field of Health Care. He received his Bachelors Degree from Mercy College of Detroit and practiced as a public health nurse for many years. Today, Kurt is the owner of two successful personal care home health companies, one in Michigan where he lives and the other in Moscow Russia.

As a health care executive and successful entrepreneur, he has helped numerous health care organizations develop the necessary strategies to improve service delivery, grow market share and enhance profitability.

Kurt has worked with hospital executives, hospice providers and home care companies in the areas of business development, strategic thinking, sales and marketing as well as executive leadership.

In his 30 years as an executive leader Kurt has acquired a specific set of skills and competencies in creating and executing mission and business objectives, strategy development, marketing, sales, referral, growth and business development tactics, merger and acquisitions, physician relations, forming strategic partnerships between hospices and hospitals and is an authority in functioning as a connector, facilitator and networker.

Mr. Kazanowski speaks both nationally and internationally as he values the ability to share his knowledge and experience while providing valuable information on how hospitals, hospice providers and acute care organizations can develop new business strategies and enhance service delivery.

Kurt's humorous stories, tragic experiences and life changing events will make his presentation to your company or organization heart felt and memorable.

# The Seven Pillars of Growth

By

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## Introduction

Most organizations want to grow but very few of them do what is necessary to grow. This book outlines Seven Pillars of Growth and provides an approach on how to serve more people and grow. Some organizations have these Pillars in place in various forms and stages of development. The secret is how to build your Pillars, create a balanced approach and then execute, execute and execute!

Over my three decades of experiences in hospice, home care and hospitals I have learned a great deal on what works and what doesn't in the quest to grow, deliver quality care and service and be financially successful. The first step is putting your Growth Pillars in place and understanding which Pillars are well developed, need a little reconstruction or are completely missing.

Each Pillar described here could be its own book. The intention of this book is to help you understand where you are at in your growth efforts and to provide a blue-print to complete the construction of your Growth Pillars.

I hope this book gives you useful ideas, inspiration and a framework to work from. If you would like to discuss any of these Pillars further, please contact with me.

Here is a list of seven foundational pillars for growing you census.

- 1.) Creating a Culture of Growth. It all starts here.
- 2.) Moving the needle on the referral inquiry to admission conversion rate
- 3.) Maximizing your Medical Director (s) investment
- 4.) Sales team skill sets development: "Happy Feet On The Street"
- 5.) Successfully executing 11 tactics in a "Hospital Tool Kit"
- 6.) The Do's and Don'ts of developing the physician's office referral channel
- 7.) Understanding and executing on the value propositions for Senior Living Communities

### **Pillar #1: Creating a Culture of Growth**

The first and most important pillar for growth is **Creating a Culture of Growth**. This is easier said than done and yet extremely vital. To create this culture, an organization must first understand the *“Invisible Velvet Glove On The Spigot of Growth”* phenomena! The “invisible” factors such as weekend admission “put” offs, after-hours “excuses,” and medical director “apathy,” are a few examples that prevent organizations from serving more patients and growing. These factors can sometimes be so soft and silent (the velvet glove) that most organizations don't even know their growth spigot is being closed off. Does your organization have a velvet glove at work?

Some of key metrics that can help diagnosis this are; the time between referrals received and admissions, the number of referrals Not Taken Under Care, the number of revocations, the referral inquiry to admission conversion rate (growth pillar number 2) and the number of referrals received from your Medical Director (s). One or all of these can be a sign there is an “invisible velvet glove” controlling your ability to serve more eligible hospice patients and grow.

So what to do? First, measure and trend the metrics mentioned above. Selecting one or two of these factors and doing a PIP can be a learning opportunity for the organization. The second step is to create an opportunity to have open dialogue (not conversion) about barriers and opportunities related to growth. Gather people in the organization together and holding a Growth Workshop to identify, categorize and prioritize barriers and opportunities. Together create counter measures on how to bust through the barriers and turbo-charge the opportunities. All this is placed into a Growth Plan for the organization to follow!

Each organization has its own personality. The more you can use a diagnostic approach and build a set of means and methods to address your organizations “unique personality” the better.

How does your organization address growth? Do you believe there is an Invisible Velvet Glove in place in your organization? What have you and your organization done to create a culture of growth?

### **Pillar #2: Referral Inquiry to Admission Conversion Rate**

Why invest one more dollar to make the phone ring if you cannot convert the referrals received to an admission??? I have seen so many health care organizations pump money into referral development as oppose to referral conversion. Just doesn't make sense to me. Here is why!! A real life example. This is a 65 ADC hospice receiving about 50 referrals a month (or 300 for six months), LOS of 65 and a conversion rate of 66%. The Gold Standard by the way is an 85% conversion rate. The per diem rate for this hospice is \$150. This example does not include any GIP. Being able to move the conversion needle by just 1, 2, 3, 4 or 5 percent will yield the following.....

1% = 3 more patients served. Generating 195 DOC (days of care) x \$150 = \$29,350

2% = 6 more patients served. Generating 390 DOC x \$150 = \$58,500

3% = 9 more patients served. Generating 585 DOC x \$150 = \$87,750

4% = 12 more patients served. Generating 780 DOC x \$150 = \$117,000

5% = 15 more patients served. Generating 975 DOC x \$150 = \$ 146,250

If this organization was able to achieve the Gold Standard of 85% (a 19% improvement) it would generate \$555,750!!!!!!

All this without making the phone ring any more than it already is!!!

"To drive good outcomes, you need excellent structures and process in place" simple but powerful words!!!

Here is brief look at some of the key structures and processes:

- Widen the top of the referral funnel and make sure to capture and record all referral inquiries; even those "napkin" referrals. Some organizations selectively record only those referrals they know will convert. Heck, this way I could manipulate the process and have a 100% conversion rate!!
- Become very clear about the criteria making a referral Not Taken Under Care and thus taken off the radar screen!!!
- Create and organize a pending list that will allow you to work 90-days to convert a referral to an admission. Assign a pending referral to one of the following

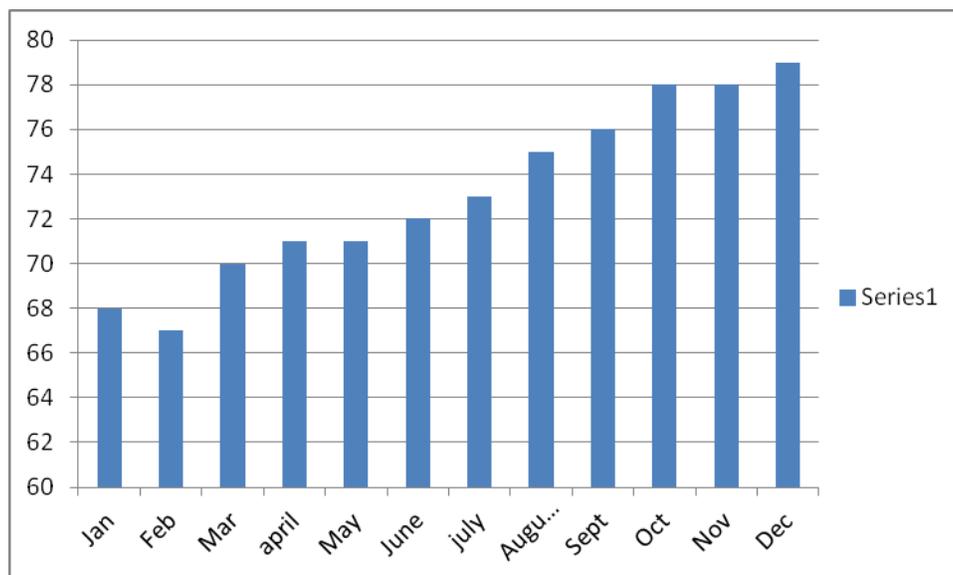
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buckets: Physician related a family issue, using skilled days, does not meet eligibility or went with another hospice.

- During your morning stand-up meetings, review those pending referrals that are a few days new. On weekly bases with your clinical leadership, marketing staff and Referral Intake Coordinator (use the collective wisdom of the group), scrub all the pending referrals and update their status.
- Training and education on how to be innovative thinkers to break through barriers that are preventing pending referrals from converting to an admission. Truly thinking outside the box can move the conversion needle. Tell success stories to the organization that inspire folks.
- Measure, measure and measure using a 90-day rolling conversion rate. The reason for doing a rolling 90-day conversion rate as oppose to a monthly conversion rate is as follows. If you received 5 referral inquiries the last day of the month that do not convert till the next month that one month conversion rate would be skewed low. Completely a 90-day rolling conversion rate “smoothes” out the fluctuations of referral inquiries and admission in a 90-day period.

The bar chart below show the results of an 85 ADC hospice conversion rate as they put in place a new referral inquire to admission program. The starting 90 day-rolling rate was 68% and after 12-month improved to 79%



### **Pillar #4: Sales Team Skill Sets Development: “Happy Feet On The Street”**

You would not believe how many sales folks I have hired in the early part of my career for hospice and home care positions that were BOOMS!!! Including my own personal care home health company. I mean BIG BOOMS!! In 2001, for one hospice I was helping execute a growth strategy, we hired 4 sales people who within 4 months left the organization as they just weren't a fit. But you learn from your mistakes and make adjustments. Lessons learned were past sales experiences and performance is key. Just because someone tells you they have tons of “relationships” in the community doesn't mean they will be good sales people and drive business.

Once you do find the right sales person, you need to provide the right structures and processes to be successful to drive positive outcomes. I have developed this model.

- **Daily Visits:** each sales person needs to make at least 10-account visits per day or 50 per week. You need to give yourself an opportunity to have as many quality interactions per day as possible. A sale is a “contact sport” and is also still a numbers game!! Need those “happy feet on the street”!!
- **A Third/A third/A third:** out of the 50 visits per week the ideal balance is this.... 17 (33%) visits to “A” accounts and those accounts that are referring or which you feel REALLY good about. 17 visits to accounts that you are working to get to an “A” account or where you are working toward making 7 visits (see below-Approach) and 17 to new business. New business is the life blood of any company. To accomplish this, you need to Weed Your Garden (see below-Weeding Your Garden!)
- **Approach:** if you are not going to make 7 strategic visits to an account, don't make the first one!! On average it takes 7 visits/interactions with a referral source to generate traction and obtain referrals.
- **Weeding Your Garden:** to accomplish the production needed from each sale person, they need to “Weed Their Garden” on an ongoing basis. After 7 visits your sales staff needs to determine if the time and energy they are putting into an account will yield anything. Doing more than 7 visits without a hope of

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getting a referral is “sucking” fertilize (time/energy) out of there garden and you are in fact fertilizing “weeds” in that garden. Putting your talents to work on new business is the key to growth!!

Obviously, there are other components such as sales training, a quality CMR (Customer Management Relation) system, etc. that go into a high performing sale team.

### **Pillar #5: Successfully Executing 11 Tactics in a “Hospital Tool Kit”**

Everyone works the “middle” in the hospital referral chain. Those Case Managers, Discharge Planners and Social Workers that get bombarded daily by hospice, home care and LTACH sales people. There are, however, many other customers in the hospital that need to be cultivated if you wish to develop a productive relationship with an acute care organization. I have a list of over 25 different customers in a hospital and the related value propositions I would be more than happy to share. Just drop me a line.

Hospitals can be very intimidating for hospice and home care sale folks. A hospital is literally a mini-city with a variety of sub-cultures, management structures and power groups. Understanding this is key to success. Having come out of 16-years in a health system environment as an Executive has allowed me to intimately understand the pain and pleasure points for all the difference constituency group. From these experiences, I have developed a Hospital Tool Kit with 11 specific tactics to develop relationships and drive referrals.

Here is a list of those 11 tools I have successfully used to create a preferred provider relationships with 100's of hospitals over my tenure. Each of these is worthy of a separate book which I will write about in the future.

- 1.) Relationship Mapping
- 2.) Quarterly built Hospital Marketing Plans
- 3.) Clinical Liaison “Techniques”
- 4.) Weekend Rounding
- 5.) Case Studies
- 6.) Primary Care Physician Communication
- 7.) Emergency Department Hospice Diversion Program
- 8.) IUC-Hospice Collaboration
- 9.) Community Education, Public Relations and Marketing Work
- 10.) ACO Focus
- 11.) C-Suite Updates

Putting these tools to work for you will surely result in growth.

The other key to this pillar is being able to successfully deliver the General Inpatient Hospice Level of Care (GIP). This can be completed by offering a GIP Cluster Bed

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Program. Not just having in place a GIP contract, but a solid program. The other way is by developing an Inpatient Hospice Unit that is located in a hospital setting or on the hospital campus. This part of the pillar is even more important today as CMS prepares to implement the U Shape or Tiered payment system.

### **Pillar #6: Developing the Physician Office Referral Channel**

This Pillar is challenging to build as hospice companies have traditionally done a poor job of understanding how to go about obtaining “traction” in this referral channel. Further, hospice sales staff don't feel comfortable calling upon physicians and their offices.

Physicians, as we all know, are hard to get to. There are ways to accomplish this. There is value in developing key relationships with the physician office referral nurse and/or office manager.

Knowing how to target key physicians is critical; an obvious statement!! You can buy Medicare physician utilization data that shows the number of hospice referrals a physician makes and to whom the referral goes. This data will give you great focus on where to place your efforts.

Here is a list of useful means and methods to implement that will help you build your Physician Pillar.

- 1.) Call upon your Medical Director and key physician allies to help you break-in to the physicians you are targeting. Often only doctors can talk to doctors.
- 2.) When calling upon a physician's office use a laser focus approach. Talk to them about what a hospice patient looks like using a very disease specific approach, i.e. COPD, CHF, etc.
- 3.) Physicians and nurses were educated using a Case Study approach. Write a monthly Case Study and share.
- 4.) Primary Care Physician follow-up! PCPs are often left out of the loop. Take every opportunity to provide them information and feedback.
- 5.) The Health Care Advisory Board in Washington D.C. identified Physician Advisory Board Meetings as a AAA referral development strategy.
- 6.) If it is legal, moral and ethical, the more physicians you can engage in a business relationship, the better!

### **Pillar #7: Understanding and Executing on the Value Propositions for Senior Living Communities**

Serving more hospice eligible patients and growing your average daily census per senior living community is an important Pillar of Growth for most organizations. Being able to serve more patients in Senior Living Communities will steadily increase your length of stay. To be successful in doing this, hospices must truly understand the Value Proposition for Assisted Living, Independent Living and Skilled facilities. A value proposition is understanding “what is in it for the Senior Living Community” regarding what you can provide. For example, Assisted and Independent Living Communities economic engine is being paid monthly for a resident being in the community. Each time a resident needs to leave the community because their level of care needs have intensified the senior community loses money. So the Value Proposition here is helping to “close the back door” and help keep a resident in the communities by providing hospice and palliative care services. Research has shown that a patient on hospice lives longer than a person not on hospice. This brings GREAT Value to a senior community. There are a number of other Value Propositions that apply to Senior Communities that can lead to practical sales and marketing strategies and tactics.

This Pillar is also built using bits and pieces of the other Pillars mentioned here especially The Creating a Culture of Growth Pillar. Providing an excellent customer focused service in a Senior Community is the key to growth. It takes a keen understanding on staffs’ part to know how to serve two customers - the patient and the staff in the Senior Community.

### Conclusion

The best way to obtain your growth goals is by finding new and better ways to serve more patients. A very obvious statement that is at times very complex to execute. Understanding the Seven Pillars of Growth approach to serving more patients gives an organization a blueprint on how to construct or re-construct your Growth Pillars.

The suggested first step is to complete an organizational self-assessment identifying where your organization is currently on each Pillar. As Jim Collins in his book *Good-to-Great* pointed out years ago, being honest about the brutal facts is the first step to becoming great. From there, the experience and collaboration in building your Pillars can be exciting opportunity for team building and very rewarding from both a mission and business perspective!

Good luck and best wishes as you build your Pillars!!!!

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