

Marketing and the health care system

Business



The healthcare sector is one of the most crucial service providing sectors in the economy. This statement warrants the interest and attention accorded to the sector. Over the years, there have been debates pitting the government against other opposing forces and stakeholders regarding the healthcare reforms. Healthcare reforms refer to changes, improvements, and variations made in the healthcare sector to improve service delivery. The reforms are aimed at making healthcare services cheaper, more accessible, and of higher standards. Healthcare providers are individuals, groups, or institutions, which work towards improving the preventive, diagnostic, and even curative medical services.

Before being allowed to provide their services, healthcare providers usually need to get a license as a proof of certification to conduct their business. Kindred Healthcare is one of the largest healthcare providers in the United States (Silver, 2002). It operates an array of medical facilities, including nursing centers, hospitals, and rehabilitation centers (most of the rehabilitation centers are operated on contract basis). It was founded in 1985. At that time, it was known as Vencor Incorporation.

Later, it underwent a period of bankruptcy and on revival it was renamed Kindred Healthcare with its headquarters in Louisville, Kentucky. Seemingly, the proprietors and the new management had a lot to learn about their trade in light of keeping the company out of debts while maintaining high quality service delivery. Impact of Marketing The period of bankruptcy saw off an awakening period at Kindred Healthcare. Members of the management team had to rack their brains to come up with ways and means to avoid the

setbacks that had befallen the company previously. The institution was first divided into three different divisions to make work easier (Scheinhorn 2002).

The rehabilitation centre division was meant to help drug and substance addicts. It was set up together with the specialized nursing division and the long-term acute care (LTAC) hospitals division. Continuous, relentless, and convincing marketing strategies are the factors to be credited for the growth, progress, and prosperity of Kindred Healthcare. Over the years, it has grown in leaps and bounds managing fetes that at the helm of the financial difficulties seemed to be a mere dream. Today, it boasts of being in possession and operation of more than eight long-term acute care hospitals in 24 states (Scheinhorn, 2002).

In addition, it runs in excess of 200 specialized nursing and centers for rehabilitation across 27 states. The long-term acute care(LTAC) hospitals account for slightly less than half of Kindred Healthcare's annual revenue, while the rehabilitation and nursing divisions account for about 50 percent. In 2008, the nursing division projected a revenue of 1. 1 billion dollars. At the same time, Kindred Healthcare's professional liabilities have been on a constant and marginal decline representing an improvement in operations and profitability. From statistical evidence, professional liabilities dropped by almost half in less than a decade.

In 2003, the company met liabilities amounting to a whopping 74 million dollars. However, by 2009 the same (professional liabilities) had noticeably dropped to about 48 million. The revenue of Kindred Healthcare rose up by a

remarkable 4 percent in 2009. At the end of the financial year, it stood at an impressive 4.27 billion dollars.

Due to improved and result-driven marketing strategies, the company has been able to dispose of underperforming institutions and in turn acquire potentially profitable ones (Lusk, 2002). This is one of the reasons behind the immense success realized over such a brief period. Strategy to Determine the Utilization of Products and Services The three divisions of Kindred Healthcare are managed and controlled separately giving room for autonomy. Provision of separate and different management systems has been key to its progress. The management bankrolled an ambitious plan to oversee the goals and objectives set at the appropriately accorded time.

The team embarked on improving the quality of healthcare provided and thereby streamlining customer service. Initially, most of the long-term acute care facilities had bed capacity of at least three. However, over the years, the facilities that still face such a problem have witnessed the progressive phasing out of these large capacity rooms. Instead, small capacity rooms with fewer beds are being set up. All this is in a bid to improve patient privacy and enhance personal attendance and service delivery to patients and customers (Lusk, 2002).

Through conduction of sales and marketing programs, the company has benefited tremendously, especially with regard to improving service delivery (Scheinhorn, 2002). Setting up new facilities in potentially profitable areas and strategic markets has also been a revelatory plan, which enabled the company maximize on its profitability. At the same time, non-performing

facilities are gotten rid of through sale and hiring out to other providers. In addition, the company is trying to tap and capitalize on the benefits of pooling together by setting up its hospital, rehabilitation, and nursing centers in close proximity. This allows institutions to cut down on expenditure by sharing equipment, facilities, and expertise.

One of the most crucial assets of a company is manpower. In this light, Kindred Healthcare has made it a point to acquire and take up some of the finest employees with technical know-how in various fields (Silver, 2002). Further, it has ensured that the employees are provided with an amply suitable environment to go about their businesses with minimal distraction, if any. The employees also get attractive remuneration and motivational rewards. Generally, Kindred Healthcare aims at providing the best possible environment for employees to work in. This inculcates job satisfaction and consequentially results in improved service delivery to the joy of the customers.

Recommendations Kindred Healthcare has so far been largely successful in its endeavors. Marketing strategies put in place together with the goals have seen off the turnaround of the company from the shame of bankruptcy to the pride of enormous profit making. Nevertheless, the sky is and should be the limit to management of this company. This only calls for further revision and improvement of positive factors that have contributed to the current success of the company. To begin with, the company needs to bring on board strategies that will result to further improvement of customer relations.

A fully-fledged customer care service team needs to be set up to help customers. The team can provide answers to customers' enquiries, guide customers through company's products and services, and generally marketing the brand of the company (Lusk, 2002). It is not enough to market the company only to customers that visit the facilities. The second factor is the acquisition and disposal of facilities. The company needs to ensure that it conducts in-depth and comprehensive market research before embarking on acquiring or disposing a facility.

Even then, disposition should be a last resort. The company must not only focus on short-term profits but also on the future profitability of the facilities, for example, by studying population growth trends. The third recommendation is to improve the staff welfare. So far, the company deserves recognition for its outstanding treatment of employees (Silver, 2002). Nevertheless, good treatment of employees does not stop at lump sum salaries and better working conditions. Employees also need to be incorporated in the direct running of the facilities as they more than any other person know the details and requirements of their job.

They need to be involved in decision-making processes if further success of the company is to be achieved.