**Service Quality in Urgent Care: Key to a Successful Center**

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Urgent care is a volume-driven business—meaning, that once a center's "fixed costs" including minimal provider and staff coverage, rent and advertising are covered—each incremental visit contributes directly to the "bottom line." Thus, the most profitable urgent care centers tend to be the busiest centers. And how do centers achieve high volumes? While advertising will raise awareness and drive initial patients through the door—long-term success depends upon repeat visits from loyal patients who have also recommended the center to their friends and family.

As with any other "service business," reputation is the lifeblood of an urgent care center. And a center's reputation, its volume and its profitability are all impacted by its service quality. While the precise correlation between service quality and profit is hard to quantify, evidence in other industries suggests it exists. As Figure 1.0 illustrates, the fastest growing and most profitable companies tend to be those with the greatest innovation, the strongest customer reviews, the fewest unresolved complaints, and the highest customer loyalty.

**Figure 1.0: Of these various competitive parings, you can likely pick out the most profitable companies? What differentiates Apple from Blackberry or FedEx from the Post Office? It's their reputation.**

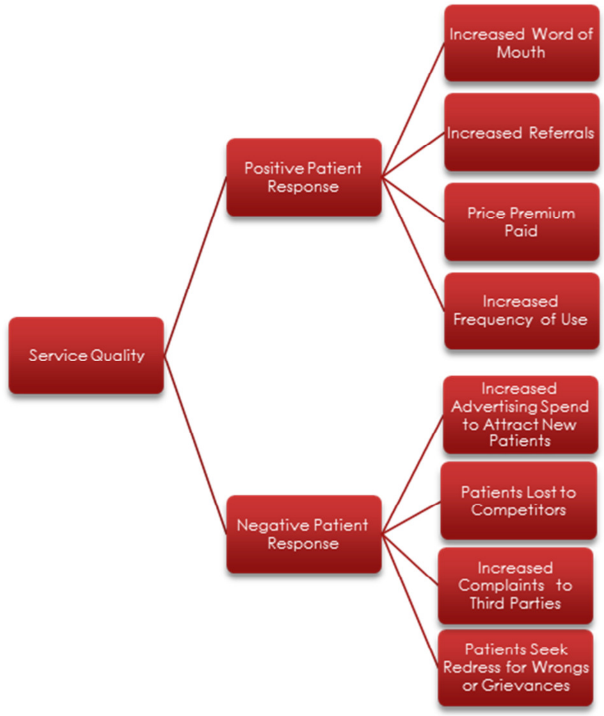

**What is the Cost of Reputation?**

In any service business, a company's reputation is the sum of customer responses to its service quality. Figure 2.0 shows the direct relationship between service quality and reputational success in urgent care. A positive patient experience typically leads to an increase in repeat business by that patient as well as free advertising by word-of-mouth, which spurs additional patient visits. By contrast, a patient with a negative experience is more likely to seek future services from a competitor, tell friends and family to avoid the center, file a complaint with a third party, and/or seek reparations for wrongs. Negative patient experiences thus not only lead to decreased volume, but they often result in higher operating costs in one form or another. For example, if a center is not benefitting from free word-of-mouth advertising, it must spend more money on traditional advertising to draw new, unfamiliar patients from the community. Or, if a disgruntled patient files a complaint with the medical board, then there are legal fees associated with responding to that compliant. Eventually, if the center's bad reputation persists—it will exhaust the number of uninformed prospective patients in the community and the center will go out of business.

**Cost vs. Value when Providing a Service**

"Cost" refers to how much money a customer pays for a service while "value" refers to the worth of that service to the customer. Key is that the customer's perception of "value" exceeds the "cost" paid. Even if the customer is satisfied with the actual service delivered, if the "cost" was too great in terms of money, time, hassle, etc.—the customer will have a negative response to the overall transaction. He or she will feel "ripped off."

**Figure 2.0: Relationship Between Service Quality and Positive and Negative Patient Responses**
**One negative response can have the same but opposite effect of ten positive responses. So, it's each individual patient that makes or breaks an urgent care center's reputation.**




One strategy in balancing "cost" and "value" is to control overhead. In service industries, there is a direct connection between service quality and overhead. When considering the most successful service firms, what's interesting is that many of them are "low cost" providers. Investments in service quality have led to the increased efficiency and productivity of firms like Southwest Airlines, Costco and FedEx versus their competitors.

When an urgent care center has poor service quality, it must spend more money on advertising, reparations to dissatisfied patients, lost productivity of disengaged employees, hiring and training due to staff turnover, and fees to third parties for things like collections. These expenses raise the center's overhead, which then raise the cost of its services, thus lowering the value of the services provided to patients.

But because health care "prices" are most often set by third parties (insurance companies), increased overhead in urgent care leads to reduced profitability, making it difficult for an urgent care center to attract capital investment—meaning that the center eventually falls behind its competitors in terms of its facility, technology, processes and other attributes of its service offering.

**Assuring Service Quality**
Service quality is a process that ensures customer satisfaction and consistency in services delivery. As it pertains to urgent care, service quality focuses on assuring that each patient has a positive experience—identifying areas in which the center is lacking and pinpointing solutions to those shortfalls.

Gathering information on service quality is simple. Asking patients to fill out a quick survey as they are leaving the center can be a good first step. The survey should consist of only a few questions and include areas for the patient to write, in his or her words, about the experience. Patients who are willing to tell a center what it can do to improve are more valuable than the highest paid consultants—an urgent care operator would be wise to consider and act upon patient suggestions to ensure future patients have a more positive response.

Another step is to call to patients within three days after their visit to assure they're not only progressing in their clinical recovery, but also to identify any issues with the center's service. This gives the urgent care center two opportunities—

first is to ensure that the patient was satisfied with his/her experience and the second is to let the patient know that the center's provider and staff are concerned with his or her health and well-being. If possible, these calls should be made by a staff member that patient had direct contact with during his or her visit.

Finally, the center should monitor the Internet for patient reviews—especially review sites like Google, Yelp, Angies List, Facebook, HealthGrades, and others where patients may leave detailed feedback. Whereas consumers once relied on the Yellow Pages to find a medical provider, today prospective patients will do extensive online research about a provider before trusting their health and hard-earned money. Negative online reviews are like negative word-of-mouth on steroids—whereas a patient may tell one or two "real" friends about a bad experience; an audience of potential thousands may read and be influenced by online reviews. Every urgent care center should have a plan to address service quality issues described in online reviews to assure future patients do not have similar bad experiences at the center.

**The Bottom Line**

Because urgent care is a service—health care delivered by people, upon people—urgent care centers are dependent upon the loyalty and word-of-mouth of patients who have had a positive experience and believe the center has delivered value in addressing their immediate medical concerns. Providing a good experience and delivering value on a consistent basis is the objective of service quality, and Figure 3.0 illustrates how investments in service quality lead to greater volumes and thus more cash available for further investments in service quality. By improving performance all around, each patient receives better care and is more likely to return and tell others to do likewise, leading to even further increases in volume and profitability. And that is the bottom line.

**Figure 3.0: The continuum of service quality. Spending on service quality returns to the urgent care center by increased revenue from greater patient volumes and increased market share versus competitors—the profits from which provide resources for further investments in service quality.**