

Know Thyself by Knowing Thy Competition

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In 1962 when Sam Walton opened his five-and-ten store in Rogers, Arkansas, the retailing world hardly noticed. Who would have ever guessed that single store would evolve into a behemoth—both the world’s largest retailer and largest private employer—dominating categories from makeup to motor oil. Even its most vocal opponents cannot deny Walmart has been successful in understanding and appealing to its core base of working class households. And the reason—from its beginning Walmart has studied the competition.

Donald Soderquist, former Vice Chairman and right-hand-man to Sam Walton, recounts a story when he and Walton visited a competing discount retailer. Walton asked Soderquist what he liked about the store and Soderquist responded “nothing—that’s the worst store I’ve ever seen.” Walton pressed him—“well, yes, but they must be doing *something* right.” Pausing to think, Soderquist recalled the store had a nice panty hose display. Walton agreed and ordered Soderquist to track down the vendor and put the same fixture in every Walmart store. By studying the strengths and weaknesses of competitors—and implementing their learnings—Walmart’s management incrementally built a concept that has been very responsive to consumer needs.

All too often urgent care entrepreneurs operate in a vacuum. They feel that if they offer a nice facility with good signage, convenient hours, affordable prices and insurance participation—patients will come, and if they receive friendly service and quality care, they will come back and tell others to do the same. But an operations-focused approach ignores that others might be courting the same patient base—everything you do *well*, they could be doing *better*.

In any business, it’s critical to understand to strengths and weaknesses of your competition. For urgent care, competition may be *direct* in the form of other urgent and occupational health centers or *indirect*, in the form of hospital emergency rooms, retail clinics, and primary care offices with extended services or hours. To identify competition, put yourself in a patient’s shoes and ask what are all their alternatives are for seeking the types of services you offer. Then, visit each competitor’s location and check out their websites, ad campaigns, and marketing materials to assess the following:

- What is the scope of their services? What overlaps with what I’m doing? Are they adding anything new?
- What types of marketing or promotions tactics are they using? Have advertising levels increased or decreased? What is public awareness of their facility and public perceptions of their brand?
- What is the positioning of their physical facility? Do they have visible signage, easy entrance/exit from the street, and is there plenty of well-lighted parking? How does the facility compare to mine?
- What are their operating hours and how long of a wait do they run? How many cars are parked outside the center at various times of day? When you call the center are you greeted by a friendly voice or put on indefinite hold by an overburdened front desk staff?

- Who are the owners, what is their source of funding, and what are their expansion plans? What has been reported in the local news about them? What is their reputation among their current and former employees and referral providers in the community?
- If it's a multi-site operation, what areas are they expanding to and what areas might they expand to next? Have they grown organically or through acquisition?
- How are they doing financially? How many visits per day are they seeing and are their volumes increasing or decreasing?

Some urgent care operators have also been known to enlist friends or family members to physically visit the competitor's facility for services and provide feedback on their experiences afterwards. Regardless of the source, information gathering should be without falsification or misrepresentation and through observations and information sources generally available to an inquiring public.

The goal of competitor research is to better position your urgent care center to target patient segments in the community. For example, if you observe cars parked outside a competitor at 7:55am—and you don't open until 9:00am—maybe you should start opening at 7:30. Or, if competitor is offering \$12 high school sports physicals, you won't be competitive with a price of \$35—rather, you might need to find a creative way to get into the schools to promote free physicals as a loss leader for sports injury cases. Likewise, if you want to build your workers compensation business but notice two or three occ med competitors between your center and the industrial businesses where injuries occur—efforts might be better invested on other service lines.

Follows is a chart that can be used to capture each competitor's strengths and weaknesses relative to your own operation. As you go through the exercise of completing this grid, ask what each competitor is doing well and what could be improved upon. What makes them successful or unsuccessful? What opportunities can you seize? This activity will shed light upon strengths that should differentiate you in the marketplace and help you develop marketing and promotions programs to better position your center in the competitive marketplace.

Sample Urgent Care Competitor Evaluation Grid:

	My Urgent Care Center	Competitor A	Competitor B	Competitor C
Number of Locations				
Physical Facility:				
--Street Address				
--Type of Facility (Freestanding, Medical Office Bldg, etc.)				
--Size of Facility				
--Traffic Count				
--Size and Visibility of Exterior Signage				
--Ease of Turning Into/Exiting the Center				
--Curb Appeal of Facility				
--Interior Condition/Aesthetics of Facility				
--Adjacent Tenants (Driving Traffic/Visibility)				
Operating Hours:				
--Monday-Friday				
--Saturday				

--Sunday				
--Holidays				
Operating Model:				
--Ownership Model (Hospital, Physician, Corp, etc.)				
--Owners Name(s)				
--Investors Name(s)				
--Affiliations				
--Certifications (i.e. UCAOA Urgent Care Center Certification)				
--Accreditations (i.e. JCAHO Urgent Care Accreditation)				
Scope of Services:				
--Urgent Care				
--Target Consumer Segments				
--Imaging Services (Digital/Analog X-ray, Ultrasound, etc.)				
--Lab Services (Certifications?, Complex vs. Waived)				
--Procedures/Minor Surgery				
--Occupational Medicine				
--Key Accounts, Target Clients				
--Workers Compensation Network Participation				
--Specialized Physicals (DOT, FAA, etc.)				
--Substance Abuse Testing (e-Screen, BAT, etc.)				
--Employer On-site Services				
--Physical or Occupational Therapy				
--Primary Care				
--Ancillary Services (Aesthetics, Travel Med, etc.)				
Staffing Model:				
--Provider Staffing (Physicians, Mid-levels)				
--Physician Leaders				
--Physician Employment (Employed vs. Contractor)				
--Physician Background, Board Certification, Reputation				
--Physician Tenure and Turnover (Provider Vacancies)				
--Physician Pay and Benefits				
--Management/Operations Leaders				
--Management/Operations Background and Reputation				
--Management and Staff Turnover (Position Vacancies)				
Reimbursement and Collections:				
--Credentialing/Billing/Collections Model (in-house/ outsource)				
--Insurance Plans Accepted				
--Uninsured Pricing/Cash Discounts				
Marketing Tactics:				
--Paid Advertising				
--Grassroots				
--Internet/Social Media				
--Marketing Staff or Agency				
--Referral Relationships (Primary Care, ER, etc.)				