Here’s What Real Customer Centricity in Healthcare Looks Like—and Why We Aren’t There Yet

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The wheels of a car in need of an alignment point in different directions and effectively begin working against each other. As a result, the vehicle works inefficiently, which negatively impacts the driver’s experience and increases the financial pain he feels at the pump. If the problem is ignored for too long, his ability to safely operate the vehicle can become compromised. And when the car is operating at a high speed, the misaligned tires could have devastating consequences, making steering difficult and potentially leading to a crash.

Think of wheel misalignment as an analogy for the way that the various stakeholders throughout the healthcare ecosystem (the vehicle) now function to serve the patient (the driver). Pharmaceutical companies, providers, regulatory agencies, payers and PBMs are misaligned or out of sync. From the patient’s perspective, they’re often working against each other—and at the high speed of modern-day healthcare, the end result can be devastating to the patient.

Unfortunately, there’s no equivalent to a mechanic’s tune-up to get the healthcare ecosystem where it needs to go. To successfully put the patient at the center, all players need to start prioritizing customer centricity, ensuring that they’re delivering value to those stakeholders and that the stakeholders’ needs are met. In turn, the players can benefit from increased efficiency, less strain on resources and ultimately increased revenue. If a car’s wheels are realigned, the engine can function optimally and gas mileage improves, as does the driver’s experience.

Imagine if the whole healthcare ecosystem actually put customers at the center and designed their business models around the customer experience:

+ Would pharmaceutical companies send reps streaming into doctors’ offices all day—or emails streaming into doctors’ inboxes—if they really put themselves in the doctors’ shoes?

+ Would providers make patients wait and worry for six weeks before they can secure an appointment and get their health concerns addressed?

+ Would insurance companies and PBMs roll out complex benefit designs, actively block the fulfillment of prescriptions or delay surgical approvals to discourage use?

+ Would regulators continue to impose rules that make it hard for stakeholders in healthcare to work together to help patients?

In healthcare today, customer centricity often seems like an afterthought. Patients are left to navigate lengthy wait times, unknown costs, endless paperwork, multiple referrals for difficult cases and approval roadblocks. They’re required to steward their own healthcare journey, advocating for their own needs and researching treatment options in messaging that practically requires a medical degree to decipher. For example, most patient-targeted prescription literature is written for an audience that resembles The Wall Street Journal’s subscriber base, while the average American reportedly reads at or below an 8th-grade level.
Though a daunting exercise, healthcare’s various stakeholders have to start working together, and not against one another. And when we get to that point, we’re sure to move the needle on long-term costs.

The experience that other healthcare customers have isn’t much better. An oncology practice, for example, might need to call five different numbers to get reimbursement support for five different products. Another specialty practice might need to know a special distribution system for each brand that it prescribes. Meanwhile, doctors struggle with insurer mandates to see high volumes of patients to stay in business—despite jeopardizing quality and negatively impacting patient care. And payers often find themselves wading through pharma’s drug claims when new data is released or a competitor arrives on the market to arm themselves with the necessary information for drug price negotiations.

The healthcare industry is, of course, taking steps in the right direction. The IHI Triple Aim, a framework developed by the Institute for Healthcare Improvement to optimize health system performance in the U.S., promotes efforts to improve the health of the population, enhance the patient experience and reduce costs. Now, with doctor burnout at an all-time high—53% by some reports—and the impending physician shortage, many support expanding the Triple Aim to become the “Quadruple Aim” to promote customer centricity by ensuring that the equation covers care for providers. Other stakeholders, such as patients and caregivers who advocate for their own care, also are clamoring for relief.

Invest in the Customer Experience

While the healthcare industry may be moving in the right direction, some organizations have a false sense of just how customer-centric they’ve become because consumers are using and benefiting from their products or services. A great product, however, doesn’t ensure a positive customer experience.

And true customer centricity is more of a mindset than a strategy, and it requires both a cultural and an organizational shift. It requires companies to start with the customer and work their way in, and not with the product working their way out. Companies need to think about how their products meet customers’ needs, rather than how customers can be leveraged to ensure a successful product.

Investments in customer centricity can pay off. For example, in ZS’s Oncology CX Tracker study, in which we assess the business impact of a positive customer experience for oncology companies, we’ve found that companies that create a positive customer experience have 50 to 250% better access to their healthcare customers across promotional channels, and can grow their revenue by $50 to $75 million for every $1 billion in their oncology portfolio.
Customer centricity and customer experience also can be key differentiators, and can help with reputation management. Consider Southwest Airlines: While many of its competitors regularly make headlines for customer-related challenges, Southwest has made a concerted effort to deliver—and to be known for delivering—a positive customer experience, one that trickles down from its employees. For example, Southwest recently received praise in many media outlets for going above and beyond when a passenger’s son was involved in an accident. Southwest notified the mother during a layover, handled all travel details and expenses to return her home quickly and safely, sent her with a packed lunch, and called the next day to inquire about her son.

The airline’s focus on customer centricity has helped it weather the inevitable storms. With the media spotlight shining brightly on airlines’ treatment of passengers these days, Southwest recently was called out for pulling a passenger off of a plane. It remains to be seen how this particular situation will play out, but in true Southwest fashion, the airline promptly responded with a public apology to the customer in question.

**Start Small, but Start Today**

The business case can be made for customer centricity and, based on our research, the ROI could be significant. Now the question is, how do you do it?

Looking to another corner of the marketplace for inspiration, consider Amazon CEO Jeff Bezos, who once famously left a room full of arguing executives, pulled in an empty chair and said, “Now the customer is here,” prompting the execs to stop and consider the business question at hand from the customer’s perspective.

The healthcare ecosystem can—and should—do the same. Give physicians and patients a figurative seat at the table, and design your offerings and strategies with their perspectives in mind. (Shareholders will, of course, retain their seats at the table, too, but isn’t it in the shareholders’ best interests to have offerings and strategies designed to meet customers’ needs?)

Some healthcare providers are making great inroads. For example, Zubin Damania, M.D., aka ZDogMD, garnered quite a bit of media attention for his **Health 3.0**, a one-on-one, relationship-based form of healthcare. This vision of the future of healthcare caught the attention of Zappos founder and CEO Tony Hsieh, who funded Damania’s Turntable Health, a primary care clinic in Las Vegas. **Turntable Health closed its doors** earlier this year, reportedly because existing payment models didn’t mesh with his new care model, but the effort serves as an example of how some stakeholders are beginning to take risks in an attempt to innovate and improve on how healthcare is delivered.

One-on-one, patient-centric care necessitates that healthcare becomes more customized, which might seem unrealistic and not scalable, but telemedicine is poised to fill in some of the gaps—and potentially lower healthcare costs.
Dr. Randall Moore, president of St. Louis’s Mercy Virtual, called the world’s first telemedicine center, presented the case of recent patient Naomi Coulter at last year’s FT Global Pharmaceutical and Biotechnology Conference in London. According to Moore, Mercy designed a telehealth care model that helped the 87-year-old woman whittle down the number of times that she was in the hospital from 20 visits the previous year to two visits during a nine-month period.

Designed to augment—not replace—the care provided by physicians and nurses, telemedicine is rapidly gaining ground, but some stakeholders remain reticent. In a recent interview, Dr. Tom Hale, Mercy Virtual’s executive medical director, said that insurance companies aren’t making it easy but that progressive companies like UnitedHealthcare are beginning to see the power of telemedicine.

Partner and Collaborate

Once organizations have started small (bilaterally as in the examples cited above), the next step is to build up to forming multilateral relationships.

Today, two or more stakeholders often have shared goals in mind but wind up missing the mark when they fail to truly represent the customer’s perspective. For example, doctors and insurance companies both support annual physicals for patients because catching issues early costs less money in the long run and keeps people well. However, these appointments—often scheduled a year in advance—are hard for patients to keep. And if patients are able to make the appointment, they’re often unprepared to discuss any issues that they may have had.

The antiquated process is ripe for disruption: Why not create an “at home” physical service, or send patients an easy-to-use “physician prep” package? Provider organizations could send a nurse to cover the basics before the in-office visit as life insurance companies do, or they could have a case worker follow up afterwards to spend time reviewing results if the physician is unable to.

In a similar scenario, physicians want reliable, transparent and timely information on drugs, and pharmaceutical companies want them to have it. But again, efforts on both sides of the interactions seem to be in opposition. Surely, there’s a better way to deliver the content that physicians need when they need it. The traditional approach of sending sales reps to catch physicians in the hallway is no longer as effective as it once was.

Moreover, pharmaceutical companies can’t truly classify themselves as patient-centric when their reps take physicians away from patient care during the day, can they?
The benefits of collaborating to create customer and patient centricity are quite clear to all healthcare players, but the barriers to their success are significant. In particular, pharma companies, providers, regulatory agencies, payers and PBMs are challenged to balance short-term priorities with long-term planning and projects. For example, for payers, near-term budget impact is a key factor as the churn of customers from one plan to the next limits long-term orientation. For providers, running a business to maximize returns, minimize reimbursement risk and stay afloat can result in shortsightedness. Most of all, each stakeholder often struggles to understand how having a more customer-centric mindset can result in an improved financial picture.

The industry-wide shift to a customer-centric mindset is a long-term transformation that requires incremental changes now. To get this right, the healthcare ecosystem has to increase collaboration across the board. Just as properly aligned wheels work together to efficiently and effectively propel a vehicle forward, healthcare stakeholders can align strategies to improve the health and success of the industry, and its end customers.
About the Authors

Pratap Khedkar is a managing principal in ZS’s Philadelphia office, and leads the firm’s global pharmaceuticals and data science practices. He has advised many biopharmaceutical and healthcare companies on a wide range of business issues including commercial strategy, customer-centric marketing, market access, sales compensation and advanced analytics. Pratap regularly contributes his insights to publications including The Wall Street Journal, Bloomberg Businessweek, Pharmaceutical Executive and others. Currently, his thought leadership work focuses on topics including healthcare policy; life sciences companies’ new commercial and organizational models; and the evolving relationships between patients, providers and payers, and the life sciences organizations that serve them.

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