



National Association of Cancer
Center Development Officers





Tired of Defending Your Budget?





Leading the Fight

Steering Committee



Benchmarking Program Manager

Endeavor

Formerly Gelb Consulting

PURPOSE

We recognized the need to think bigger than a one-time survey, so we:

Completed benchmarking for 2017 and 2018 budget years...

We engaged a steering committee for guidance....

Utilized a dashboard for blinded-data distribution.



Seed Idea

Create a datastore of how marketing and communications resources are allocated to justify budgets.

Comparable

Ensure that the benchmarks are true peers on a variety of dimensions.

Meaningful

Asking the right questions of the right people. Tested with steering committee.

Accessible

Make data viewable, downloadable, and presentable for many internal audiences.

QUESTIONS

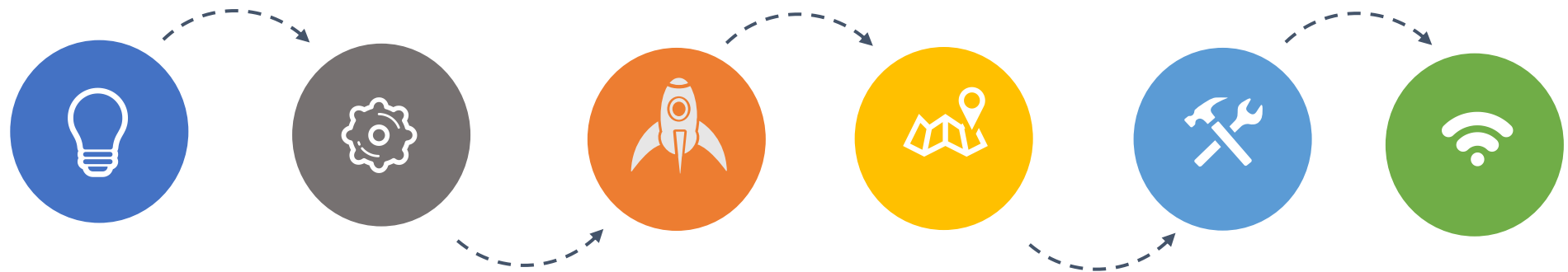
Gathered These Data

- Organization Type
- Budget levels
- Institution Size
- Marketing Organization Size
- Areas Supported by Marketing
- Geographic Reach
- Rankings

To Filter By:

- Overall Marketing & Communications Budgets
- How Funds Are Spent Across the Marketing Mix
- Areas that Marketing Function Supports
- Staffing Levels
- Hospital Profiles – Size, Total Employees, Revenue
- Competitive Intensity and Share of Voice

APPROACH



Idea

#01 Recognized industry need for benchmarking specific to the needs of the largest, most complex healthcare systems

Design

#02 Identified and recruited leading organizations to help design the benchmarking survey

Deploy

#03 Fielded survey to include select organizations based on size and stature

Field

#04 Online survey fielding to include offline version for data gathering

Validate

#05 Validation of information through follow-up communication and third-party data sources

Share

#06 Release of data to all participants and sponsors via dashboard

PARTICIPANTS



Sponsors

- Cleveland Clinic*
- Avera Health
- Brigham Health
- City of Hope
- Dana Farber Cancer Institute
- Duke Health*
- Geisinger
- Henry Ford Health System
- Intermountain Healthcare*
- Jefferson Health
- Johns Hopkins Medicine
- Martin Health
- Mayo Clinic*
- Medical University of South Carolina
- Mercy Health
- Mount Sinai
- Oregon Health & Science University
- Sharp Health Care
- University of Chicago Medicine
- University of Colorado Health
- University of Utah Health
- University of Virginia Health System
- Vanderbilt University Medical Center

Participants

- Aspirus
- Baptist Health of Northeast Florida
- Beaumont Health
- Emory Healthcare
- Hackensack Meridian Health
- Indiana University Health
- Martin Health System
- Massachusetts General Hospital
- Methodist Health System
- Methodist Le Bonheur Healthcare
- MUSC Health
- Nebraska Medicine
- Penn State Health
- Piedmont Healthcare
- Temple Health
- The Ottawa Hospital
- Tufts Medical Center
- UnityPoint Health
- University Health System
- University of Cincinnati Health
- University of Washington Medicine

*Steering Committee

USER EXPERIENCE

Choose Hospital System

Net Patient Revenue

Marketing and Communications Budget

Adjusted Discharges

Select State

Net Patient Revenue
 Less than \$1 Billion
 \$1 Billion to \$3 Billion
 More than \$3 Billion

Adjusted Discharges
 Less than 50,000
 50,000 to 100,000
 More than 100,000

Marketing and Communications Budget
 Less than \$10,000,000
 \$10,000,000 to \$25,000,000
 More than \$25,000,000

Filter

| Available Systems | | | | |
|---|---------------------|---------------------|--------------|-------|
| System Name | Net Patient Revenue | Adjusted Discharges | Staffed Beds | State |
| Inova | \$2,500,000,000 | 203,055 | 1,800 | VA |
| Jefferson Health | \$2,670,346,000 | 129,074 | 1,824 | PA |
| MD Anderson Cancer Center | \$3,527,102,284 | 86,523.6 | 661 | TX |
| Texas Children's Hospital | \$1,858,024,000 | 3,569,163 | 767 | TX |
| The Ottawa Hospital | N/A | N/A | 1,122 | ON |
| Thomas Jefferson University and Jefferson | \$4,200,000 | N/A | 2,500 | PA |

| Peer Group Systems. Select at least 5 Hospitals (40 Selected) | | | | |
|---|---------------------|---------------------|--------------|-------|
| System Name | Net Patient Revenue | Adjusted Discharges | Staffed Beds | State |
| AMITA Health | \$1,732,155,000 | 155,233 | 1,468 | IL |
| Avera Health | \$1,600,000,000 | 106,800 | 1,168 | SD |
| Baptist Health of Northeast Florida | \$1,300,000,000 | 123,350 | 1,168 | FL |
| Beaumont Health | \$4,145,285,000 | 359,394 | 3,429 | MI |
| Boston Children's Hospital | \$1,138,192,000 | 212,917 | 404 | MA |
| Boston Medical Center | \$2,800,000,000 | 25,328 | 400 | MA |

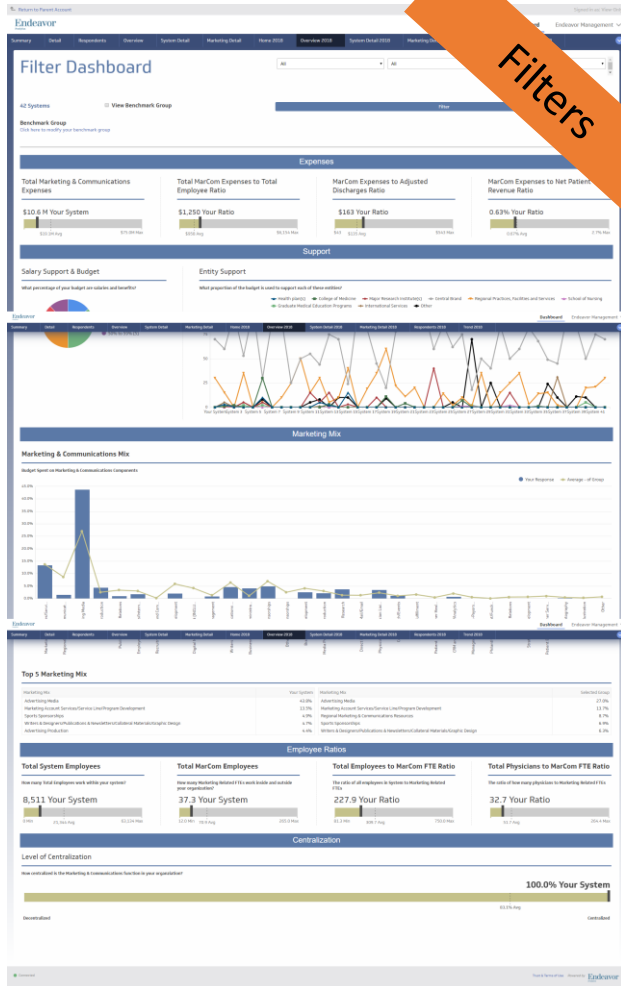
Save Benchmark

USER EXPERIENCE

Filters

Marketing Mix Breakdown

Year to Year Trends



Year Over Year Trending Data

Starting in 2018, the study allows for Sponsors to not only compare to peers of their choice, but to also see critical year over trend data.

Benchmark Group

Your System and Cleveland Clinic, Duke Health, Henry Ford Health System, Johns Hopkins Medicine, Mayo Clinic

System Wide Information

| | Your System | | | Benchmark Group | | | All Respondents | | |
|---------------------------------|-------------|----------|------------|-----------------|-----------|------------|-----------------|-----------|------------|
| Metric | 2018 | 2017 | Growth (%) | 2018 | 2017 | Growth (%) | 2018 | 2017 | Growth (%) |
| Net Patient Revenue (\$M) | 1,988.04 | 1,820.34 | ▲ 9.2% | 6,743.74 | 6,363.74 | ▲ 6.1% | 3,334.44 | 2,892.34 | ▲ 11.4% |
| Adjusted Discharges | 85,382 | 78,996 | ▲ 8.1% | 232,238.0 | 223,499.0 | ▲ 4.3% | 136,264.3 | 135,958.6 | ▲ 0.2% |
| Total # of Staffed Beds | 1,101 | 1,101 | 0.0% | 2,866.6 | 2,771.4 | ▲ 3.4% | 1,863.3 | 1,824.4 | ▲ 2.6% |
| Staffed Beds - Largest hospital | 626 | 626 | 0.0% | 1,322.6 | 1,330.4 | ▼ 0.6% | 672.7 | 689.3 | ▼ 2.4% |
| # of Hospitals Owned | 2 | 2 | 0.0% | 8.4 | 8.2 | ▲ 2.4% | 7.3 | 7.3 | ▲ 0.0% |
| Health Plan Lines | 0 | 0 | 0.0% | 10,000.0 | 70,000.0 | ▲ 13.7% | 30,784.2 | 29,222.2 | ▲ 5.2% |
| System Employees | 8,511 | 8,161 | ▲ 4.3% | 42,500.5 | 41,862.8 | ▲ 1.7% | 22,022.1 | 20,936.1 | ▲ 5.2% |
| Physicians Employed | 930 | 930 | 0.0% | 3,082.0 | 2,777.6 | ▲ 11.3% | 1,566.5 | 1,472.7 | ▲ 6.4% |
| Marketing Budget (\$M) | 10.24 | 10.84 | ▼ 5.6% | 38.44 | 38.84 | ▲ 1.1% | 17.64 | 17.34 | ▲ 0.8% |
| Marketing FTE (Internal) | 34 | 26 | ▲ 30.8% | 150.2 | 143.2 | ▲ 4.9% | 68.0 | 62.0 | ▲ 9.7% |

Marketing & Communications Information

| | Your System | | | Benchmark Group | | | All Respondents | | |
|--|--------------|--------------|-------------|-----------------|-------------|------------|-----------------|--------------|------------|
| Metric | 2018 | 2017 | Growth (%) | 2018 | 2017 | Growth (%) | 2018 | 2017 | Growth (%) |
| Continued Marketing Expenses | \$10,639,801 | \$11,388,817 | ▼ -6.6% | \$4,476,403 | \$4,279,609 | ▲ 4.7% | \$16,675,908 | \$16,033,905 | ▲ 4.0% |
| Marketing Account Service/Service Line/Program Development | \$1,376,182 | \$1,303,215 | ▲ 5.6% | \$4,743,169 | \$4,402,361 | ▲ 7.7% | \$2,508,537 | \$2,806,044 | ▼ -9.7% |
| Digital Media Management (Search Engine + Pay Per Click) | \$725,000 | \$447,215 | ▲ 62.0% | \$3,797,869 | \$3,378,700 | ▲ 13.1% | \$1,379,244 | \$1,081,096 | ▲ 27.7% |
| Sports Sponsorship | \$500,000 | \$500,000 | 0.0% | \$2,306,750 | \$2,601,841 | ▲ 44.0% | \$2,443,269 | \$3,206,404 | ▲ 24.8% |
| National Media | \$482,533 | \$638,054 | ▼ -23.8% | \$2,465,763 | \$3,543,375 | ▼ -30.4% | \$853,059 | \$1,264,497 | ▼ -32.9% |
| Writer & Designer/Publications & Newsletters/Collateral Materials/Graphic Design | \$479,236 | \$587,426 | ▼ -19.3% | \$3,344,665 | \$3,824,077 | ▼ -13.2% | \$1,165,834 | \$1,331,772 | ▼ -12.9% |
| Business Management/Administrator | \$425,227 | \$239,655 | ▲ 43.6% | \$425,188 | \$845,525 | ▼ -49.7% | \$330,931 | \$331,677 | ▼ 0.2% |
| Market Research | \$389,340 | \$438,001 | ▼ -11.3% | \$730,010 | \$377,679 | ▲ 93.4% | \$276,742 | \$133,099 | ▲ 111.0% |
| Physician Outreach/Physician Liaison/Sales | \$354,868 | \$1,383 | ▲ 25,559.3% | \$1,013,533 | \$1,373,871 | ▼ -25.7% | \$1,026,973 | \$845,823 | ▲ 21.6% |
| Brand Strategy & Development | \$266,152 | \$142,342 | ▲ 87.0% | \$1,214,387 | \$780,631 | ▲ 55.0% | \$64,252 | \$645,743 | ▲ 91.3% |
| Media Production/Video Production | \$225,057 | \$26,294 | ▲ 779.0% | \$1,501,897 | \$1,284,204 | ▲ 16.9% | \$538,807 | \$356,155 | ▲ 50.0% |
| Web Site Development | \$207,247 | \$457,811 | ▼ -54.7% | \$2,482,405 | \$2,081,008 | ▲ 19.3% | \$1,151,151 | \$1,081,617 | ▲ 6.5% |
| Employee Communications/Internal Communications/Intranet Content | \$182,232 | \$361,007 | ▼ -49.5% | \$1,463,933 | \$1,258,894 | ▲ 16.3% | \$65,308 | \$676,147 | ▼ 90.8% |
| Regional Marketing & Communications Resources | \$124,637 | \$392,107 | ▼ -68.1% | \$5,088,033 | \$3,315,500 | ▲ 52.0% | \$1,291,587 | \$1,705,952 | ▲ 23.8% |
| Community Outreach/Events | \$122,497 | \$78,106 | ▲ 56.4% | \$737,197 | \$559,931 | ▲ 32.0% | \$325,747 | \$270,687 | ▲ 20.3% |
| Public Relations/Media Relations | \$106,509 | \$19,010 | ▲ 469.0% | \$1,268,977 | \$2,906,639 | ▼ -56.3% | \$688,636 | \$998,424 | ▼ 31.0% |
| Social Media Management | \$86,752 | \$2,800 | ▲ 3,027.0% | \$740,969 | \$626,766 | ▲ 17.9% | \$266,286 | \$260,011 | ▲ 2.4% |
| CRM, Marketing Automation and/or Data Science/Analytics | \$73,500 | \$29,094 | ▲ 151.0% | \$738,000 | \$307,477 | ▲ 141.3% | \$425,791 | \$451,937 | ▼ 7.0% |
| Photography | \$28,481 | \$60,000 | ▼ -52.3% | \$63,873 | \$29,299 | ▲ 118.0% | \$308,062 | \$73,300 | ▲ 47.3% |
| Other Community Sponsorships | \$500 | \$500 | 0.0% | \$206,211 | \$480,451 | ▼ -57.0% | \$679,770 | \$699,174 | ▼ 2.9% |
| Medical Illustration | \$500 | \$2,300 | ▼ -78.0% | \$168,000 | \$168,000 | 0.0% | \$487,280 | \$294,115 | ▲ 65.0% |
| Volunteer Services/Auxiliary/Information Desk | \$500,000 | \$264,001 | ▼ -47.0% | \$500,000 | \$1,042,000 | ▼ -51.0% | \$1,123,331 | \$1,042,000 | ▲ 7.9% |
| Patient Experience/Customer Service | \$500,000 | \$1,000,000 | ▼ -50.0% | \$600,737 | \$639,523 | ▲ 7.0% | \$600,737 | \$639,523 | ▲ 7.0% |
| Strategy/Business Development | \$500,000 | \$1,450,000 | ▼ -66.0% | \$911,000 | \$1,450,000 | ▼ -37.0% | \$1,300,000 | \$1,300,000 | 0.0% |
| Government Relations | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% |
| Philanthropy/Development/Fundraising/Foundation | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% |
| Managed Care Contracting/Physicians & Employers | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% |
| Patient Education/Consumer Health Information | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% |
| Call Center/Outreach | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% | \$500,000 | \$500,000 | 0.0% |
| Direct Marketing/Direct Mail/Email | \$439,188 | \$439,188 | 0.0% | \$439,188 | \$439,188 | 0.0% | \$439,188 | \$439,188 | 0.0% |
| Recruitment Advertising and Communications | \$300,000 | \$300,000 | 0.0% | \$300,000 | \$300,000 | 0.0% | \$300,000 | \$300,000 | 0.0% |

PARTICIPANT PROFILE

Sample Size 42

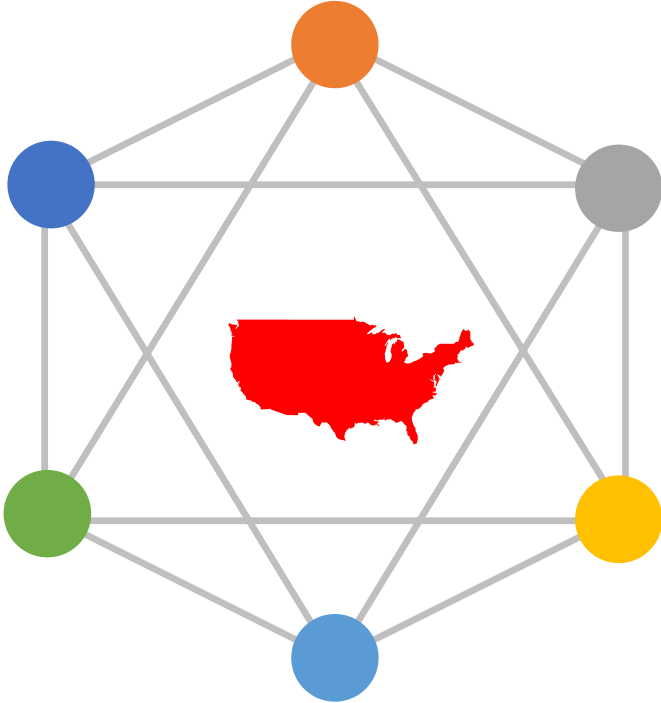
All respondents are non-profits; over half are AMCs

Networked Physicians 54%

Network physicians slightly outnumber employed physicians on average.

Centralization 83%

The majority of respondents are centralized. Most MarCom components are **integrated** or **unified**.



27 Nationally Ranked

In addition, 7 survey participants are on US News Honor Roll.

Net Patient Revenue \$3.5B

Respondents reported an average of \$3.6B Net Patient Revenue for 2016; with a range from \$500M to \$12.0B

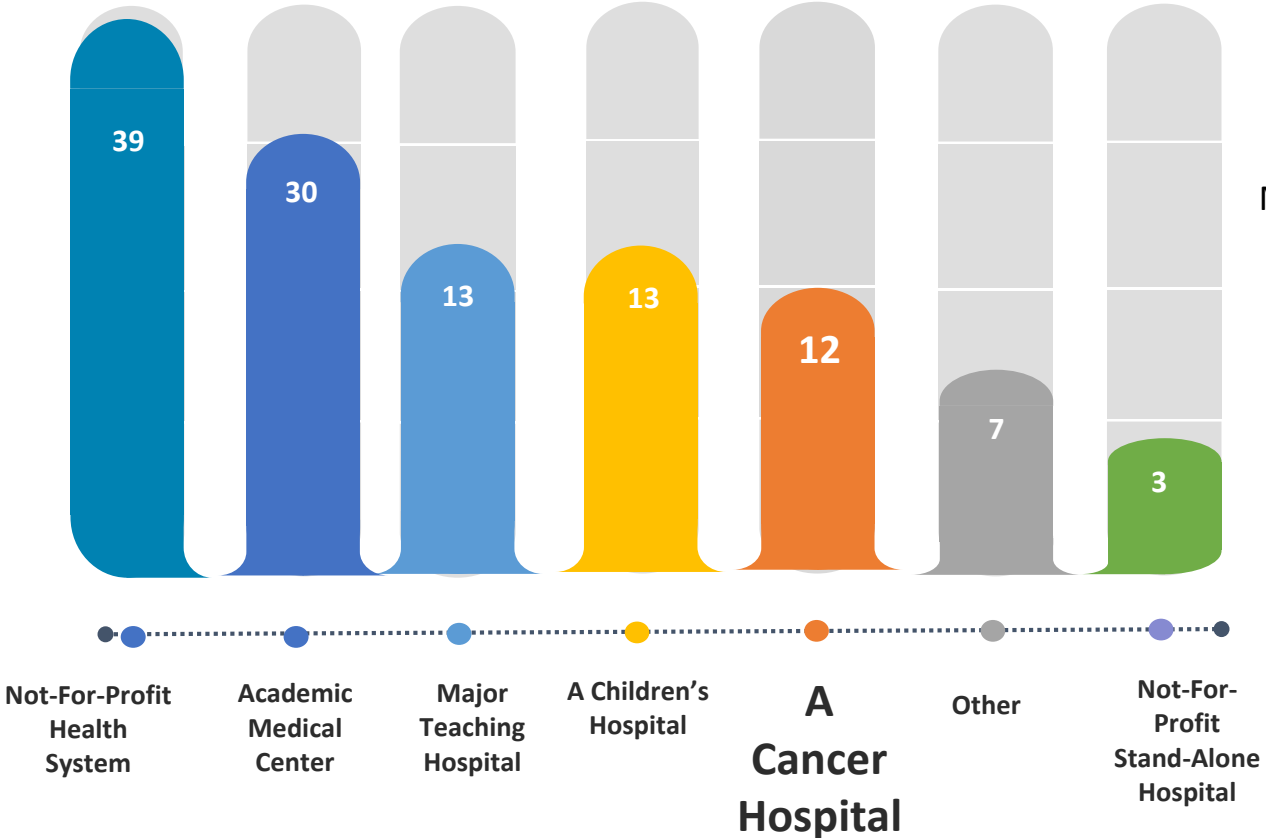
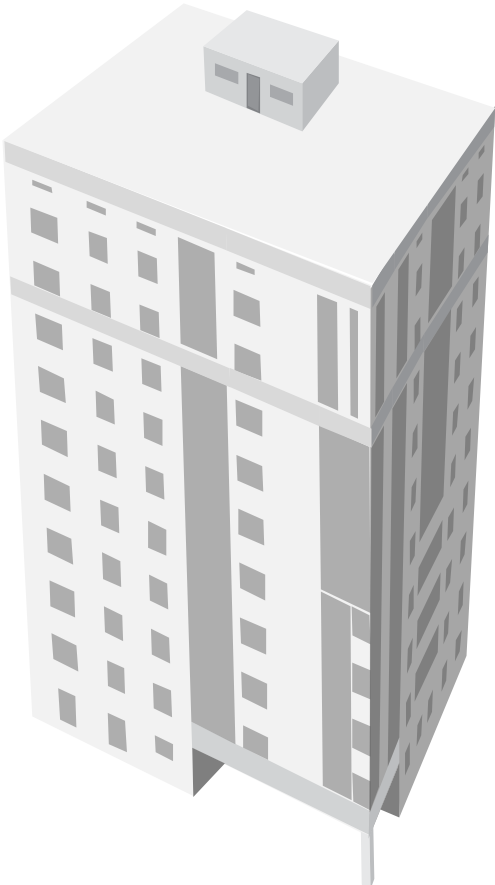
Adjusted Discharges 150K

The average respondent had 154,086 discharges. The largest system with nearly 500K.

Geographically Narrow 60%

More than half of participants are geographically narrow health systems, with a healthy representation of national and regional health systems

PARTICIPANT PROFILE



Multiple responses allowed

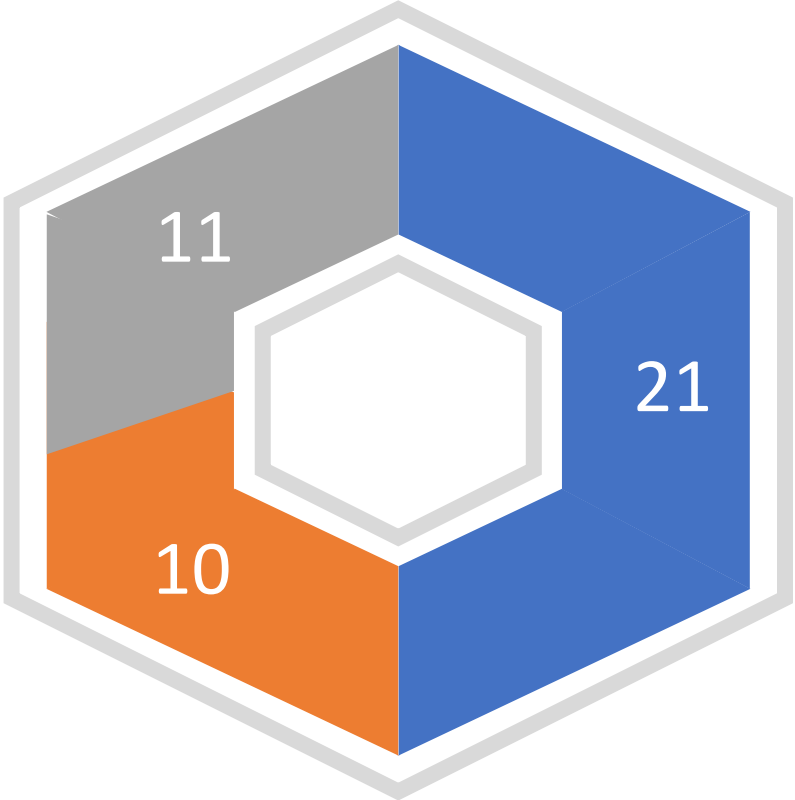
PARTICIPANT PROFILE

Percentage of patients being reached outside of primary region.

Inpatients outside primary market
0 – 10% **50%**

Inpatients outside primary market
11 - 20% **24%**

Inpatients outside primary market
21% or more **26%**

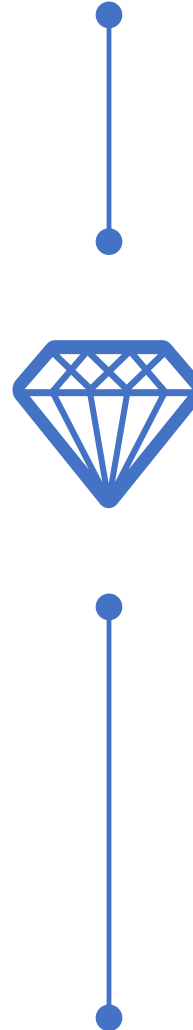


Nearly half of participants are geographically narrow health systems, with a healthy representation of national and regional health systems.

BUDGETS

Hospital Systems' revenue range from **\$500 million** to **\$12 billion**

Total Marketing & Communications Expenses vary greatly per organization, from **\$3 million** to **\$75 million**.



MarCom Expenses averaged only **.5%** of Net Patient Revenue, **vs. 0.7% last year**.

This is well below broad industry benchmarks of **10%.***

The highest ratio in our sample was only **2%**.

[Source: The CMO Survey, February 2018](#)

**Includes healthcare/pharmaceutical companies*

EFFICIENCY

Average MarCom Budget



Marketing and Communications expenses vary widely, from \$3MM to \$75MM depending on the size of the system.

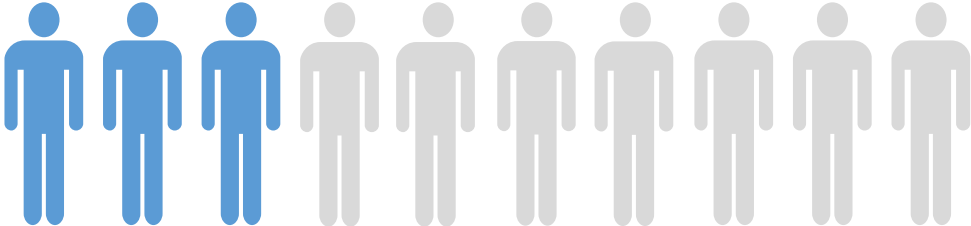
**Average Budget Allocation
on Advertising Media
24%**

The average number of FTEs
in a marketing department:

71

Average Budget Spent on Salaries and Benefits

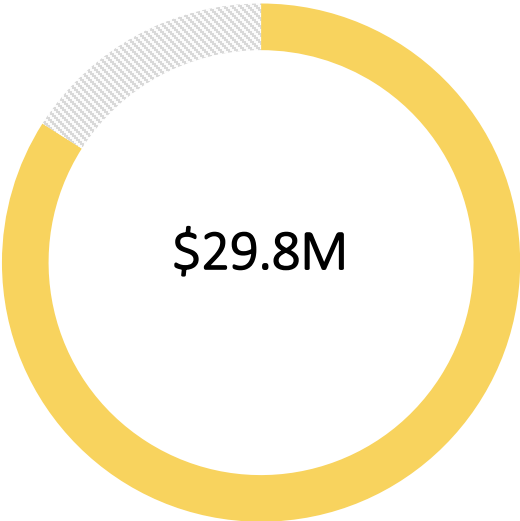
31%



Most of MarCom budgets are used outside of the organization, the lion's share to advertising media.

EFFICIENCY - CANCER

Average MarCom Budget



Marketing and Communications expenses vary widely, from \$3MM to \$75MM depending on the size of the system.

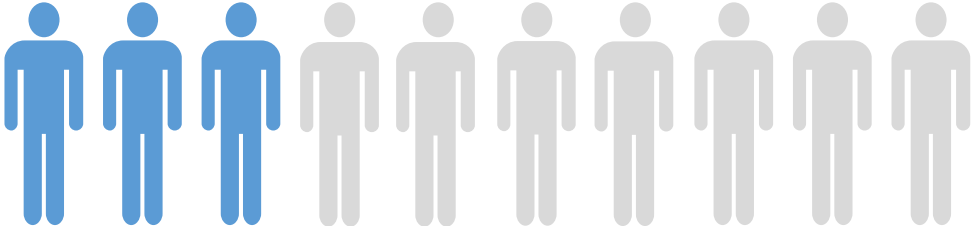
**Average Budget Allocation
on Advertising Media
25%**

The average number of FTEs
in a marketing department:

95

Average Budget Spent on Salaries and Benefits

33%

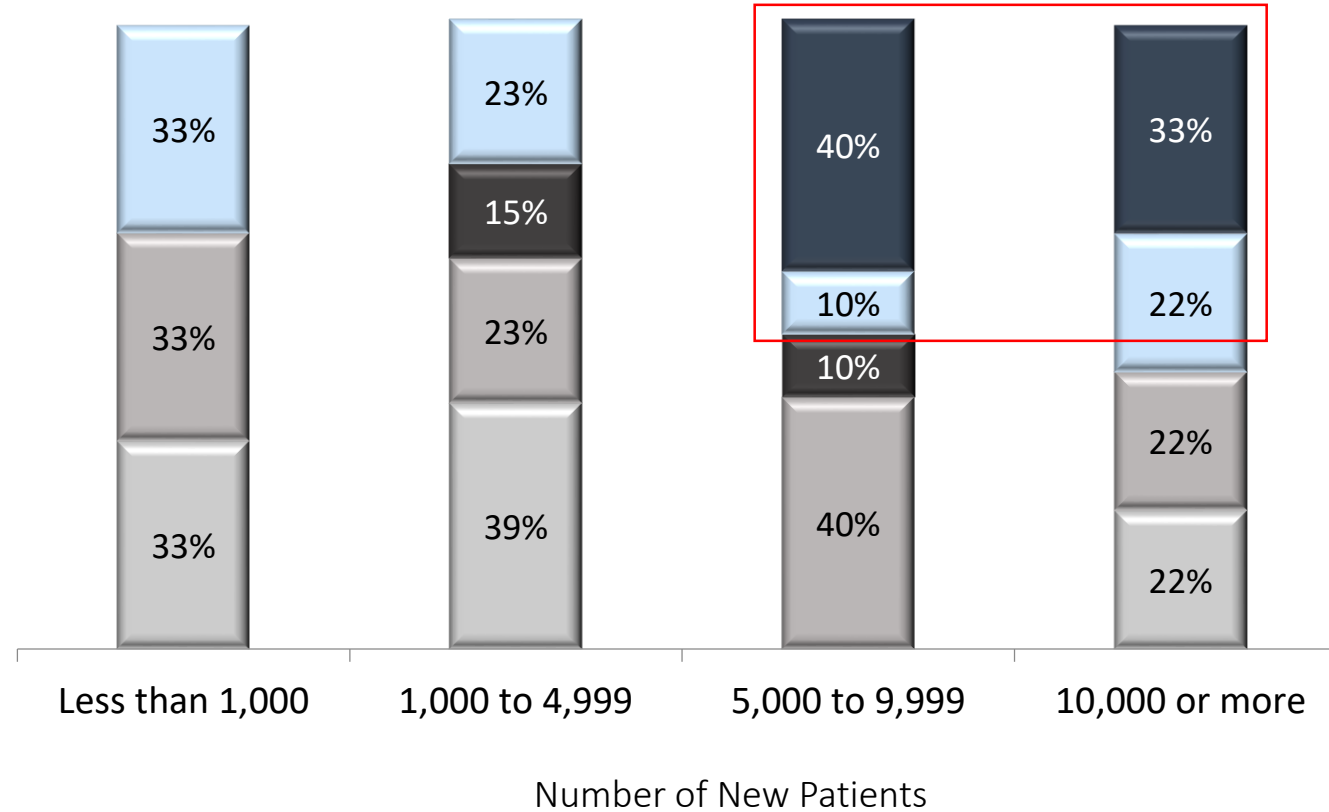


Cancer centers spend more, on average,
than other facilities.

FLASHBACK - 2010

Annual Cancer Budget

- Over \$1 million
- ▣ \$500,000 to \$999,999
- \$300,000 to \$499,999
- ▣ \$100,000 to \$299,999
- ▣ Less than \$100,000



Source: 2010 Benchmarking Study; less salaries and benefits

n = 35

ALLOCATION - CANCER

Advertising media and production expenses in this total sample were **\$98 million** and about **27%** of total marketing expenditures.

The average spend on advertising is **\$7.4M**

Emerging digital tactics are currently less supported as a proportion of overall budget:

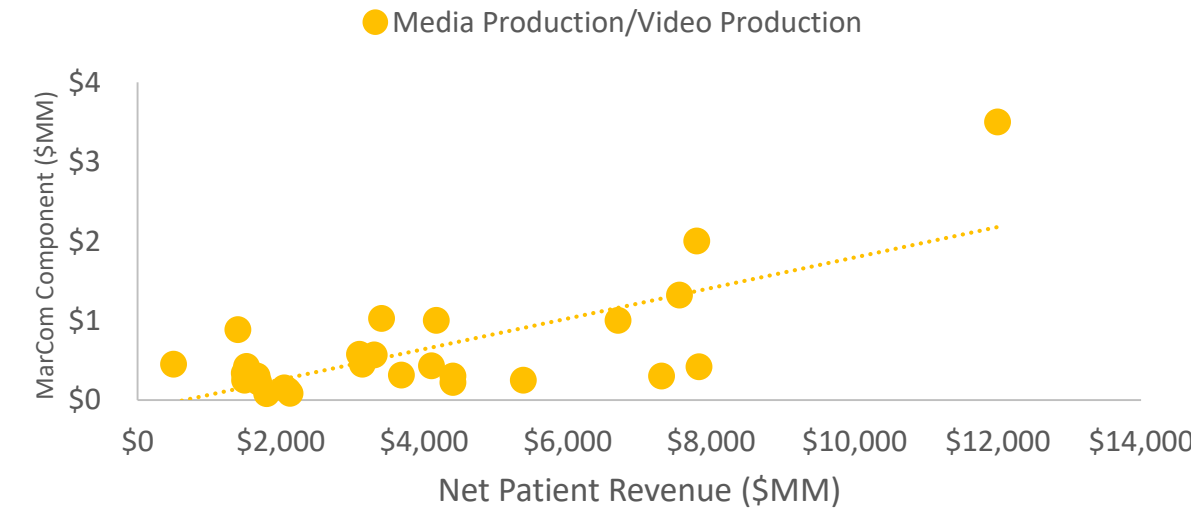
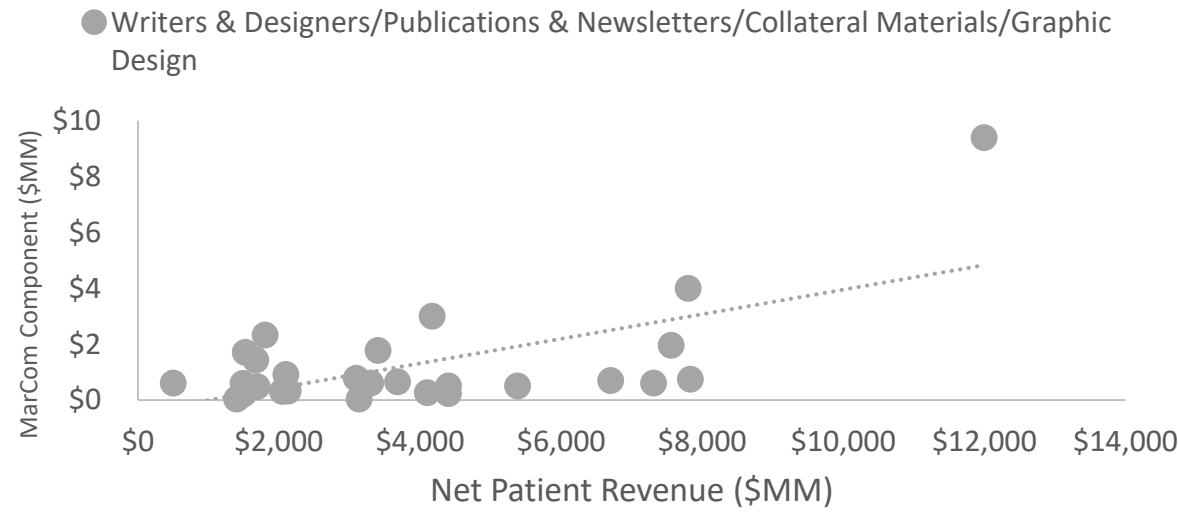
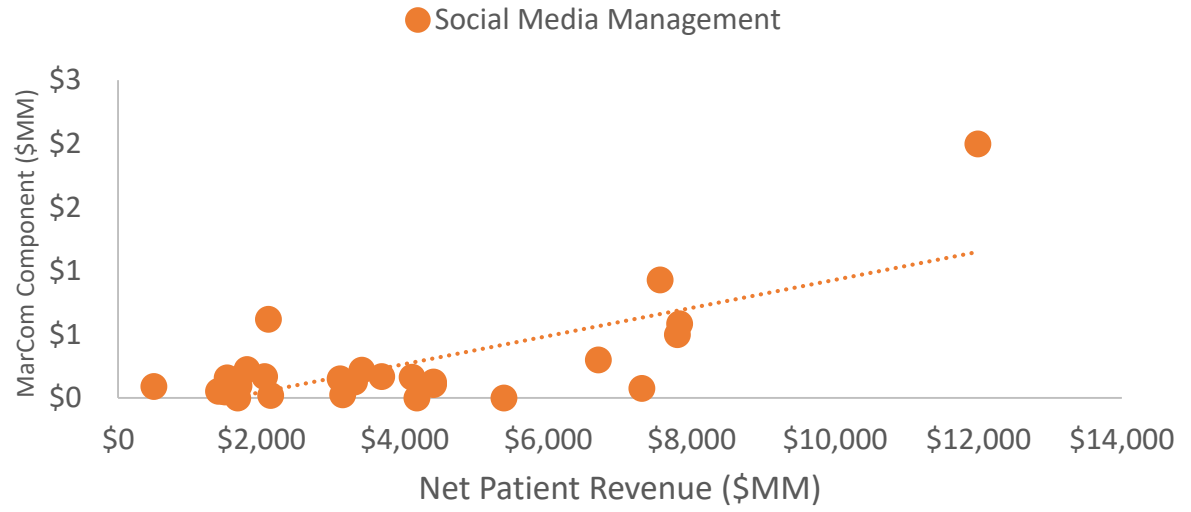
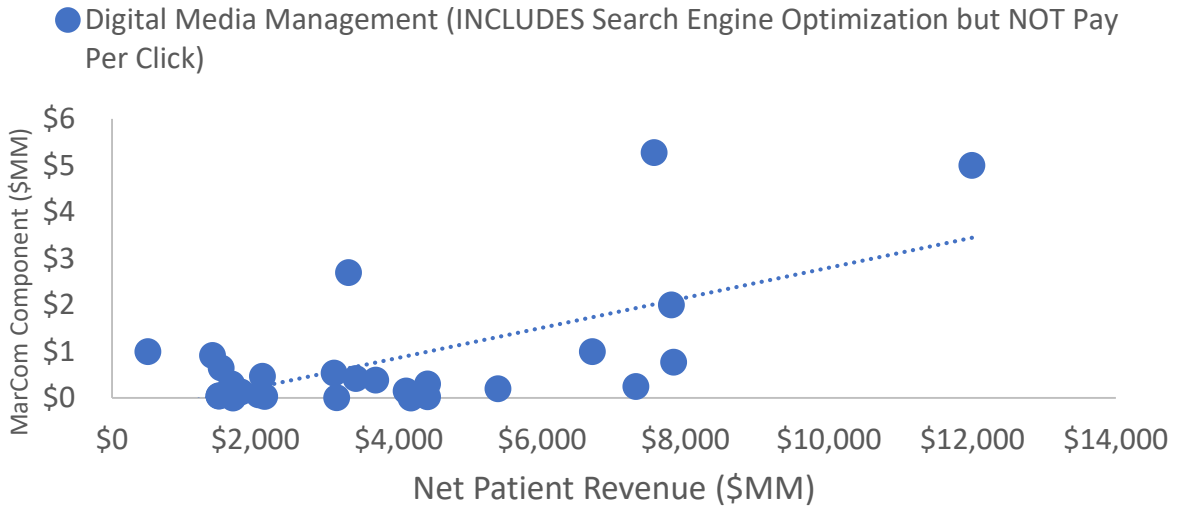
- Website Development – 4.6%
- Digital Media Management – 5.0%
- CRM/Data Sciences – 1.8%
- Social Media Management – 1.4%



Cancer facilities are spending more on advertising and more on digital media.

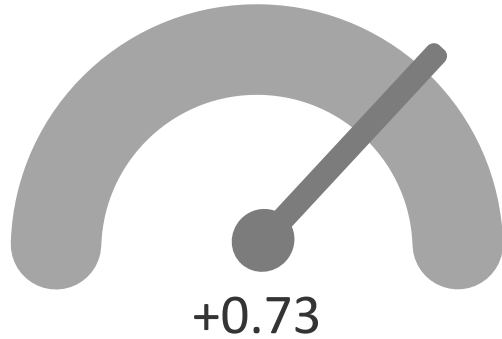
DIGITAL DRILL DOWN

We see some trailblazers who are investing heavily in future marketing and communications channels.



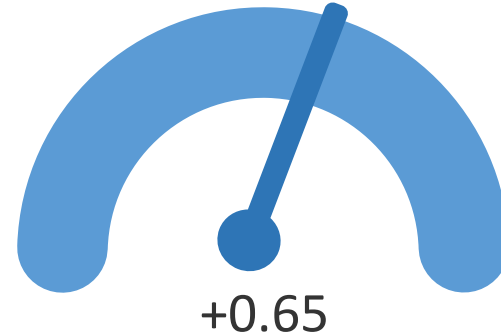
Note: Digital MarCom components are among those most highly related to NPR

ALLOCATION DRIVERS



Marketing FTEs

Net Patient Revenue correlates highly with the number of FTEs in Marketing Departments



Regional MarCom Resources

Regional MarCom have higher percentage of budget allocations in organizations with higher Net Patient Revenue



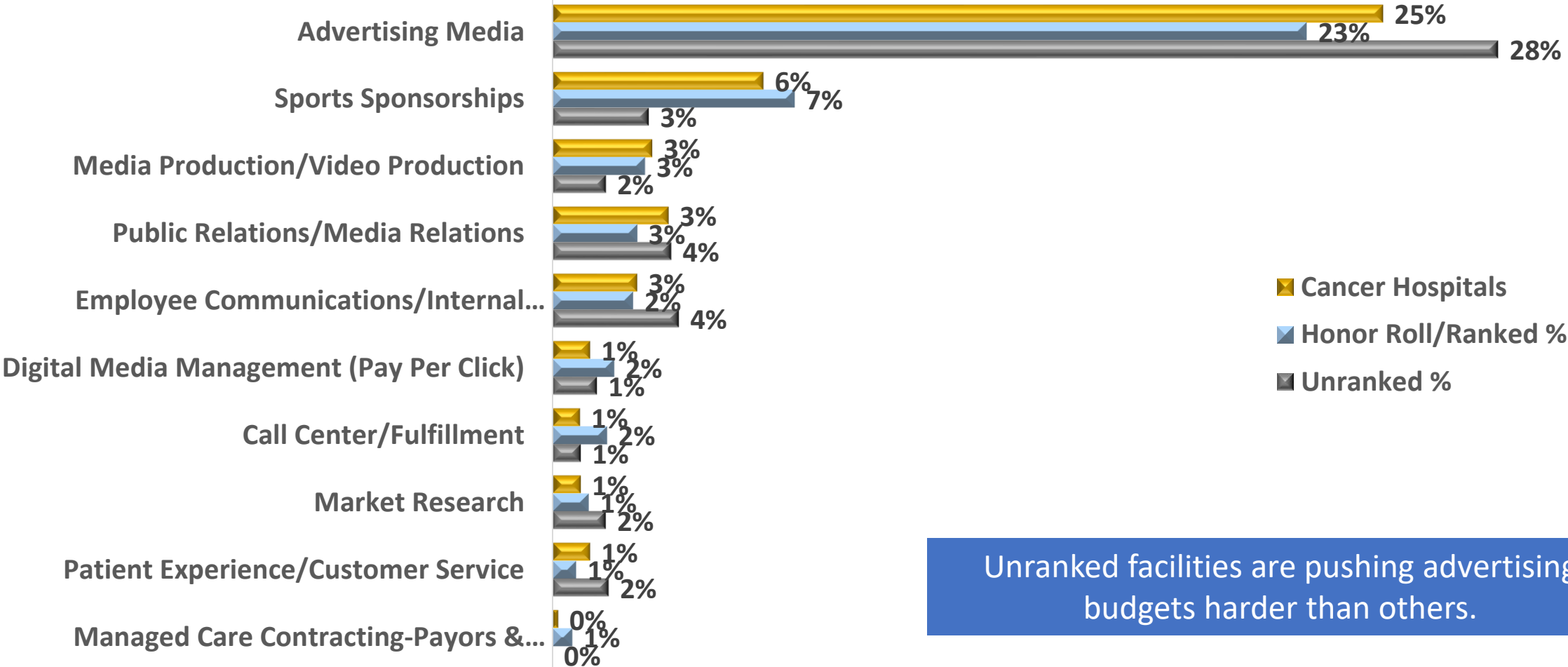
Social Media

Social media efforts have higher percentage of budget allocations in organizations with higher Net Patient Revenue

Some organizations are using data modeling to determine the precise contribution marketing expenditures have on Net Patient Revenue...

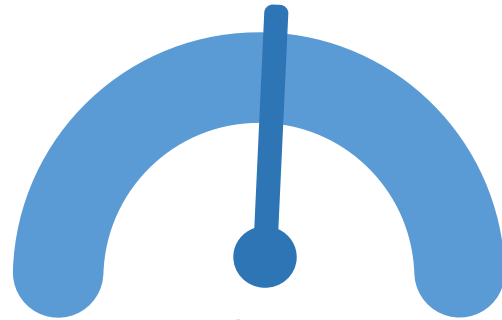
Or to make the case for higher resource levels.

BUDGET ALLOCATION



Unranked facilities are pushing advertising budgets harder than others.

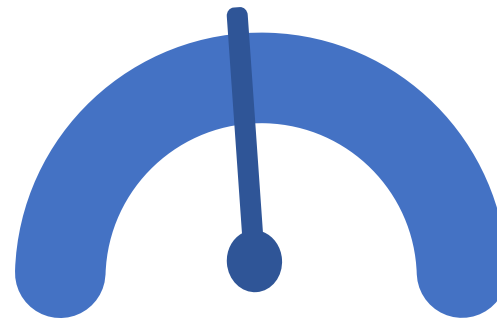
ALLOCATION USES



+0.51

Government Relations

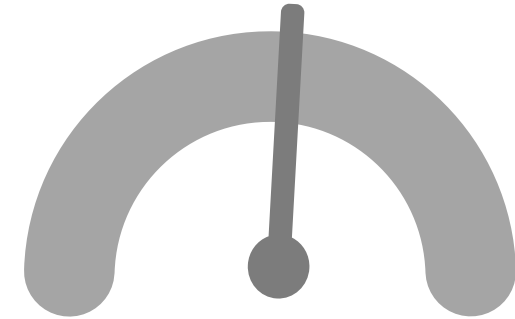
Government Relations has a higher percentage of budget allocations in organizations with higher Net Patient Revenue



+0.47

Employee Communications

Employee Communications have higher percentage of budget allocations in organizations with higher Net Patient Revenue



+0.52

Medical Illustration

Medical Illustration has a higher percentage of budget allocations in organizations with higher Net Patient Revenue

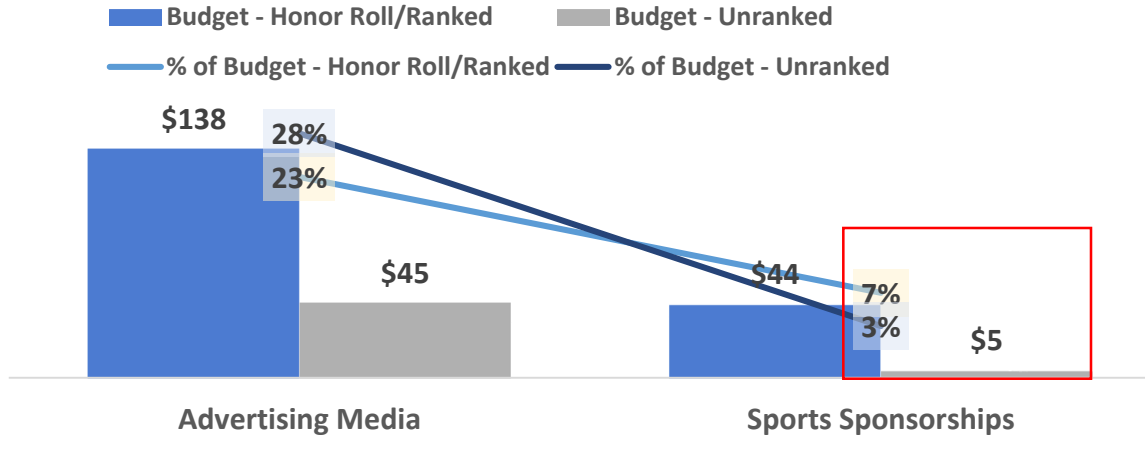
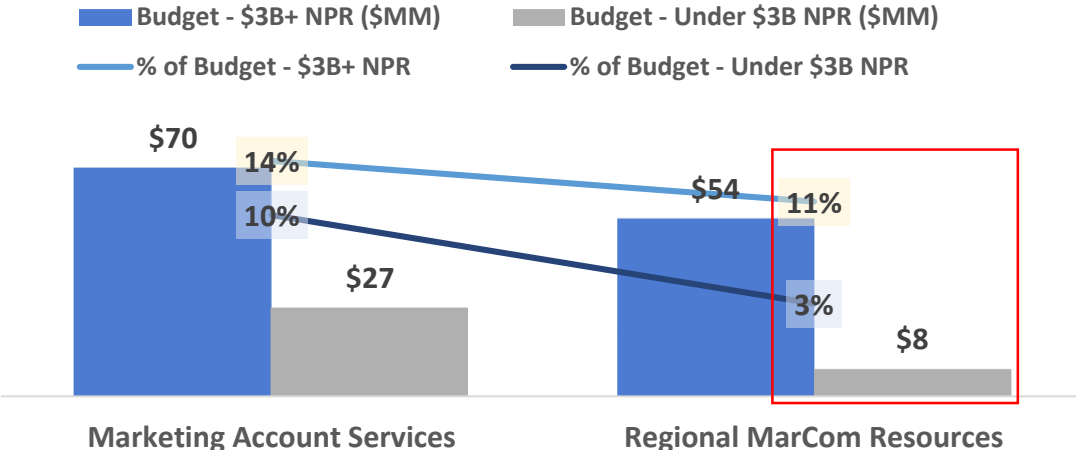
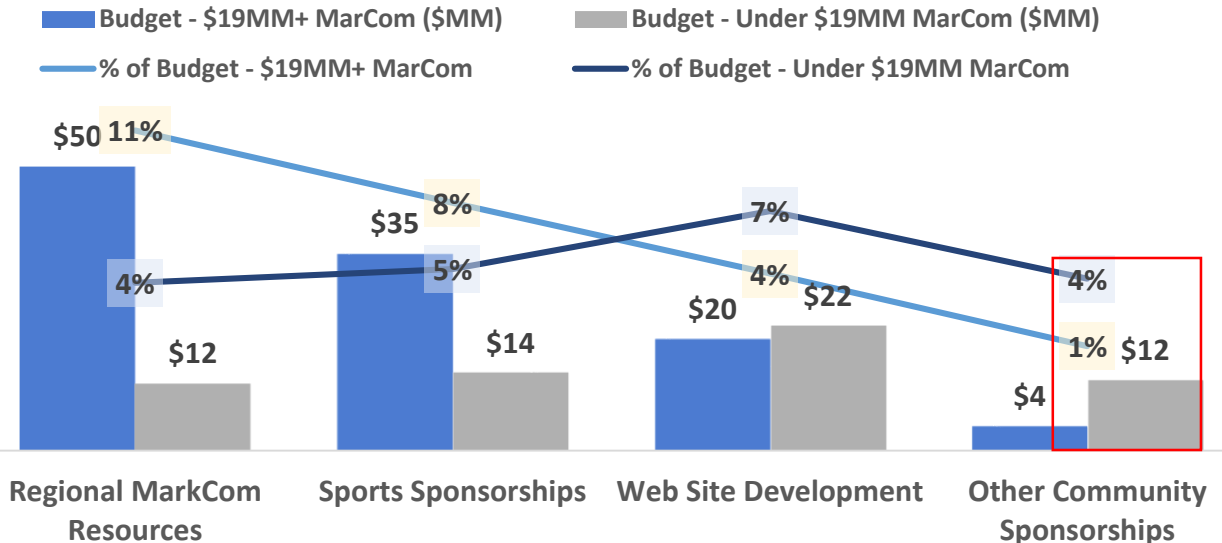
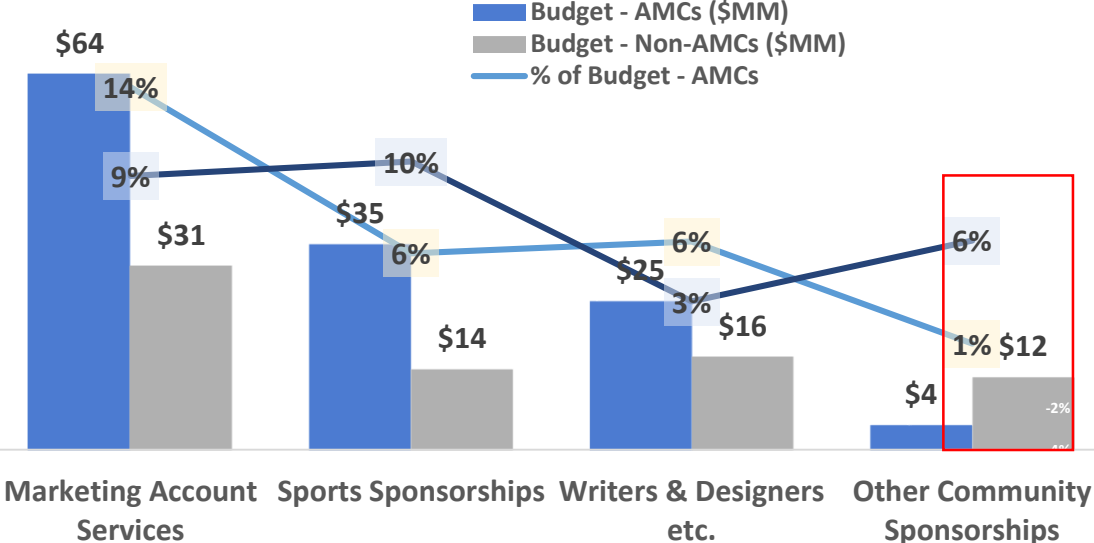


Institutions with High NPR also support more:

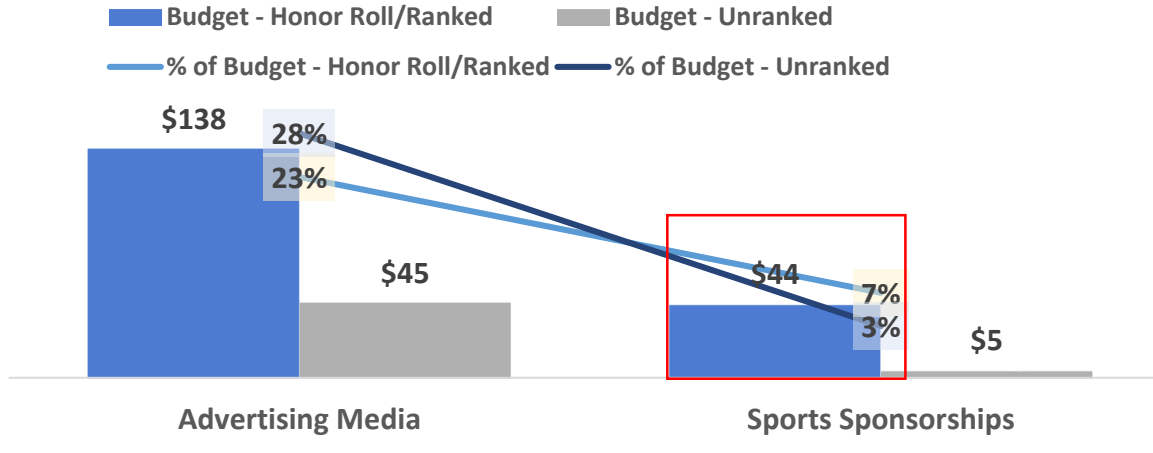
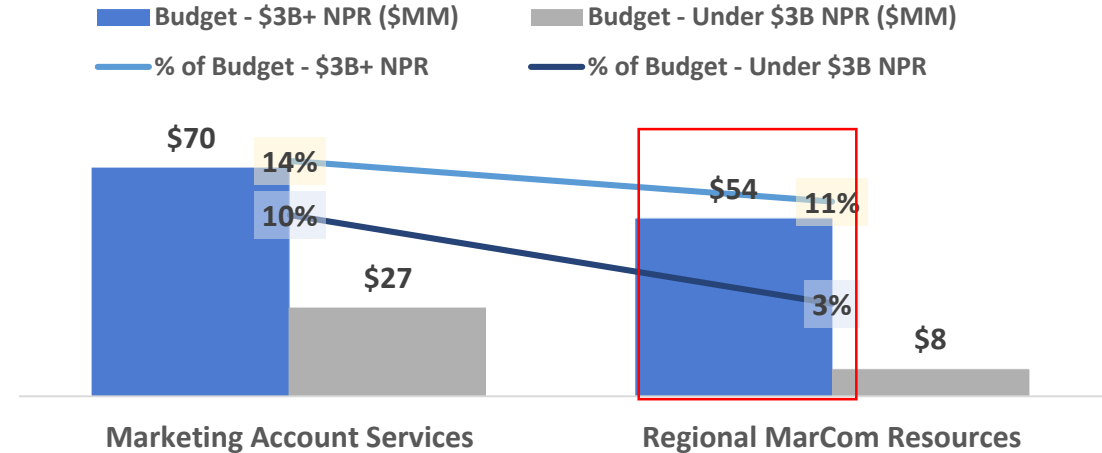
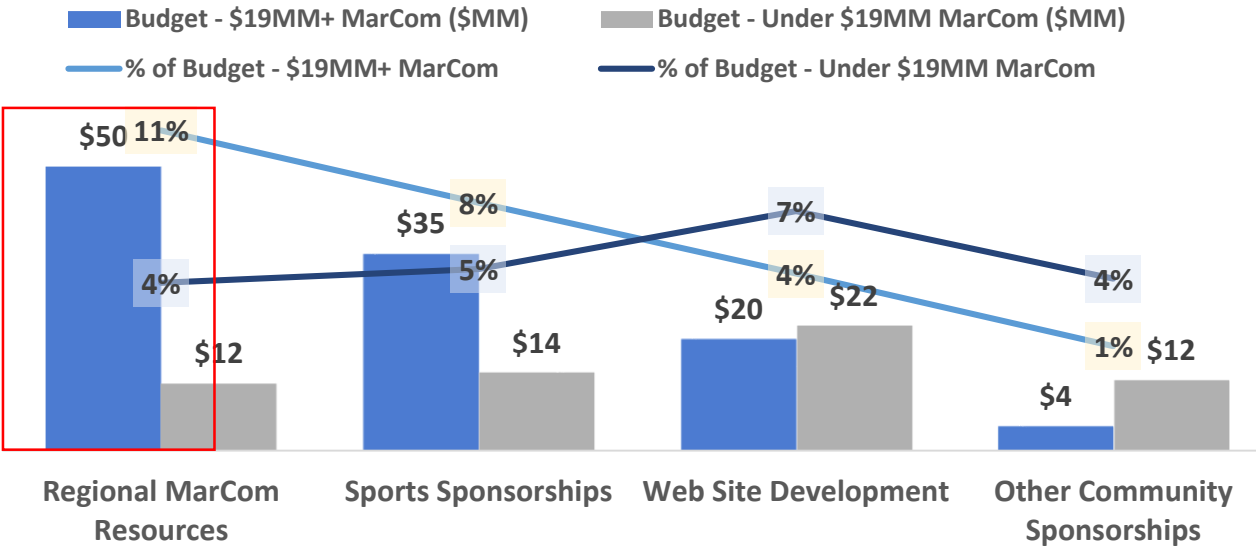
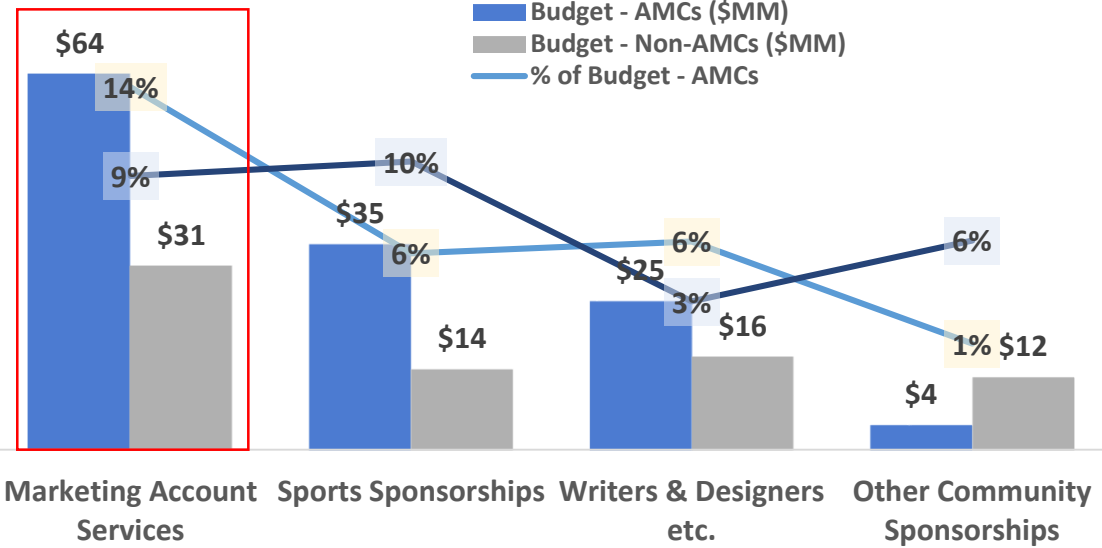
- Regional MarCom Resources
- Social Media Management
- Media Production/Video Production
- Writers & Designers/Publications & Newsletters/Collateral Materials/Graphic Design

The leadership requirements of today's healthcare leaders have expanded to include larger remits and larger organizations, as illustrated by titles of Institutional Advancement or Chief Marketing Officer.

BUDGET ALLOCATION DRILL DOWN - SMALLER



BUDGET ALLOCATION DRILL DOWN - LARGER



RECOMMENDATIONS

GET DIGITAL AND EMBRACE CONSUMERISM

Much of the overall budget growth is in this arena – particularly around content creation and distribution. If you’re not engaging consumers online, your competitor likely will. Think like a consumer, not a patient, when exploring the digital experience you deliver (think Uber and Amazon, not the hospital down the street).

DETERMINE THE TRUE IMPACT OF YOUR MARKETING MIX

How much money is still being wasted on billboards? Marketing mix optimization is key. Even without it, we see a top-off of website development expenses around the \$20M. We are also pleased to see a greater emphasis on channels like physician outreach – an often-neglected segment which requires both outreach/sales AND marketing. And ensure that operations are assessed and determine ready to serve the demand generated through these efforts.

GET FOCUSED

Clearly defining the role of “marketing” in the organization seems necessary – is it engaging *any* publics or just those who represent direct revenue? Ensure leaders and teams are clearly focused on their target audiences using tools like segmentation and persona development.

LOOKING AHEAD



Expand Benchmarking Programs

We have started and plan to begin additional benchmarking programs including:

- Government and Community Relations*
- Quality and Patient Safety*
- Patient Experience*
- Law Department
- Compliance and Risk Management
- Physician Relations
- Development

*Underway



Increase Participation / Sponsorship

We are pleased that a higher percentage of participants became sponsors this year. To expand our base, we are recruiting more steering committee members, including stand-alone **pediatrics** and **cancer centers**. Steering Committee members have also volunteered to recruit and obtain feedback from at least 5 sponsors/participants.



Improve Reporting Capabilities

We launched trending tables this year and provided sponsors with the ability to change their benchmarking groups, a positive improvement. We plan to include additional filters for hospital specialties (e.g., pediatrics and oncology) next year. In addition, we are evaluating ways to utilize the tool year-to-year, including saving including benchmarking groups and PDF scorecards.



Refine Survey Tool

We are always striving to minimize the survey completion burden. For example, this year we allowed participants to update their prior submissions via the online survey. Next year, we plan to provide only a PDF copy of previous year's responses to eliminate any confusion. In addition, participants will be asked only to confirm demographic information, not gather it (we will use third party data instead). **We will also allow submissions throughout the year, with quarterly updates to the dashboard.**

How Does Your Budget Compare?



Call to Contribute Data

You can still participate in this meaningful benchmarking.

[Take the survey](#) | [Learn more](#)

Questions?

Email John McKeever at

jmckeeper@endeavormgmt.com

Contact Us



Peter Miller

Division Administrator, Marketing & Communications

Cleveland Clinic

millerp@ccf.org



John McKeever

Executive Vice President

Endeavor Management

jmckeever@endeavormgmt.com



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Thank You

