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ENT (645) Entrepreneurial Marketing

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Positioning Grid and Analysis

Sam's Medical Laboratory is a full-service medical lab providing a variety of diagnostic testing for walk-in patients as well as specimens collected at remote sites and offices. Being in the industry for over twenty years we strive to provide excellence service to every patient and treat everyone's specimen as our very own. We want patients to feel comfortable and confident in their laboratory selection and get the best pricing and turnaround time in town. To further understand the pain points and frustrations of the ideal clients I conducted a short survey with fifty (50) random potential customers that utilize medical laboratory services at least once per year.

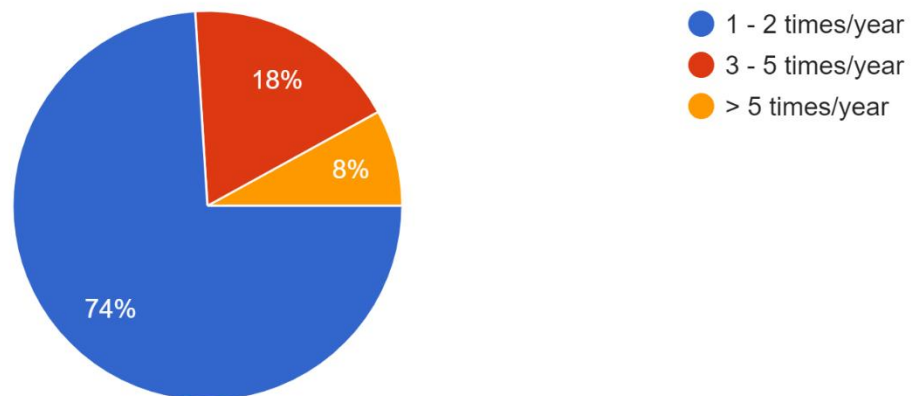
Survey Findings and Results:

1. How often do you shop for medical lab services?

The overwhelming majority, 74% of customers, indicated that they need medical laboratory services 1 – 2 times per year.

How often do you shop for medical lab services?

50 responses



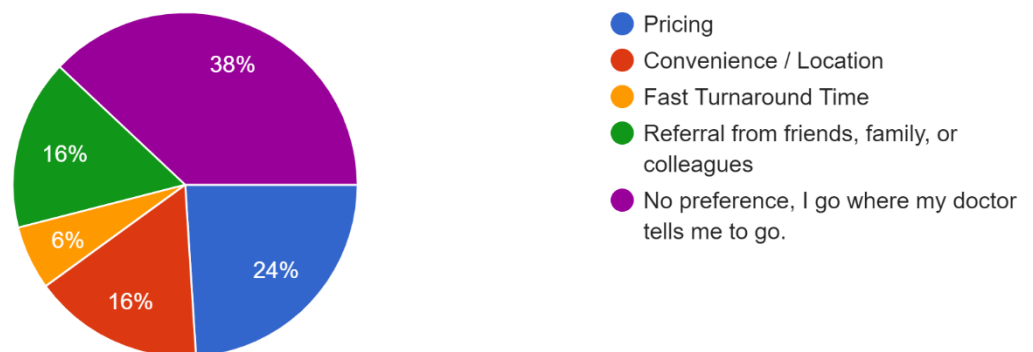
The insight I gained from this answer is that most of the customers are relatively healthy and need diagnostic testing for routine physical purposes only. The second category (18%) is more than likely depending on medical laboratory results to manage some sort of health condition such as diabetes (quarterly testing).

2. What is the deciding factor for choosing a laboratory?

As I expected, the majority of the clients were split between not doing any research (going where their doctors recommends) or finding an affordable laboratory (pricing). A third of them were split between the convenience and word of the mouth.

What is the deciding factor for choosing a laboratory?

50 responses



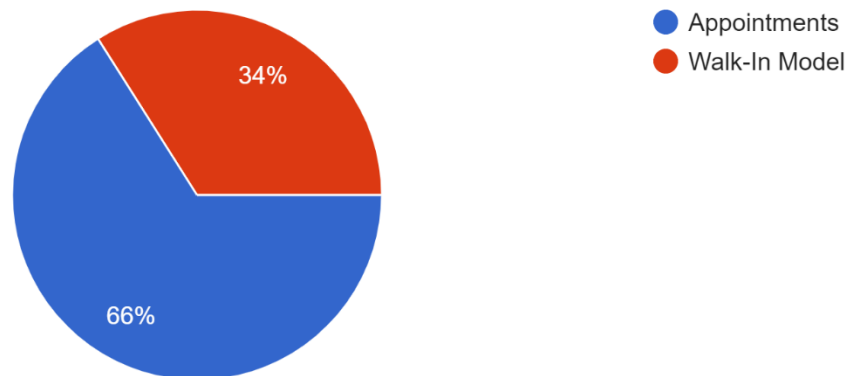
I was not surprised to see that the turnaround time was not a big concern for the patients. The competition, especially the national laboratories, have set a precedent of 7-10 days before the results come back so getting the results faster does not seem to concern many people. However, the TAT is one of the major issues the physician office clients expresses.

3. Do you prefer Appointments or Walk-in model?

It seems that two thirds of the clients I surveyed prefer to have an appointment set for their lab services. The other third would rather walk-in and be seen.

Do you prefer Appointments or Walk-In model?

50 responses



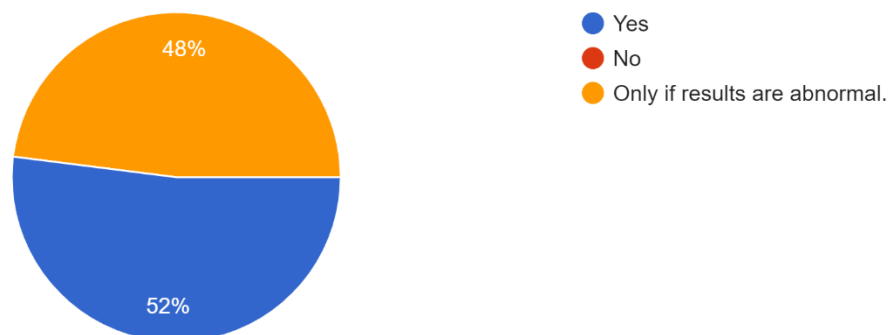
The insight I gained from this question is that we may need to change our policies as we currently accept walk-ins only. We do have a 15-minute maximum wait time guarantee which offsets the no-appointment policy and rarely anyone has an issue with it. The guarantee is advertised on all marketing material and is one of pillars we stand by.

4. Do you discuss your laboratory reports with your primary physician?

To my surprise no one responded with a No.

Do you discuss your laboratory reports with your primary physician?

50 responses



What I learned from this almost evenly split response is that most of the clients end up discussing the laboratory results with their primary physician. This assumes that only a small percentage of laboratory results are 100% normal. This insight shows the importance of ensuring the primary physician is always copied on the lab reports, regardless of whether they are requesting the diagnostic testing or not.

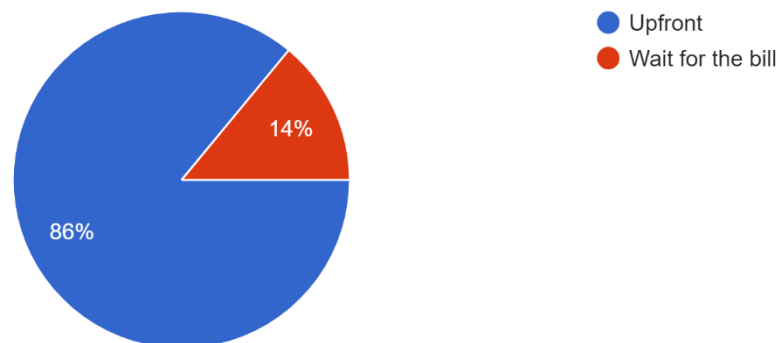
The next section of the survey was regarding the billing preferences and client consumption.

5. Do you prefer knowing your out of pocket cost upfront or do you prefer to wait until your insurance process the claim and you receive the bill in the mail?

As contrary to a common practice, unless seen at a hospital laboratory, where the patients will not be responsible for any out-of-pocket cost during the time of service, they would prefer to know the cost.

Do you prefer knowing your out of pocket cost upfront or do you prefer to wait until your insurance processes the claim and you receive the bill in the mail?

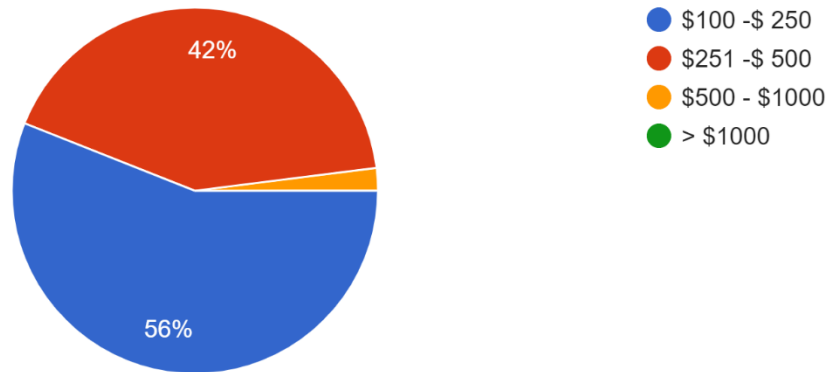
50 responses



6. How much, on average, do you spend on medical laboratory services annually?

In general, 98% of the clients are spending \$500 or less annually for out of pocket medical laboratory costs.

How much, on average, do you spend on medical laboratory services annually?
50 responses

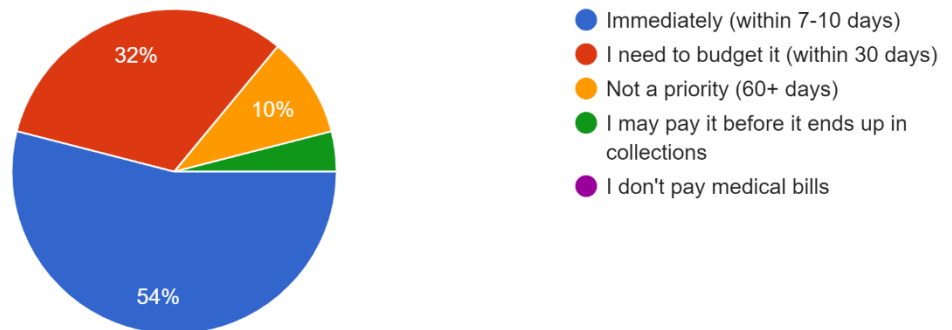


Lastly, I was interested in finding out the intention on paying the medical bills, and the timeframe for payments.

7. When you receive a medical bill in the mail, how likely are you to pay it?

From the findings it seems that two-thirds (76%) of clients intend to pay their laboratory bill immediately or within 30 days.

When you receive a medical bill in the mail, how likely are you to pay it?
50 responses



The insight I gained from the three questions regarding the billing preferences and willingness to pay for the diagnostic testing fees upfront or on time, I believe our solution to the lack of up-front billing transparency will greatly benefit the clients.

Our application allows for the up-front billing verification and knowing the exact amount the patient will owe after the insurance processes the claim. The patients can then pay their portion up front. Since 54% of the clients expressed interest to pay the bill immediately, we would be able to boost our collections and drastically reduce the postage and printing required to mail a billing statement to the patient.

Do your prospects value what you offer enough to pay a premium for it?

From the research I conducted, and the survey results I obtained from a group of prospects, I believe they would recognize the difference between Sam's Medical Lab and the competition, and the great service guarantee we offer. That coupled with extra perks and services that uniquely define Sam's Medical Lab core values, paying the premium should not be a problem. This could open doors for future development and new testing that is priced at premium. At the present time, Sam's Medical Lab refers the more complex testing to outside reference laboratories and passes the savings to the clients.

Positioning Statement

For patients and physicians alike Sam's Medical Lab is a comprehensive solution that allows clients to customize their diagnostic testing experience without breaking the bank. Unlike the ordinary medical laboratory that sees you as a number, we see you as part of our family. Together, we are saving lives one lab test at a time.

Positioning Grid

At present time Walton county is densely populated with medical laboratories and the patients should have a lot to choose from. However, in terms of addressing their frustrations and some of the challenges they presented through the survey, the choices narrow down to one or two. The most notable competitors to Sam's Medical Laboratory are Quest Diagnostics, LabCorp, ProHealth Laboratory, and the local hospital network.

The Quest Diagnostics is a well-known national laboratory that has an intake of over 500,000 accessions daily. This has been increased with COVID-19 testing needs which they are currently processing in seven different locations, totaling over 55,000 specimens per day. Quest is very technologically advanced and offers all the bells and whistles to the patients. However, their self-pay and out of pocket cost for routine testing is two-three times higher than average. They also have very bad ratings in Walton and Bay counties, and the patients want alternative options. Along with these problems, and such a high intake, their TAT is undesirable, and they offer no escalation or personalized services to patients. They are more large-physician office and hospital oriented.

LabCorp is an international laboratory with even higher throughput and capacity than Quest Diagnostics. They are more oriented toward the large offices and hospitals but do have many pop-up collection centers throughout the panhandle region. Faced with similar problems as Quest, their rating on Google and social media is even lower. The patients are unhappy with the customer service, pricing, and slow TAT.

ProHealth is more of a direct competitor to Sam's Medical Laboratory than the national labs. They are privately owned and operate in smaller capacity and have a much smaller daily patient intake. ProHealth is headquartered in the southeast so transporting the specimens between collection locations and their labs takes much less than Quest or LabCorp, hence improved quality and TAT. With a smaller footprint and lower overhead cost, they are able to offer competitive pricing on most routine testing. However, they do not match Sam's Medical Lab TAT and

flexibility. They are more conveniently located than most of the other competitors and tend to stay in larger shopping center plazas.

Lastly, the local hospital network. There are several hospitals in the region that also offer outpatient laboratory services. However, the availability and appointment scheduling may be an inconvenience. Additionally, the testing performed at the hospital lab is much more expensive, so the patients usually reserve this option as a last resort. The hospital laboratories operate around the clock and have a much better TAT than the other competitors. They do prioritize the inpatient laboratory testing over the outpatient, so the TAT for healthy, routine patient could still span 18-24 hours longer than Sam's Medical Lab.

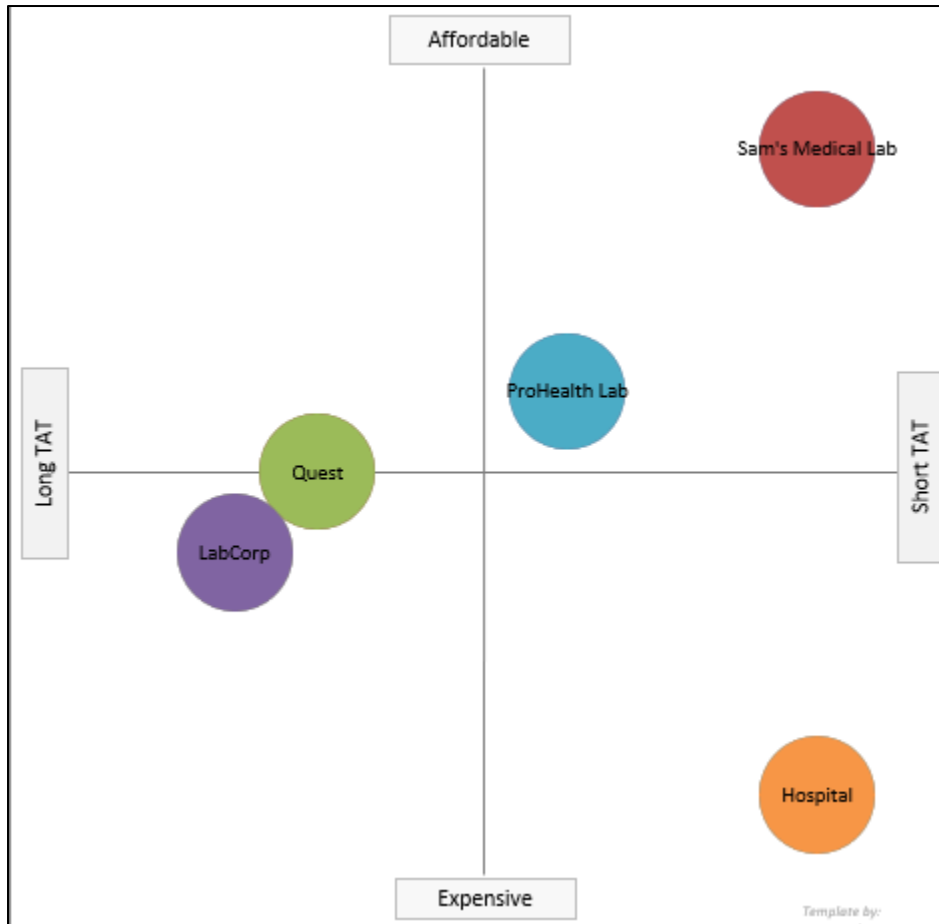
Convenience vs. Cost

From this positioning grid, we can see that Sam's Medical Lab is high in the desirable quadrant. Our draw centers and the laboratory facility are conveniently located in major shopping centers such as Publix and Walmart which is usually has a great visibility and high traffic. Coupled with the most affordable pricing in town, Sam's Medical Lab stands out as a desirable diagnostic center for all.



Turnaround Time (Speed) vs. Cost

The second matrix I evaluated is TAT vs. Cost. In this scenario, there are three players in the game. ProHealth makes the desirable quadrant as they have similar TAT and comparable pricing to Sam's Medical Lab. However, the hospital lab falls to the more expensive category with a desirable TAT. Since Sam's Medical Lab is more convenient with walk-in availability, the patients can walk in at their convenience and be seen in less than 15 minutes. Additionally, they will enjoy the extra savings.



Billing Transparency vs. Rating

Lastly, the positioning based on billing transparency vs. rating is very tight. Most of the competitors offer upfront billing transparency and option to pre-pay for the out of pocket costs. What distinguishes Sam's Medical Lab from the rest in this category is the higher rating on Google, Yelp, and other social media outlets and ranking sites. Even without a large social media presence at the present time, we're able to rank around 4/5 stars, which is better than an average of 2.8-3/5 for LabCorp and Quest.



Points of Contact

The potential client can reach Sam's Medical Lab information desk or sales team many ways:

- 1. Direct phone access**
- 2. Company Website**
- 3. Facebook**
- 4. LinkedIn**
- 5. In-Person visits – reserved for the physicians' offices.**
- 6. Walk-In**

To communicate our competitive advantage to our Ideal Prospects Sam's Medical Lab will ensure the highest level of customer service and care are incorporated into every transaction, patient phone call, online review, or walk-in interaction. The following elements will also be a representation of our mission and core values:

- **Logo that clearly identifies the company and supports the core message.**
- **Printed Materials and Stationery.**
- **Business Cards**
- **Telephone Manner**
- **Customer Service**
- **Delivery Vehicle**
- **Office Facility**
- **Employee Attitude**
- **Signage**
- **Attire**
- **Facebook Fan Page**
- **Advertising**
- **Email Format and Signatures**
- **Website**
- **Fax Cover**
- **Invoices**
- **Newsletter**

Final Take Away

This exercise and research helped me better understand what the ideal clients are looking for in terms of service, quality, and convenience. It further helped me understand the areas where the competitors are failing or lacking. Furthermore, it made me realize that we could change our model and charge the premium price, and still retain a significant market share. However, that is not something we are interested in doing. We are loyal to our clients and we strive to stay atop of the competition without compromising the values they hold dear.

We shall continue to offer fast, reliable, and customized services to our clients and expand our marketing campaign to reach a larger population in the surrounding counties.