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Healthcare Marketing Report, March 1996 Crisis communication case study of the closing of an acute care hospital.

Downsizing Efforts Tap Marketing, PR Skills

BY DARLA DERNOVSEK

ROCKFORD, IL—Work force "downsizing" is a process that fares best when marketing and public relations professionals get involved as early as possible.

That's because communication is the most important task facing an institution that decides to cut employees, according to Gerry Olson, President of the Leading Edge Consulting Group which specializes in restructuring and organizational development. Olson, a former healthcare human resources executive who now has offices in Rockford, IL and Naples, FL, has taken part in about 20 restructuring efforts.

In any reorganization, Olson says there are three key groups to consider—the employees losing their jobs, the "surviving" employees and the community. The employees who will lose their jobs are the purview of human resources, but informing other audiences requires the support of marketing and public relations, Olson says.

"It's important that your marketing people are very much involved and that they're dealing with the other key stakeholders," Olson says. Unless key messages about the downsizing are communicated, Olson says the gains projected through improved productivity and reduced costs will never be realized. "It's a process, it's not an event," says Olson.

Fear Of The Unknown

Allaying employee fears about when and how the ax will fall again is essential. "The fear of the unknown is essential. The fear of the unknown is greater than the anxiety of the known," Olson says. "Once there's that unknown, it leads to distrust. Once there's distrust, people go into self-protection—I'm going to protect myself—and everything you hope to gain from the layoff doesn't happen."

"If survivors aren't clear on the reason why this happens, organizations will not get the productivity gains that were the cause of the reorganization or downsizing."

Olson believes a successful downsizing effort has four components:

- Communicating a compelling need to employees and the community;
 - Repeating key messages often, using many forms of spoken and written communication;
 - Honoring the perceptions of staff by listening to their concerns;
 - Establishing feedback mechanisms that keep administration informed of the ongoing concerns of both employees and the community.
- The worst downsizing efforts generally share a common lack of

communication that Olson calls "the spray and pray approach: you spray it on and pray it takes hold."

Zurbrugg Shows The Way

The reorganization of Zurbrugg and Rancocas Hospitals in New Jersey provides an example of how marketing and public relations involvement can benefit a reorganization effort. Anthony Cirillo is Director of Marketing and Public Relations for both Zurbrugg, located in Piverside, and Rancocas, located in Willingboro. Both facilities are part of the Graduate Health System, which owns seven facilities in the Philadelphia region as well as the Greater Atlantic Health Services HMO.

When Graduate decided to close Zurbrugg's acute care inpatient beds and emergency services as part of its conversion to a center for outpatient care, Cirillo was brought into the process even before some vice presidents became involved. His staff was given responsibility for all aspects of communication about the reorganization, working closely with human resources to tailor materials to address key concerns. "We were key players in the whole process," Cirillo says. "We really coordinated it."

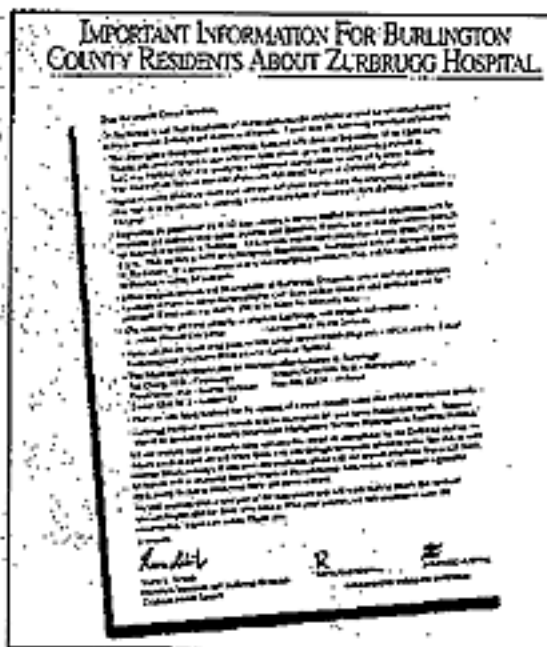
Cirillo was able to apply what he learned in 1993 when Zurbrugg cut its inpatient beds from 110 to 54. That process was accompanied by town meetings and pickets, along with the more positive experience of editorial board meetings with local media.

When the decision to close inpatient and emergency services at Zurbrugg was announced in 1995, the media was informed early in the process. Extensive efforts were also made to inform other key audiences, including staff, physicians, local politicians, clergy, volunteers, payers and the general public.

Materials developed in preparation for the announcement included a position paper detailing key messages:

a question and answer guideline; letters customized to address the concerns of target audiences; press releases; advertisements; and detailed schedules determining how and when information was released. A special telephone line was even established to encourage community residents to call with their questions. "We feel we fared much better as far as more equitable press coverage in 1995 than in 1993," Cirillo says.

Employees Are Told First



Despite the desire to obtain favorable coverage, Zurbrugg and Rancocas never wavered in their determination to inform employees before anyone else. "We absolutely always tell our employees first," Cirillo says. "Our employees deserve to have the first communication."

Long-term, Cirillo believes these combined efforts have created a more positive climate for Rancocas and Zurbrugg, which is now known as Zurbrugg Memorial Health Center. During the past year, Cirillo has addressed downsizing issues at a national healthcare conference and has been in contact with many marketing professionals facing similar challenges. He sums up his philosophy for them this way: "Be direct, give them facts, leave nothing to question and make your

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