



# Marketing Matters

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In particularly tough economic times, no one remains immune. Most hospice and palliative care organizations don't need a reminder; some have more ample resources than others, of course, but the vast majority is far from swimming in cash even when the economy is strong. A downturn doesn't make the situation any easier; how people—and especially organizations—react to the downturn, however, makes all the difference.

Keeping everyone in the loop about impending cuts is extremely important. How would you feel if you got a notice from HR announcing that your salary or your benefits are being cut? What if you got an email from your boss decreeing a salary freeze, meaning that the raise you'd been counting on is no longer coming? And what if you just found out that the vacant position in your department won't be getting filled in the near future, so you'll have to continue carrying an extra workload without hope for relief? It happens a lot, and sometimes—sometimes—it's even necessary. But when someone at the top crunches numbers and determines that desperate times call for desperate measures, communicating that effectively becomes imperative.

It's possible that in tough times staff have fewer professional mobility options, or prefer not to pursue them out of a feeling of uncertainty, but although tough times don't last forever, resentment often does, and justifiably so. When the turnaround comes, so will higher turnover. It can all be prevented quite easily.

Making declarations about cuts doesn't even say "Times are tough and we need to make sacrifices," which, by the way, would have been inadequate in the first place. All it says is "I decided you're going to make less." Letting staff know what the financial situation is, what sacrifices are warranted, why, and for how long, will go a long way towards creating a sense of solidarity and earning—yes, earning—buy-in. This is also the time to make it very clear that the cuts will affect everyone, including the leadership team. Expressing appreciation for the hard work and

invaluable contribution the staff makes, and promising to work hard to restore the pay and benefits they truly deserve, is both fair and appropriate.

A common trait of politicians and CEOs which, if not a sign of outright madness, is at least a sign of utter lack of strategic thinking, is the “10% cuts across the board” policy. The reason why it makes so little sense is that it takes into account neither organizational needs nor strategic priorities. Budgets are cut with all the surgical precision skill of a medieval butcher, and areas that could use a budgetary boost in times of turmoil are cut by the same amount as areas that could very well be eliminated. Your hospice can’t afford to make that mistake.

Budget cuts, like any move your hospice makes, need to be made strategically. Take your Marketing budget, for instance: Cutting the part of your Marketing budget that supports your fundraising activities at the time when you desperately need more resources is simply self-defeating. The rationale that “Oh, people won’t give during tough times” will become a self-fulfilling prophecy, in spite of the fact that other non-profit organizations have had record fundraising years at this very difficult time. On the other hand, not printing another 5,000 copies of an expensive color brochure (and eliminating that entirely from this year’s budget) may be a very good idea.

In fact the very notion of cutting Marketing overall by 10% doesn’t necessarily make sense; it needs to be specifically justified. If Marketing activities can keep your employee turnover low, your education efforts in place, expand your referral network, recruit more volunteers, improve your fundraising, and maintain your quality of care, why on earth would you want to allocate fewer resources to it?

But if you go ahead and do that anyway, keep in mind that your competitors may just be more insightful than that: They may be watching you get weaker, and waiting for the right time to make a move into your territory. They may be investing in just the kinds of Marketing activities you’re chopping away at. At some hospices, for instance, allocating resources to strategic planning or Marketing planning are among the first things to go; it’s seems easy to postpone them (sometimes indefinitely) and save the money. Yet they may be saving the money for naught: While one hospice postpones hiring a critically vital staff person or a Marketing consultant or becomes less aggressive in its Marketing activities, another hospice is doing just the opposite. Contrary to other hospices that become less effective by the day, it’s gaining strength, Marketing expertise, and becoming more competitive.

It’s easy being a leader in prosperous times—but it’s during difficult times that leadership is needed the most. That’s because it involves making bold decisions, taking calculated risks, allocating your hospice budget strategically, and it does not allow for indecision or excessive caution. As you’re thinking “What should I do?” remember that the roads are full of flattened squirrels that could not make up their mind.