

# Local Government NSW

## Aged Care Forum 28 June 2018

### Marketing and Promoting Aged Care - Jenny Bray Training and Consulting

#### SLIDE 1

- The new world of aged care is all about choice and flexibility.
- In the past we had to stick to a SERVICE TYPE DESCRIPTION , reasonably fixed Product, and clients came to us
- We were designed to be universal - cater to everyone. And essentially operated a monopoly.
- The only competition we had to deal with was in tendering.
  
- THOSE DAYS ARE GONE.
- Future, you have to be CHOSEN by service users – customers – in a competitive environment of other providers – NFP, religious charitable, and private for profit.
  
- If you operate in a location that cannot sustain a market – you will be benchmarked for performance. Perform to a standard achieved by efficient peers, or you will be replaced.
  
- This presentation is to inform, and to argue Local Government has the skills, networks and opportunities, to continue to serve your local communities that you know so well, through the provision of Aged Care.
  
- BUT ..... need new processes never previously needed. MUST understand and strategically engage with the intersection between the different parts of the community and their varying needs and wants, your COMPETITION and what you can deliver - your PRODUCT.
- In any market these elements are not static,
- In our context of Reform – they are even more dynamic and some parts are unknown.

#### SLIDE 2 (3:20)

CUSTOMER, PRODUCT and COMPETITION

CUSTOMERS are of course, the service users and potential service users The changing context is:

- generational change
- increasing cultural diversity, and perhaps,



- Potential clients with old world expectations (HACC)- meeting new world of targeted care, choice, individual responsibility, greater financial contributions to their own aged care; and let alone means testing.
- Of any service provider – Local Government probably has the very best of information on potential clients.
- Community Strategic Plans, ageing strategies; disability inclusion action plans, cultural plans, and more – in the Integrated Planning and Reporting Framework – all based on ongoing, grass roots consultation.
- Ageing Strategies provide perfect opportunities for finding out about your customer –needs and expectations, and even, your competition. You need to use these opportunities because it is an edge that your competition does not have.
- PRODUCT – what you offer. Your product is not what you do – but rather, it is the difference you make to a person’s life. Value.
- How you do it will become flexible, and innovative.
- And it will be positioned in a competitive market, focussed on a segment or target in the market, and clear on the value proposition
- Currently, CHSP services still defined by service type descriptions. But the future, outside of 2018, is likely to need to be much more flexible, definitely innovative, and designed to meet individual need in a changing demographics.
- But –the old world has not left us, in that we are currently catering to clients whose needs are above what the CHSP is designed for, and who may be of an earlier generation, with expectations and demands shaped by what was available in the past. At the same time, you have to get ready for rapid change.
- With My Aged Care, we should start to see people with lower support needs in greater numbers .
- Meals providers – you know this. The supermarket meal is challenging your traditional 'market'.
- Social support group providers – those in their early 70s are more likely to join the club or ProBus than your social support group. And is this necessarily a bad thing?
- CALD communities have always used social support group in greater numbers and proportions than their Anglo and Celtic heritage fellow citizens. People from Aboriginal and



Torres Strait Islander backgrounds also relish the opportunity to get together with cultural safety.

- Again, Local Government has the information, the networks, the community facilities to serve seniors in your local communities.
- Your COMPETITION – except in Home Care Packages, you don't really have competition yet. But it's coming.
- Need to design services and position yourselves in a dynamic, competitive, market driven environment.
- Consumers will want services to fit around their lives
- Do your SWOT analysis. You probably can't compete on out of hours flexibility.
- But you have networks, community facilities, volunteers, an established brand.
- Your community service departments are known, appreciated, and trusted.

**SLIDE 3 (10:18)**

- I want to take a moment to talk about the broader framework of competition Policy.
- Not just happening in aged care, market directed service provision is being ramped up in all areas of Human Services.
- In March 2015 the Australian Government released the final report of the Harper Competition Policy Review.
- In it, the Review Panel recommended increased competition in human services – saying that “deepening and extending competition policy in human services is a priority reform”.
- Governments split assessment (MAC, ACAT, RAS), quality assurance (Aged Care Quality Agency), complaints (Aged Care Complaints Scheme) and service provision.
- Money is targeted to the eligible individual, and services compete like businesses.
- Of particular relevance to us today are the following strategies
  - maximising CHOICE (this is where funding, where ever possible, goes with the consumer, or service user- not to services)
  - creating market DIVERSITY to expand user choice - bringing in new players by lowering entry barriers – but still ensuring quality and standards. Obviously the private sector is key here, and HCPs are well aware of the changes
  - And the third strategy is encouraging INNOVATION (not only technological, but encouraging new ways of delivery)

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- The take home message is Government will create a context for innovation in response to changing user demands, thus AND I QUOTE “**credibly threatening to replace those that do not meet the needs of users**” .
- Where the market is too thin for competition, there will be more rigorous benchmarking of the performance of providers.

#### SLIDE 4

- Councils need to strategically plan what role they will play in the aged care space. What is the role of Local Government in aged care landscape in your local community?
- Local Government is already in the “ageing space”. You are creating Ageing Friendly Cities and Communities because, as mentioned previously, you plan to the changing demographics of the grass roots.
- Ageing strategies do a great deal for Active and Positive Ageing, and the question will be whether your Council will extend into the Entry Level aged care services, (currently the CHSP programme), and beyond
- Moving beyond the Active and Positive Ageing Strategies will mean grappling with the question of how rapidly your services will be exposed to the full force of Competition Policy.
- likely to happen at some point after the CHSP merges with the HCP in 2018.
- In your scenario planning, you should consider that for services that for all intents and purposes, could be offered in a package – such as - Personal Care, Domestic Assistance, Maintenance. Services with capital intensive needs such as Transport and Meals (that run kitchens), and services not well suited to market driven - like modifications - these may need to be funded differently by government. Early intervention and prevention models tend not to work well in market driven contexts too. These are the unknowns at the moment, so you need to consider both options of competition, and some block funding in your scenario planning.
- For those of your services operating on a volunteer model, there may be some protection for you. The Harper Review Panel recommended policy to encourage a diversity of providers, but also to take care and I quote
- “not to crowd out community and volunteer services”.
- Presumably also, a volunteer workforce would be difficult for For Profit providers to compete against on the issue of cost.



- The Panel also recognised that some markets will not have sufficient depth to support a number of providers — such as in remote and regional areas, and services with High capital costs
- Here – the key will be performance – and the panel recommends an increased emphasis on benchmarking of services. If you are in this category,
- Probably a good idea to sign up for the voluntary components of the Data Exchange.
- You need to know where you sit in terms of benchmarking of outcomes - because that's what governments want to fund.

## SLIDE 5

### CUSTOMERS

- you will no longer be THE provider to the local area. You will need to segment and target.
- Be aware that the CHOICE CONTEXT of your client group will change.
- Ask questions, watch and think through whether people like your current clients would choose your service if they have to pay or pay more? Or, if they had another provider that offered the service differently.
- What would they choose to support them if they were funded directly and got to choose their service type?
- Some people get the service they do, because that's all there was available at the time they looked. We know for example, that requests for Domestic Assistance through MAC and RAS are very popular, and that referrals for meals, at least in some areas, have dropped.
- SEGMENTATION and TARGETING – local government has the information resources and skills
- Not much different to your Communication and Engagement Strategies – what are the segments of your community over 65 (or over 50 if Aboriginal or Torres Strait Islander person)? What are they likely to want? Expect? Don't assume, ask – focus groups are good strategies.
- And you are already doing it. It's about grafting on top of what other parts of your council may well already be doing. Senior's Week, Senior's Expos – all magnificent opportunities to work out what segments of the market you can cater to in a competitive market and to promote.

## SLIDE 6

- Find ways to listen, and to observe your service users and potential service users.

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- As you implement the CHSP CLIENT CONTRIBUTION FRAMEWORK you may notice changes around choice, priorities, expectations.
- Partly you're managing the old world expectations of free or donation type services, encountering the new policy world of greater levels of client contribution.
- listen closely to what clients see as the VALUE or lack of VALUE to their lives in what you are offering. What, would they like to change about their service if they could?
- **A real opportunity for Councils is that many people come to Council FIRST to ask about services and what's available.**
- I've been a speaker at a few Councils with 60 to 100 community members. The questions, the stories you get are absolute GOLD for Marketing and Promotions.
- When MyAgedCare massively promoting we may miss some of that opportunity that we now have.
- And If the customer decision is critical - choosing your service over another - are you giving this process the critical attention it deserves?
- Whilst you have Block funding, and Aged and Disability Officers in place, providing Council sponsored Seniors' and carers information and question sessions, and even sessions to assist people to register with MAC - are valuable opportunities for Councils to understand the market and the competition, and to stand out.

## SLIDE 7

### COMPETITION

- Who is your competition? In CHSP you don't really have it yet
- Who is moving in to town? Who is new to the community care forums you are probably facilitating or attending?
- If you're in packages, you know who your competition is. And portable packages should put pressure on Administration and Case Management fees, which clients are already sensitive to. These will need to be re-visited.
- substantially using sub-contractors (including in lawn mowing) they are likely to be your biggest competitors in the near future.
- However – the TRUST factor that Councils have is important. Older people fear being ripped off. But will this change with the demographics - with the builder and boomer generations?
- Do your SWOT analyses on the competition.

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- It will be difficult for Councils to compete on cost except where you have a volunteer model. Wages are higher and Awards make out of hours and weekend work difficult – which is a problem for the flexibility people may be wanting into the future.
- Where services are delivered on a Volunteer model, this will help with unit costs and perhaps you can compete on PRICE for those service users who are price sensitive.
- In Branding and Promoting, FOCUS on the feel-good aspects of social capital and community helping community associations of Volunteer run services.
- It may be, that client expectations of volunteer run services are different. Find out. Ask.

## SLIDE 8

- We've looked at CUSTOMER, old world and new world, and how to use Local Government processes to obtain rich, vital information.
- We've looked at your COMPETITION and done a SWOT and perhaps made some hard decisions about where you can and can't compete.
- Now we get to PRODUCT, POSITIONING and VALUE PROPOSTIONS

## PRODUCT

- Are you delivering what people want, and how they want it delivered?
- Do your people believe in your product?
- When thinking beyond 2018, take the Service Type Guidelines thinking hat off, and just listen to and watch what people want, you'll see opportunity.
- E.g. I was at a conference in a part of NSW recently, and took the opportunity to visit a meals and community restaurant provider. **Community restaurant** was also a social enterprise, training people with disabilities in the food services industry.
- Talking about the home delivered meals side of things, ***I asked, what is it people value?*** And manager was able to segment her market easily –
- I asked about the volunteers, and I spoke to volunteers – what do they like about the role? What do they think of those clients wanting to chat?
- Volunteers who would want to stay and chat, those who would stay and have a meal, those who would transport friends to each other's houses, with meals, and have a meal; and those who just wanted to drop a box of frozen meals at the door and move on.
- We went on to talk about what would people want and value if it was “more than just a meal”?
- Volunteers and staff came up with magnificent, service user led ideas – even dog walking, driving the dog to the groomer, starting another social enterprise in pet care and grooming.

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- All would need Risk Assessment, insurance, etc but doable and wanted. If the Council sees itself as having this role.

## SLIDE 9

- And finally – after you know what you offer, to whom, in relation to others...
- We get to PROMOTING your Services.
- We are use to thinking of a referral pathway. Well, now call that a “sales pipeline” . And at some point, all of your clients have to come through MAC.
- You will either have contact with your potential customer BEFORE they get to MAC or After.
- If it's after – and you're just “another provider” to the potential customer –
- how can you inform the market of your offerings be at the starting line at the point that a referral decision is being made?
- Do you have a close and informed relationship with the local Regional Assessors?
- Do they know about you? Do they know your POINTS OF DIFFERENCE in the market?
- They are informing the client of service options that would suit the client's goals, so do they know what you have to offer – what value?
- Check out the Aged Care Service Finder. How do you appear there?
- Whilst you have Sector Support and Development Officers, try to get a MAC/RAS/ACAT and Service Provider forum happening so you can fully understand how this process works in a practical sense.
- Broadcast referrals. Consider putting someone on the portal all the time. Your competitors may have dedicated staff for this role. They snap up the referrals before you get a chance to even look at them. This is causing some small providers real grief.
- Websites and social media will be more important into the future. You can't hide in the community service drop down menu of your Council webpage anymore. Make it easy for people to find you. Get a facebook page. Or at very least, have a prominent easy to find presence on the web.
- Also, competitors are offering registration through their website so that they assist in the MAC registration process. It's a form of generating warm leads.

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- These pipelines are important. This is one of the new processes we have to develop that we never needed in the past. WE NOW HAVE TO DO MORE TO FIND CLIENTS and not wait for them to find us. They won't just come to us like the old days.

#### SLIDE 10

- Know the community and target your market
- Ask, listen, focus on what people value and what they'd like to change
- Know your competition (or likely competition)
- Know your points of similarity and difference. Use your advantages.
- Council is a first point of call for community information, keep it that way and use this advantage
- Benchmark if you're in a rural/remote area where market isn't deep enough – rural/remote is not a protection from competition in commissioning
- Finding new clients will take more work. Work out cost effective ways of doing it, whilst you have block funding. That's an advantage you have that competitors don't. Thank you.