



WHITE PAPER

Competitive Analysis Considerations

For healthcare organizations, a competitive analysis is a means to assess who your competitors are, what value they provide, understanding their (and your) strengths and weaknesses, and where your practice fits in. A good competitive analysis is a scouting report of the actual market terrain that your practice must navigate in order to be successful. While analyzing the competition is an essential component of your strategy, most medical practices don't conduct this type of analysis systematically enough. However, a thorough competitive analysis is indispensable.

First, begin by compiling a list of your practice's competitors. Most of the time, such a list is comprised of who your practice considers to be its chief competitors. However, there may be other healthcare organizations that indirectly compete with yours, perhaps ones outside of your catchment area that offer services such as telemedicine or niche treatment modalities that are aiming for the same patients. You will also want to include information on healthcare entities that may be entering your market in the coming year. Once you have compiled the list, you can highlight those practices that will be the greatest challenge.

Second, analyze the competition's services in terms of features, value, and target patients. How do they market them? How do patients see your competition? How do referring physicians view your competition? Take an honest look at their offerings. Is your quality commensurate? Do you have similar offerings? What is the unique value you provide that competitors don't or can't? Emphasize these benefits in your marketing.

Third, compile a list of competitor strengths and weaknesses and remember to be objective. You'll do your practice no good if you allow bias toward your own physicians, staff, and services to cloud your judgment. Try to see the competition's practice as though you were them. What makes their practice so great? If they are growing rapidly, what is it about their practice that's promoting that growth?

Fourth, observe how your competitors market themselves through advertising, collateral material, and perhaps the use of physician liaisons. You will have to go to many different sources to get a complete picture. It takes practice and a little shrewdness on your part to piece together a complete picture of strategies and objectives, so the use of a qualified consultant may be to your benefit. Focus on the facts, be persistent, and trust your intuition to help you.

Fifth, what are the market demographics for your practice like now? Is it growing? If so, then there are likely quite a few patients left to go around. If on the other hand the market is flat, then the competition for patients is likely to be fierce. Your practice will find itself scrambling to win market share. The outlook portion of your analysis may seem like forecasting, but it's really a measure of trends. By the time you've done most of your research, you'll have enough information to determine what the outlook really is.

By evaluating yourself against your competition, you'll likely find new ideas for your practice. While compiling a competitive analysis is an interesting piece of work, it can indeed be challenging. Consequently, you may want to seek the help of a healthcare consultant to guide you through this process. You'll learn a lot about your market and in the process become a more valuable resource for your patients and referring physicians.

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