

CASE STUDY

Sharpening the Spear:

How One Company Leveraged Competitive Messaging Research to Formulate a Stronger Plan of Attack

PROGNOSIS

When the federal government created an incentive program for hospitals and health care facilities nationwide that implemented an electronic health record (EHR) system, EHR provider Prognosis Health Information Systems stood at the precipice of rapid growth. Yet the company had an important weakness. Its competitive messaging was largely tied to customer needs that predated the rapidly changing HIPAA laws that govern EHR implementation. If Prognosis failed to update that messaging in the right way to resonate with its customers and prospects, it risked being left behind in the competitive EHR market.

In early 2011, the health care industry underwent unprecedented, rapid change. New government regulations mandating the implementation of electronic health record (EHR) systems by 2014 left software companies like Prognosis, a Houston-based health information system provider, well positioned to ride a wave of significant growth.

The company's leadership had full confidence that its products would meet its target market's needs. However, they feared that its messaging — now outdated due to newly enacted HIPAA laws — might prevent it from ever actually being considered by those customers.

As Prognosis CEO Ramsey Evans explains, the company's customers knew what they wanted and needed from a

software company to meet the federal government's EHR mandate requirements. If Prognosis's competitive messaging did not clearly articulate that the company was aligned with their changing needs, those customers might simply select another EHR vendor.

“To borrow a sports analogy, we felt like we had the talent and ability, but we were unintentionally burying ourselves on the depth chart,” says Evans, who co-founded Prognosis in 2006. “We recognized that if we didn't change our messaging, we might never get the opportunity to actually perform. We could have easily ended up being that very talented athlete who never really got the chance to play.” No business wants to suffer that fate, Evans admits, and Prognosis wanted to do whatever it could to ensure that it got the chance to compete.

Going Beyond Gut Feeling

Prognosis's leadership team was aware of its competitive advantages and how its value proposition statements might resonate with each of its buyer personas. The last thing the company wanted to do, however, was allow its gut feelings to determine which value proposition(s) it would utilize for each buyer persona, a decision that would likely determine its fate.

In early 2011, Evans and Prognosis's team reached out to one of the company's most trusted advisors, OpenView Venture Partners, the Boston-based venture capital firm that invested in the business in 2010. The reason for engaging OpenView, Evans says, was simple.

"We had hypotheses drawn up about which value propositions or competitive statements would be most effective going forward, but we didn't have a system in place to test them," Evans explains. "Additionally, if we had tried to execute an initiative of that scale on our own, it could have distracted us from other important internal initiatives, and we probably would have lacked the objectivity that was necessary to make fact-based decisions."

OpenView Labs offered that objectivity as well as the expertise and experience necessary to execute the initiative.

The ultimate goal of the project was two-fold:

- To create new sales messaging that better resonated with changing buyer needs
- To create targeted content for Prognosis's website that supported those messages

Ultimately, OpenView and Prognosis's partnership led to a two-phase project that spanned the course of a year and allowed Prognosis to react to two significant changes in the HIPAA laws. The first phase, initiated in May 2011, identified the key pain points and produced a verified set of value propositions that reflected the changing needs and concerns of each buyer persona. The second phase, conducted a year later, allowed Prognosis to re-test its competitive messaging to ensure that it was still resonating with its top buyer personas given the changing regulatory environment.

The Methodology Behind the Madness

The initiative began with a series of calls that involved Evans, OpenView Venture Partner George Roberts (a Prognosis board member), and members of the OpenView Labs team. Those calls covered much of the strategic prep work necessary to determine the scope of the project.

3 Keys to Effective Competitive Messaging

It's easy for companies to say that their solution is cheaper than their competitors, or that it's generically "better" than alternative options. Those are not, however, truly effective or targeted competitive messages. **To be effective, competitive messages must be:**

1. TRUE

Can you prove what you're saying?

2. DIFFERENT

How does your value proposition or competitive advantage statement set you apart from your competitors?

3. RELEVANT

Will your competitive messaging resonate with your target audience?

At its core, competitive messaging must give prospective buyers a compelling reason to choose your product offering over everyone else's. Without the three things above, your company's competitive messaging will likely fall flat or be ignored entirely. With them, however, OpenView Venture Partner George Roberts says your business can stack the proverbial deck to its advantage.



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Brandon Hickie, Associate, OpenView

The Labs team then conducted interviews with Prognosis’s sales and marketing staff to gain a stronger understanding of customer pain points and buying criteria. Additionally, OpenView performed an audit of Prognosis’s top competitors’ messaging statements to gauge their perception of the market’s current needs and pain points.

Over the course of two weeks, that process yielded a messaging matrix that identified nine messages for each of Prognosis’s key buyer personas. The matrix was particularly useful because it allowed OpenView’s research and analytics team to develop a survey tool to test the competitive messaging statements identified for each buyer persona and the perceived needs and value propositions that were driving each of these statements.

“Each buyer in a complex buying process has unique needs and will react differently to competitive messaging. By taking a segmented approach to the survey design, we were able to evaluate the needs and messaging for each buyer persona,” explains OpenView Associate Brandon Hickie, who helped execute the Labs team’s primary survey research. Using a messaging matrix and a prioritized list of messages that Prognosis wanted to test, OpenView built a universe of potential buyers that its team could interview and survey to validate needs and refine key value propositions and competitive advantage statements. To effectively manage and execute those surveys, OpenView drafted a detailed, eight-page phone interview script to carry out this research.

In total, Hickie and his team reached out to 66 hospitals on Prognosis’s behalf, completing 19 conversations and nine in-depth phone surveys. While a relatively small sample size, Evans says the information gleaned from that research was invaluable.

“You’re hearing the voice of your customers through a source that you can trust,” Evans says. “Beyond the actual output, I think the objectivity of having OpenView call for us was huge. When a prospect is being surveyed by a source that’s not trying to sell them anything, they tend to be more engaged and honest. I’m not sure we would have produced the same valuable insight if we had executed the initiative on our own.”

Five weeks after beginning the project, OpenView’s Labs team delivered a list of five value propositions that it believed resonated best with the company’s buyer personas. That list was ranked and organized based on an analysis of the data from OpenView’s survey, and its team’s general sense of Prognosis’s buyers’ current and future pain points. The team also revised Prognosis’s website copy in advance of an upcoming redesign.

Making Real-Time Adjustments

While the output that OpenView delivered in the first phase of the competitive messaging research initiative was valuable, Prognosis and OpenView recognized that its output might be short-lived given the ever-evolving landscape of EHR incentives and deadlines. In May 2012, the two organizations updated and revised their findings with a second, smaller competitive messaging initiative.

The goal of the second phase, says OpenView Market Research Analyst Nick Petri, who led that portion of the project, was to respond to another round of HIPAA law regulations and to gauge how they might impact the company's messaging. Because most of the groundwork had already been laid in the first phase, executing this round of research was relatively easier.

Using a combination of phone and Web-based surveys, OpenView again tested Prognosis's primary competitive messages on five of the company's most important buyer persona targets. From there, it handed over the results to Evans and Prognosis's newly hired Director of Marketing, Melanie Thompson, who was able to incorporate that information into the company's marketing strategy and alter its website copy, sales assets, and content accordingly.

That last point speaks to one of OpenView's primary goals when it works with a portfolio company, says Roberts.

“Rather than fishing for our portfolio companies, we want to teach them to fish for themselves. Our approach is designed to prepare the company to execute a repeatable process, so that as it scales it can continue to conduct these types of initiatives without our help. That self-sufficiency is a significant component to building a strong, sustainable business.”



George Roberts, OpenView Venture Partner; Board member, Prognosis

Going Beyond the Message

While the primary goal of OpenView and Prognosis's collaborative competitive messaging initiative was to identify, verify, and implement value propositions and competitive statements that better resonated with the company's buyer personas, the project ultimately had a much deeper impact than that.

The initiative also yielded some other benefits, including:

- Insight into the EHR purchasing process, most notably when and how customers buy health information systems.
- Knowledge of the competitive landscape and the perceived strengths and weaknesses of Prognosis's competitors.
- Awareness of the marketing channels that the company's buyers most frequently use.

Ultimately, those benefits have allowed Prognosis to improve far more than its messaging and Web content. According to CEO Ramsey Evans, they've also helped the business improve its go-to-market strategy, marketing cost efficiency, customer service, and product development strategy.

Driving Relevant Change through Meaningful Insight

While too early to assess a definitive return on investment for the project, or create a lengthy list of tangible results, the impact of the Prognosis's improved competitive messaging appears to be far reaching (see sidebar: Going Beyond the Message).

In addition to possessing a better understanding of what its target prospects really care about, Evans says the messaging improvements to the company's website and landing page content, lead generation letters and call scripts, and product brochures have made a big difference in its interactions with key prospects.

"One of the most important things to emerge from this project is that the direction we're now heading in and the messaging we're using to communicate that direction is far different than what's being conveyed by our competitors," Evans says. "There's a clear distinction

that exists, and I think that's a very good thing for our business. With the urgency in our market, you have to be on top of change if you want to be considered by EHR buyers. I think with the work that we've done with OpenView, we're now ahead of that curve, rather than behind it."

Thompson says that the initiative has also allowed her to better organize and prioritize the Web, marketing, and sales content that she produces, while also improving the entire Prognosis team's efficiency and focus.

"At the expansion stage and especially within our industry, you have to make certain that you spend your time and resources on things that matter," Thompson explains. "I'm now more focused than I was before on activities that answer our key prospects' most important questions and concerns, which gives us a chance to be seen, heard, and considered when buyers are researching an EHR solution. It's tough to calculate the ROI of that, but I can say that it's extremely valuable."



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