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## Leadership View: Budget Season

BY KIM KELLEY, FRBMA

Deep in the middle of 4<sup>th</sup> quarter, you have your sight set on next year's revenue projections, which means you're knee-deep in budgeting and planning. It's one of the most critical and challenging times of the year. Budget season requires a tremendous amount of communication throughout every department in the company, and the primary reason getting everyone in sync and prepared for a meaningful outcome can be the biggest hurdle.

Having a clear understanding of the goals of the budget will make the process go more smoothly. Is the intent to reduce spending from last year, invest in new technology, grow the company in both headcount and revenue, or hold the line? Prepare for budget discussions by giving some direction on the overall organizational strategy. This will give everyone involved a foundational focus to work from.

### The Marketing Department Budget

Marketing leaders need to know what budget targets are to hit them. Providing clarity on what is expected will position the marketing department to invest the best amount of time in planning initiatives to hit that target. For example, if leaders know that the budget goal is to remain steady, they can plan accordingly. Nothing is more frustrating than submitting a plan only to find out you've missed the target the board was expecting.

Success in radiology marketing is not a given. Marketers are not just marketing people, they're growth-focused leaders, and this role requires perseverance. The track record toward success can easily take hits from online reviews or a displeased referring provider. During budgeting time, the best budget plan should generate questions. Any presentation that generates questions means a marketer is doing their job to engage leadership.

### Rethinking Budget Expectations

New leaders may be unsure or overwhelmed by the budget process. Counter this by showing them how the process works and expectations; you'll teach them to master budget season rather than dread the process. It's human nature to put off a difficult and confusing task. When the proper tools are in place, team members will be engaged in building a budget easier.

Marketers bring strength to what they know about the customer. They know who the customers are, why they choose to do business with your practice, the experience it creates for them, and their pain points. They bring a strategic vision to your organization and know how to differentiate your practice from the competition. Demonstrate the importance of funding marketing by working to meet various well-thought-out objectives.

### Marketing Is Not An Expense

Of all the requests for resources and capital improvements during budgeting season, the one for marketing could easily be pushed aside because many do not understand its value. This disconnect can be related to past job performance or the nagging doubt that marketing can positively impact practice growth. Decision-makers can easily believe that referral patterns and relationships are locked in - that a marketer can do little to sway change. Their request for funds shouldn't sound like they are running in the same hamster wheel; they need to come to the table with new insights and ideas for growth - or even survival in a competitive environment.

### Know The Numbers

Marketing is an organizational asset - an investment. It's imperative to understand and communicate an effect on profit margin, the impact of customer retention, and the lifetime value of a customer to your practice. CEOs, CFOs, or leading a radiologist should know where revenue is coming from and where to focus demographically or geographically. Use that information to come up with a plan. Calculate a customer or patient's lifetime value by adding the value of an average transaction (exam or referral) to the expected annual frequency plus the total years of the relationship expectancy. This calculated value is what the investment in marketing can create. Only then can a marketing leader demonstrate Return on Marketing Investment (ROMI) and expect an affirmative nod for their request.

### Picture Success

When pulled away from normal job functions and expectations, the budget season can be an added stress. Poor budget preparation will mean more work and problems throughout the upcoming year. By making the process more precise and comfortable, your leadership team will become invested in the process and dedicate the time and energy needed to complete this task. ■



▲ A Fellow of the RBMA, **KIM KELLEY** has over 25 years of marketing and advertising experience with a specialty focus in radiology. She has served on the RBMA Board of Directors, is a regular contributor to the RBMA Bulletin, and has been a speaker at ACR, RBMA, and AHRA educational conferences.