

How RealMed Achieved 99% Client Retention

By Sue Spence

Each month CEO Chet Burrell spends several hours really listening to what his customers have to say about RealMed...and business is booming.



**Chet Burrell,
Former RealMed CEO**

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(In September, 2007, after a 10-month nationwide search, Chet Burrell was named CEO of CareFirst BlueCross BlueShield, the largest health care insurer in the Mid-Atlantic region.)

He doesn't just hear their opinions about the products and services his company provides. He gets their thoughts on the company's competitors and how RealMed compares. He learns whether clients plan to keep doing business with RealMed or whether they are shopping around for a better deal. He gains an understanding of their perceptions of the company and whether they feel they get their money's worth. And he receives feedback on how clients would improve or enhance RealMed's products and services.

"You need to understand and listen to what the customer is saying – then act on it," he says. "I place a great deal of importance on this information and use it to shape, direct and lead the company. And it's important to have someone good and reliable to gather the information."

Burrell's collaborator in this process is Ron Shaw of Shaw Marketing Partners. Three years ago, the two worked together to customize Shaw's survey program now dubbed VitalSigns™ Real Time Performance Monitor. Each month, Shaw conducts in-depth, telephone interviews with some of RealMed's clients. Every conversation is then transcribed verbatim and sent directly to Burrell.

"I am a believer in this approach. It's a powerful force in shaping the culture of a company. Employees value the information if they know that action is being taken based on feedback and results," he says.

RealMed is a revenue cycle management company based in Indianapolis. It provides services to physician offices, labs and other health-care providers that help them receive payments much faster than they would otherwise. Clients pay a subscription fee for the right to use a web-based program to perform and track billing transactions. By using the company's solutions clients can improve the efficiency of their billing processes and gain insights into their billing trends.

In an era when federal reimbursements for medical procedures keep shrinking, the importance of efficient, timely health-care transactions is paramount. RealMed's clients typically can reduce the error rate in their billing claims by 75 percent during the first three to six months they use RealMed's services, and they get paid within days of submitting their claims instead of weeks or months. And business is booming. RealMed now has 1,200 clients nationwide ranging in size from single-physician doctor offices to multi-physician networks at prestigious medical schools and specialty groups. In 2006, the company filed about \$50 million in claims each day with the total reaching \$12.2 billion based on 350-400 million transactions.

All of the information RealMed receives from the personal interviews goes into a company database where field account managers, sales and marketing staff and other employee teams access and use what has been learned. "What you learn about how your customers perceive you can be very eye-opening," Burrell says, noting that he and Shaw review and revise questions regularly according to what they learn or need to learn from RealMed clients.

Shaw's ability to draw information out of RealMed's clients gives Burrell the assurance that he's getting the information he needs. "It's an art to make clients feel at ease during these interviews – Ron is very good at that. Clients say whatever is on their minds. He makes them comfortable enough to answer the questions."

Burrell notes that some executives might worry about having a consultant spend so much time with clients because the consultant might say something inappropriate or leave the wrong impression. He has no such concerns with Shaw. "Ron is extraordinarily sensitive to our relationship with our clients, and he understands it is of the highest importance," Burrell says. "He makes it easy to get the information – he's reliable and easy to work with. It's part of the value he brings to RealMed. Ron understands what RealMed is trying to do, and he's contributing as a partner to further our business."

Their partnership must be working: RealMed's client retention rate is 99 percent, which far surpasses the standard for the industry according to Burrell.