



**Blue Cross  
Blue Shield**  
of Florida

**TO: MLT**

**DATE: 1/14/97**

**FROM: Tom Causer**

**AT: Business Research**

**SUBJECT: IMS MEETING NOTES: JANUARY 2 & 7, 1997**

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The flip chart notes and summarized meeting reaction form from the MLT meeting January 7 on Marketing Strategy are attached. Notes from the January 2 meeting are also attached, along with the revised workplan and framework documents as provided to Tom Albright on January 10.

See you on Friday, January 17.

TDC/II

Attachments

**DISTRIBUTION:**

Tom Albright  
Hal Fahner  
Bob Sebok  
Ken Sellers  
Reggie Rogers  
Barbara Hunter  
Jay Kapur

cc: Kathy Orr  
Mike Deimler (BCG)

# MEETING OBSERVATION REPORT

LEADER: Ken Sellers DATE: January 7, 1997

SECTION: Marketing Leadership Team TOPIC: Marketing Strategy

*On each of the following scales, place an "X" at the point which you believe best describes the meeting.*

1. The group atmosphere was: Relaxed 

3	2	1		
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 Tense
- Cooperative 

2	4			
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 Competitive
2. Meeting purposes were:: Clear 

3	2	1		
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 Vague
3. Subjects discussed were:: Important 

3	3			
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 Trivial
4. As a participant, I was:: Interested 

2	4			
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 Not Interested
5. The leader appeared: Helpful 

2	4			
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 Dominating
- Calm/Secure 

1	4	1		
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 Uncertain/Insecure
6. Most members appeared: Interested 

3	3			
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 Bored
- Participating 

3	2	1		
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 Silent
7. Quality of work accomplished: High 

2	3	1		
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 Low

8. WHAT WAS INEFFECTIVE ABOUT THE MEETING?

- Seem to be distracted with re-organization implications a lot.
- Working issues.

9. WHAT WAS EFFECTIVE ABOUT THE MEETING?

- Were able to work through items on TGO.
- Accomplished our objectives for the day.
- Continued OE emphasis and plans. Marketing framework.
- Open discussion on team effectiveness.
- Worked through agreement on work needed for next 60 days fairly effectively/efficiently.
- Building on previous work. Assigning team rules at beginning of meeting.

10. WHAT SUGGESTIONS DO YOU HAVE FOR FUTURE MEETINGS?

- Not as long - breaks to revive and relieve.
- Suggestions around OE were helpful.
- Use Hal's suggestions. Keep it crisp. After 5th or 6th hour of intense work energy goes down. Need fresh and mental alertness to do this work.

OVERALL RATING:

Excellent 

1	4			
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 Poor

**MARKETING LEADERSHIP TEAM  
JANUARY 7, 1997**

1. Unresolved issues from last meeting:

- Corporate Development
- Customer Service
- Product Management
- Market Management
- Finance Management

2. **GENERIC**

Marketing  
Processes  
Framework

→

**SPECIFIC**

Vision  
Statement  
For BCBSF

**MARKET ANALYSIS**

- Add
  - Sales Experience (won/lost)
  - Benchmarking
- Market economics and product trends would be included in "industry" analysis.

**SEGMENTING/TARGETING**

- Segmentation analysis/strategy
- Market coverage (map)

**POSITIONING**

- Change heading to Developing the Customer Promise (Positioning)
- Add product/service offering
- Segment Champion Marketing Plans would be an output

**SELLING**

- Revise last bullet to Risk selection/field underwriting

(Data base management would fall under new/renewal selling process.)

- Sales management as enabler platform is getting to the total customer relationship issue - change to Customer Relationship Management
- We need to define and agree on the difference between distribution/sales or clarify meaning

### **FULFILLMENT**

- Change heading to Fulfilling the Customer Promise
- Gets at fulfilling pricing strategy, fulfilling product/service strategy, and fulfilling promotion/advertising strategy
- Add underwriting

### **M & E**

OK

### **ENABLERS**

- Organization Effectiveness
- Information Technology
- Customer Relationship Management
- Corporate Development
- Brand Management
- Product Development??

### **NEXT STEPS**

1/10 - High level framework package for Tom A. (for introduction with WEF).

1/14 - Flesh out workplan templates (assigned areas).

1/21 - Define what is meant by the terms on the framework.

Market Analysis (HF/JK)  
Segmenting/Targeting (HF/JK)  
Positioning/Market Mix (KO)  
Selling (RR)  
Fulfillment (KS)

M&E (KS)  
Enablers (BS)

### WORKPLAN

1. Specific segment plan for 1997?
2. Put the "timing" slide at end (p. 2)
  - Identify the 5 buckets
  - Discussion of the 5 buckets
  - Page 2 graphic
3. Is the timing feasible?
4. Communication
  - Advisory group and key business areas
5. Top Down
  - Market Map
  - Feasibility/gaps
  - Capability
6. Problem/Barrier
  - How to effectively link the IMS and Organization Design and the respective work products
    - linkage (policies, etc.)
    - accountabilities
    - Etc.

**INTEGRATED MARKETING STRATEGY  
MARKETING LEADERSHIP TEAM  
JANUARY 2, 1997**

**A. IMS - CUSTOMER MIGRATION**

	<b>GROUP</b>			
	<b>1-9</b>	<b>10-50</b>	<b>50-300</b>	<b>300 +</b>
U-65 Individual synergies		1-9 Plus: Size of total segments	Product Flexibility	
Playing field (New level)		Funding mechanisms	Underwriting	
Unserved		Pricing	Unserved	
CHPA/BCBSF		Workers Comp	Funding	
Volume to price		Packaging	Group retiree	
Geographical		- Product	Workers Comp	
Regulatory		- Distribution	Unserved	
Market Coverage		- Pricing	- Underwriting	
Packaging		Reinsurance	- Dependent	
Product needs		Risk management	- Non-Buyers	
			- Group	
			- Non-Group	

**B. DUAL OPTION**

- Market's interest?
- Do we have what meets the need?
- Are we responding?

C. 50 - 300 VS. 50 - 1,000

- # buying units.
- Size relative to others.
- Enough difference in how they buy/what they buy.
- Profit potential.

D. PRICING

- Focus on reducing and guarantees vs. broader mix focus.
- Rating process improvements clearly needed.

E. HOW DIFFERENTIATE OURSELVES?

- Recognize we're trying to.
- Is it a commodity market?

F. DISTRIBUTION ASSESSMENT INCLUDES AGENTS BUT NOT SALES REPS

- Address total vs. portion

G. HOW CONNECT THE COMPONENTS/MODULES OF IMS SO THAT READER CAN GET ACCURATE UNDERSTANDING AND AGREE ON CONCLUSIONS!

- To what purpose/end result?!
- Balance total perspective and "deep dives."
- Marketing process, marketing map, end result (who, how, what)
- Tie to marketing process?
- Some energy by others to push modules to conclusions when not the purpose or our intent.
- Different Focus:
  - Marketing process
  - Sale process (address our issues first)
- Use assessments to reach conclusions on mix, corporate level and for each segment/sub-segment.
- Clarify assessment vs. our strategy.

H. DEFINITION OF PRODUCT AND BASIC COMPONENT

- Generically
- Product specific
- Features and benefits vs. needs being addressed

I. **WHAT ARE WE WORKING ON**

- Process improvement
- Marketing strategy

J. Impact of small group reform on BCBSF vs. competitors headquartered outside of Florida or who has different approach to regulatory compliance.

K. Impact of mandated benefits on BCBSF vs. competitors headquartered outside Florida or don't comply.

L. Wellness benefits - which are mandated How do we package/promote? Overall positioning relative to care delivery?

M. Opportunities for national account units located in Florida not addressed in definition of local group.

N. Coordinate all market maps - problem statement one is most current.

O. How reconcile assessments based on SFR and WCR with total corporate marketing strategy.

- Corporate level vs. market specific.

P. Is 1-9 structurally/inherently fragmented from supplier side and feasibility of significant share?

Q. Communicate both share and penetration.

R. **Potential Approach (Jay)**

a. Marketing Process Framework (double click on parts)



b. Corporate Market Map (assessment, share, retention, position by segment/product/geographic, etc.)





c. High Level Segment I.D.



d. Criteria for growth and selection (quantitative, qualitative, feasibility, rate of travel, etc.)



e. 5 year plan by segment (products, geographic, etc.)



f. Analysis by segment



g. Capabilities/customer migration/subsegments/economics/competitors



h. Strategy



i. Action plans