

YOUR **TOMORROW** IS IN YOUR HANDS **TODAY!**



*The AAA is fighting for you!*



# ***Understanding Deployment Strategies for the EMS Marketer to Control Unit Hour Costs***

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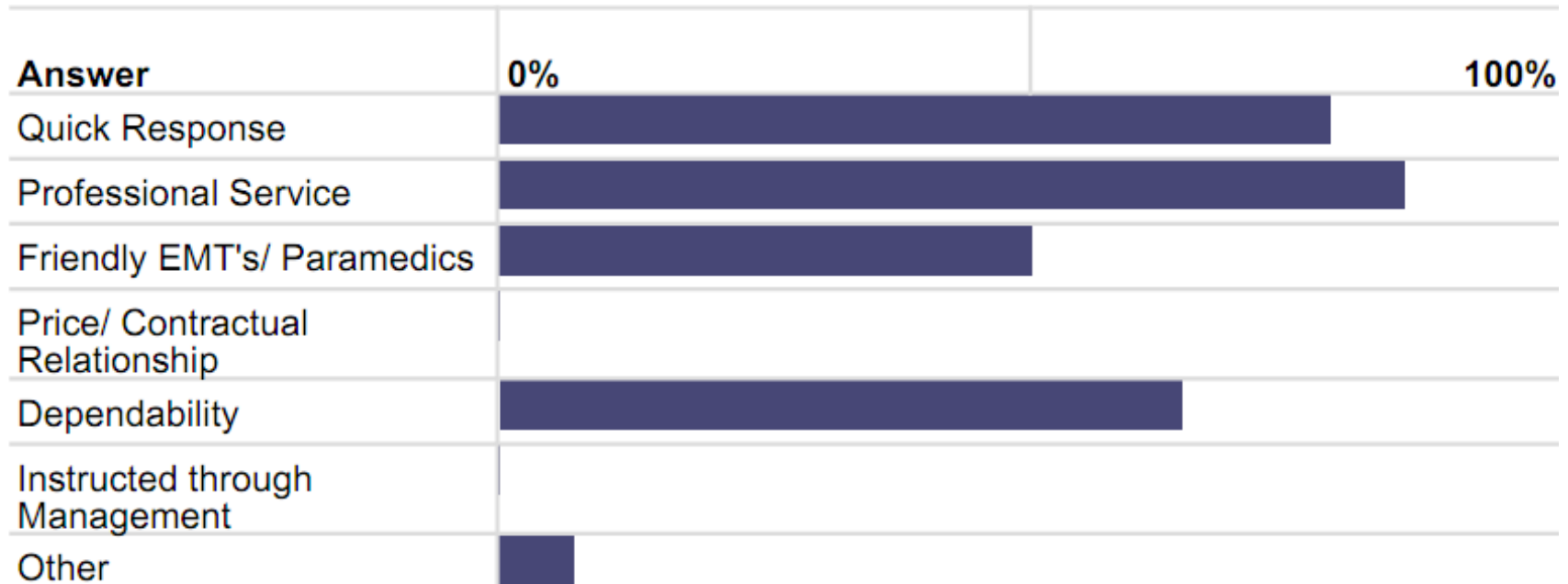
**FACT:** Marketers want more ambulances to meet the customer's needs. How do we justify requesting

**MORE.... RESOURCES?**



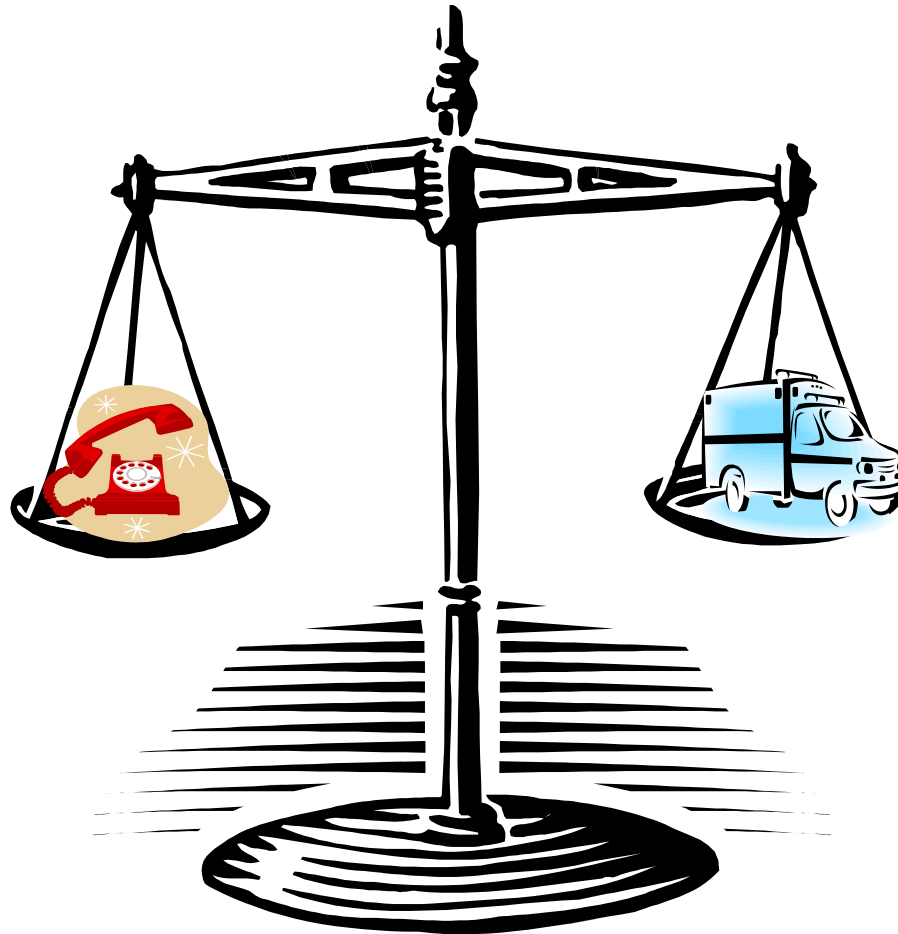
# What's Most Important to Customers?

\* What is your top 3 criterion, when calling for an Ambulance? (select 3)





# Deployment Management is an Art & Science of Balancing Supply and Demand





# Goal/Objectives

**Goal:**     *To enable EMS Marketing Professionals to work with Operations to control Unit Hour Costs.*

***Objectives:***

**By the end of the session, participants will**

- understand basic deployment strategies.
- understand unit hour cost and how increased/decreased transports affect the financial statement.
- be able to describe factors that influence the production of unit hours and how they affect marketing efforts.
- understand their marketing role in managing unit hour production and meeting customer needs.



## *Why do we loose accounts/opportunities?*

- On-time performance (OTP) issues,
- Not enough ambulances available to respond to the request,
- Inter-Facility Transport (IFT) calls are “bumped” for the 911 call,
- Customer Service issues with Communications Centers and Field Staff,
- Competition offers more/better service(s),
- No Relationship



***A great Deployment Strategy requires a balancing act centered on the simultaneous delivery of:***

- ***Response time performance***
- ***Clinical sophistication***
- ***Customer satisfaction***
- ***Economic efficiency***





# **NEGATIVE IMPACTS OF “BAD” Deployment Practices**

- Poor response time performance
- Loss of call volume
- Increased costs resulting from inefficient operations
- Poor employee morale



# ***Basic Principles Of Deployment Management***



## **System Status Plan (SSP)**

**A *system status plan* is a guideline used to deploy the number of units by hour of day and day of week in order to meet response time requirements and customer demand.**



# The Unit Hour

**A “*unit hour*” is defined as  
a fully operational ambulance in  
operation for one hour.**



# How Much Does the UH Cost?

**Total Expenses/Total UHs = Cost per UH**





Detailed Income Statement  
For the Period Ending October

	Month to Date					
	Oct 05 Fiscal Year Actual	Oct 05 Fiscal Year Budget	Actual vs Budget \$	%		
Net Transportation Revenue	1,413	1,185	228	19%	Tx UHU  Cost/Tx Cost/UH  UHU  Rev/Tx Rev/UH	4,600
Net Revenue	1,464	1,218	246	20.18%		13,721
Salaries	622	580	42	7.25%		268
Benefits	122	109	13	12.38%		90
Total Compensation	744	688	55	8.06%		0.34
Vehicle Operating Costs	77	71	6	8%		
Medical Supplies	42	48	(6)	-13%		
Insurance	128	121	7	6%		
Telecommunications	20	16	4	26%		
Occupancy	29	27	2	9%		
Other Operating Expenses	15	8	7	85%		
External Services	-	-	-	0%		
Professional Fees	6	6	(0)	-5%		
G&A Expenses	9	15	(6)	-41%		
Allocations						
Regional Overhead Allocations	147	118	29	25%		
Regional OH-PBS	89	74	15	20%		
Locational Overhead Allocations	17	7	10	146%		
Overhead Allocations	163	124	39	32%		
Operating Expenses	1,233	1,125	108	10%		
EBITDA	231	93	138	148%		
Depreciation	57	45	12	26%		
EFO	174	48	126	264%		



If an ambulance is not available, it is called a

*LOST* UNIT HOUR!



## **Why a unit may not be available:**

- Start-of-shift/end-of-shift
- Vehicle problems
- Crew delays
- Equipment problems





# **Demand Analysis**

## **Demand**

**... is the total number of requests for service in the primary marketplace in a specified time period.**

## **Demand Analysis**

**... is the study of calls by day of week and hour of day to determine the number of resources to staff and when.**



## Sample Demand Analysis

Period of Study: 21 Weeks

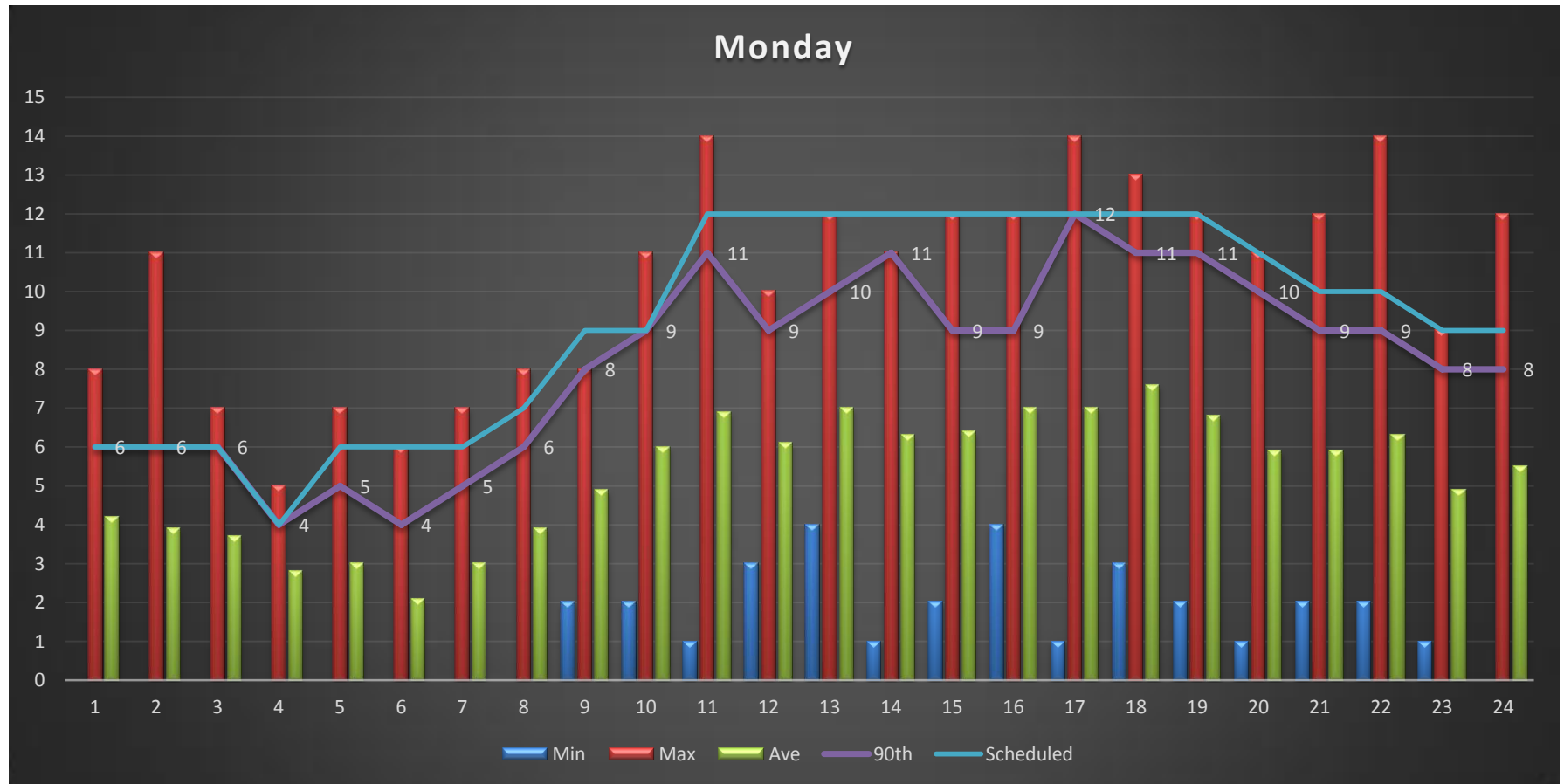
DATE	DAY	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	TOTAL
7/4/1994	Monday	6	2	7	4	7	2	2	5	5	5	5	4	5	5	9	5	5	13	8	10	9	11	4	4	142
7/11/1994	Monday	4	6	1	4	1	3	1	5	3	2	4	7	7	7	9	4	10	10	5	9	6	4	2	6	120
7/18/1994	Monday	6	2	1	4	3	3	1	4	3	4	9	10	5	5	6	7	3	11	7	3	3	7	6	5	118
7/25/1994	Monday	4	1	7	4	4	6	2	4	4	2	10	9	7	11	6	12	8	5	10	5	8	5	7	11	142
8/1/1994	Monday	4	6	5	2	1	2	4	3	8	9	9	5	5	6	7	5	4	3	2	11	9	8	6	6	130
8/8/1994	Monday	5	4	4	2	3	2	3	2	6	11	6	7	9	8	6	5	1	5	4	1	12	9	3	7	125
8/15/1994	Monday	3	6	5	3	3	1	6	8	2	5	8	5	7	9	6	5	7	8	11	4	5	14	9	12	152
8/22/1994	Monday	2	3	3	5	3	0	3	6	5	6	10	8	10	4	3	8	3	6	3	8	4	4	2	6	115
8/29/1994	Monday	5	5	3	2	4	3	7	4	3	6	7	5	4	8	7	8	8	7	4	10	4	8	6	5	133
9/5/1994	Monday	4	11	6	4	5	2	4	4	4	7	3	3	6	2	7	5	12	8	12	4	5	5	3	7	133
9/12/1994	Monday	3	3	6	2	2	5	2	5	4	10	11	7	7	9	7	9	12	10	6	5	6	3	4	0	138
9/19/1994	Monday	1	5	1	3	2	3	2	3	4	4	3	10	8	4	6	6	8	8	6	2	6	6	7	6	114
9/26/1994	Monday	6	6	1	1	0	0	5	4	8	7	14	3	12	7	5	8	10	6	4	7	3	6	4	7	134
10/3/1994	Monday	4	7	5	4	2	2	1	0	3	8	12	5	10	11	12	8	9	12	10	6	5	8	8	2	154
10/10/1994	Monday	5	3	3	1	3	1	4	1	6	4	9	3	5	8	7	7	6	7	6	8	2	4	6	1	110
10/17/1994	Monday	0	0	0	0	0	0	5	3	7	6	2	3	7	4	5	9	7	6	12	3	4	6	4	8	101
10/24/1994	Monday	8	3	4	0	5	3	3	4	5	7	5	6	6	1	4	5	5	8	5	3	6	7	3	3	109
10/31/1994	Monday	5	2	5	4	4	0	3	6	8	8	1	8	10	4	6	12	14	5	6	7	12	8	9	7	154
11/7/1994	Monday	5	3	5	3	4	1	3	4	4	7	8	9	6	11	10	6	6	11	5	5	7	3	5	4	135
11/14/1994	Monday	7	1	2	3	4	2	1	3	8	3	4	8	7	4	4	8	6	7	8	8	4	2	3	5	112
11/21/1994	Monday	2	3	3	4	2	4	0	3	3	6	1	3	5	4	2	5	4	4	8	4	4	5	1	4	84
<b>Total Responses</b>		89	82	77	59	62	45	62	81	103	127	131	128	148	132	134	147	148	160	142	123	124	133	102	116	2655
<b>Average</b>		4.2	3.9	3.7	2.8	3	2.1	3	3.9	4.9	6	6.6	6.1	7	6.3	6.4	7	7	7.6	6.8	5.9	5.9	6.3	4.9	5.5	126.43
<b>Minimum</b>		0	0	0	0	0	0	0	0	2	2	1	3	4	1	2	4	1	3	2	1	2	2	1	0	84
<b>Maximum</b>		8	11	7	5	7	6	7	8	8	11	14	10	12	11	12	12	14	13	12	11	12	14	9	12	154
<b>90th Percentile</b>		6	6	6	4	5	4	5	6	8	9	11	9	10	11	9	9	12	11	11	10	9	9	8	8	152
<b>Unit Hours Needed</b>		6	6	6	4	5	4	5	6	8	9	11	9	10	11	9	9	12	11	11	10	9	9	8	8	196

### TOTAL DEMAND for 7 DAY PERIOD

[illegible]



Min	0	0	0	0	0	0	0	0	2	2	1	3	4	1	2	4	1	3	2	1	2	2	1	0	26
Max	8	11	7	5	7	6	7	8	8	11	14	10	12	11	12	12	14	13	12	11	12	14	9	12	53
Ave	4	4	4	3	3	2	3	4	5	6	7	6	7	6	6	7	7	8	7	6	6	6	5	6	45
90th	6	6	6	4	5	4	5	6	8	9	11	9	10	11	9	9	12	11	11	10	9	9	8	8	52
Scheduled	6	6	6	4	6	6	6	7	9	9	12	12	12	12	12	12	12	12	12	11	10	10	9	9	222





# Time on Task (TOT)

*Components:*

- Request received to notification
- Out of Chute time
- Response time
- Scene time
- Transport time
- Hospital Down time



## **Other Considerations**

- **Geography**
- **Traffic Patterns**
- **Governmental**
- **Response Time Requirements**
- **Contracts**



## ***So what is our objective as Business Development Professionals?***

- **To make sure that we have the correct number of Unit Hours deployed to meet our Customer's expectations!**
- **Transport Revenue more than covers the cost of UHs.**



# Unit Hour Utilization

Unit hour utilization is the number of transports divided by the actual unit hours.

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$$\text{UHU} = \frac{\text{Number of Transports}}{\text{Number of Unit Hours}}$$





# How do we apply the knowledge?

Let's review the math for Unit Hour Utilization (UHU):

$$\text{Unit Hour Utilization} = \frac{\text{Transports}}{\text{Unit Hours}}$$

So...if a BU were to generate 50 transports for the day, and they produced 150 unit hours for that day, the UHU would be:

$$50 / 150 = .333$$

Less unit hours?      50 transports / 100 unit hours = **.50 UHU**

Less Transports?      30 transports / 150 unit hours = **.20 UHU**

More unit hours?      50 transports / 175 unit hours = **.29 UHU**

Less Transports?      35 transports / 150 unit hours = **.23 UHU**



**With the math in mind, it is important that we ensure operational efficiencies by not creating an environment where the operation's budgeted UHU is decreased.**

***(We want more UHs to ensure being able to respond to requests for ambulance transportation.)***



**We have to understand that each year, the business unit creates a budget based on the expected number of Transports projected for the year. The transport number is primarily generated based on:**

- Transport trends (history),**
- Projected growth (TLTs)**

**In reality, transport projections  
drive the entire  
BUDGET!**



## Another KEY Consideration:

**Make sure that the  
Fee for Service (FFS) is enough to  
cover the cost of the unit hour!**

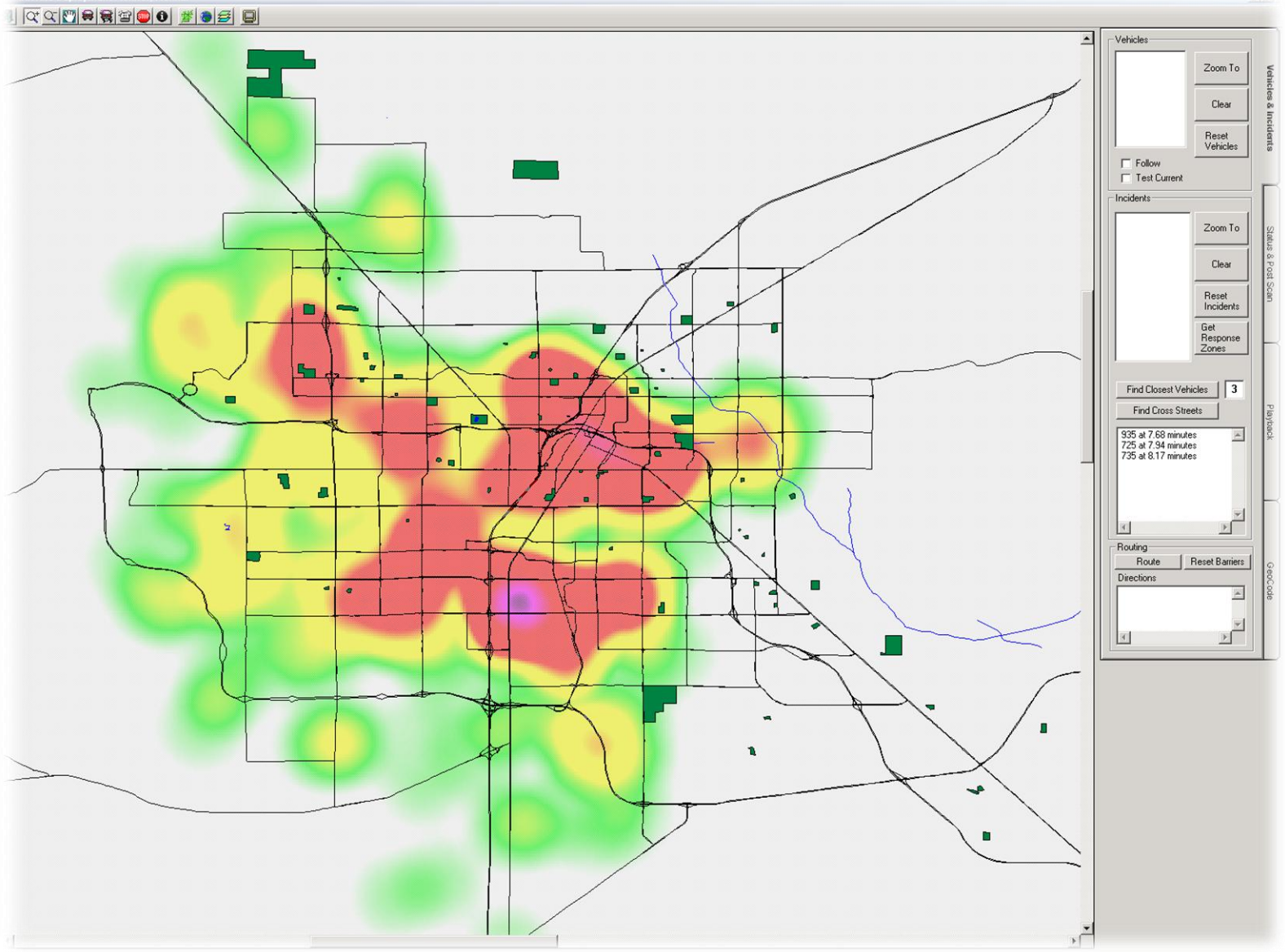
***And even better...***

***the cost per transport.***



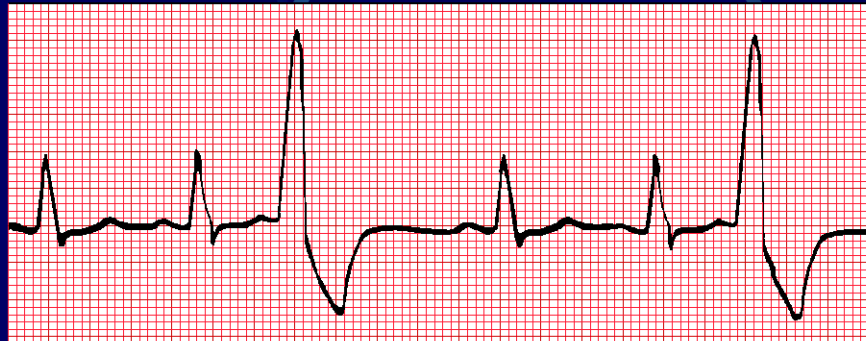
## **Geographic Call Distribution**

**A tool used to determine stations and post locations. It is a geographical representation of call volumes and call locations based on map grids.**



# Key Performance Indicators

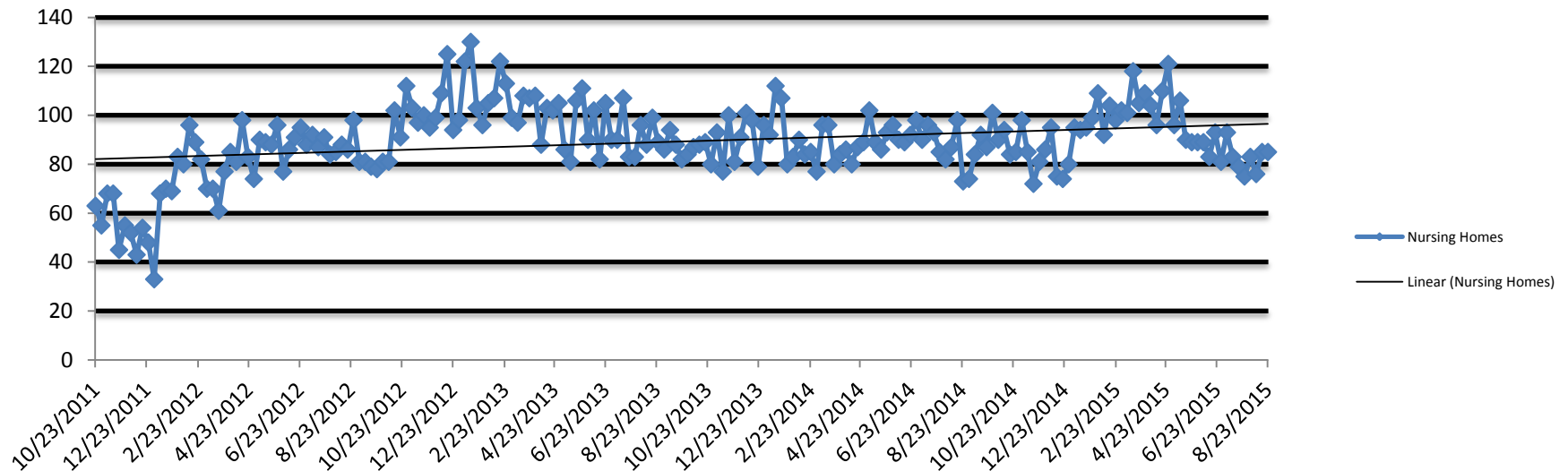
KPI's are a series of reports designed to provide the user with multiple measurements of the organization's performance.





# Only as Good as What You Measure

Nursing Home Totals







## Nursing Homes

Facility Name	Bed Ct.	Wk. Potential Tx	Yr. Potential Tx	2012	2012 percent	2013	2013 percent
East Glen	108	5.4	280.8	25	8.90%	5	1.78%
Eastview Healthcare Center	112	5.6	291.2	254	87.23%	198	67.99%
Fairhaven Retirement Center	197	9.85	512.2	97	18.94%	59	11.52%
Fairfield Nursing and Rehab Center	190	9.5	494	401	81.17%	132	26.72%
Fairview Health and Rehab Center	163	8.15	423.8	67	15.81%	190	44.83%
Galleria Woods Skilled. Nursing	30	1.5	78	36	46.15%	16	20.51%
Golden Living Center Hueytown	50	2.5	130	72	55.38%	105	80.77%
Golden Living Center Meadowood	180	9	468	43	9.19%	65	13.89%
Golden Living Center Riverchase	132	6.6	343.2	146	42.54%	153	44.58%
Golden Living Center Trussville	125	6.25	325	281	86.46%	381	117.23%
			<b>3346.2</b>			<b>1304</b>	<b>38.97%</b>



# UHU Monitor

Day Of Week	Number of Transports				Unit Hours				Cost Production			
	Budget	Actual	Variance	Variance	Scheduled	Actual	Variance	Cummulative	Budget	Actual	Variance	Unit Hours
	Transports	Transports	Transports	to-date	Unit Hours	Unit Hours	Unit Hours	Total	UHU	UHU	UHU	To Adjust
Monday	50	50	0	0	150	150.00	0	0	0.33	0.33	0.00	0.0
Tuesday	50	45	-5	-5	150	145	-5	-5	0.33	0.31	-0.02	-9.6
Wednesday	50	51	1	-4	150	150	0	-5	0.33	0.34	0.01	-6.7
Thursday	50	53	3	-1	150	145	-5	-10	0.33	0.37	0.03	7.1
Friday	50		-50	-51	118		-118	-128	0.42	#DIV/0!	#DIV/0!	-21.1
Saturday	35		-35	-86	94		-94	-222	0.37	#DIV/0!	#DIV/0!	-29.3
Sunday	25		-25	-111	94		-94	-316	0.27	#DIV/0!	#DIV/0!	-8.4
	310	199	-111		906	590.00	-316.00		0.34	0.34		
	Budget	Actual			Scheduled	Actual			Budget	Actual		



# Putting Knowledge into Practice

- How do we distinguish ourselves against the competition- sponsorships, initiatives, good will equity, strategic partner
- Don't sabotage self. What makes all this worth it?
- How do we gain EE buy-in?





**Where does marketing fit in with unit hour cost?  
Marketing Should Add Quantitative and  
Qualitative Value**



# Only Game in Town?





# Bring on the Competition!

## Declare, Distinguish

- Tell them:
- Who you are.
- What makes you different
- What makes you better
- Make a brand promise



## Deliver

- Walk your talk
- Communicate
- Act like a partner
- Keep your promises
  - On-time
  - Engaged
  - Involved



# Marketing Can Impact UH Cost

- Unit Hour Cost- Negative Impact
  - Personnel costs
  - Printing costs
  - Production costs
  - Presentations (Pay to Play)
  - Affiliations/ Memberships (Fees)
  - Investments (Alert Systems/ Call Center Software)
  - Innovations, i.e., Community Paramedics start-up costs



# Marketing Can Impact UH Cost

- Unit Hour Cost- Positive Impact
- Revenue
  - Increased ambulance fees
  - Easier recovery of ambulance fees
- Operational Efficiency
  - Geographical
  - Demographical





# Marketing Can Impact UH Cost

- Unit Hour Cost- Positive Impact
- New Revenue/New Services
  - Community paramedic fees
  - Medical Standby Fees
  - Education Fees
    - AHA/CPR & ACLS
    - EMS Courses
  - Alert system memberships
  - Fleet maintenance services



# Minimizing Marketing Costs

- Bring down the marketing cost impact by:
  - Using the ambulance and other company vehicles as a rolling billboard



# Minimizing Marketing Costs

- Reduce the marketing cost impact by:
  - Using the Internet (Website and social media) to promote your company



# Minimizing Marketing Costs

- Reduce the marketing cost impact by:
  - Using the Internet (Website and social media) to promote your company



# Minimizing Marketing Cost

- Reduce the marketing cost impact by:
  - Riding someone else's coat tails or better yet; let others ride yours...





# Minimizing Marketing Cost

- Reduce the marketing cost impact by:
  - Engaging the workforce in marketing activities





# Maximizing Marketing Investments

New Revenue/New Services – new fees





# Maximizing Marketing Investments

– Special Event Medical Standby fees







## — Education Fees

- AHA/CPR & ACLS
- EMS Courses





# Maximizing Marketing Investments

- Alert system memberships





# Maximizing Marketing Investments

- Fleet maintenance services- Car Service Fees
  - For employees
  - For board members







# Questions?

