



DUKE HEIGHTS BIA'S HEALTH SERVICES STRATEGY

Strategic Planning Document



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DUKE Heights BIA Health Services Sector Strategy

Executive Summary

The DUKE Heights BIA commissioned this document to develop a strategy to encourage business activity in the health services sector of the BIA. It is the continuation of a series of recommendations made by a consultancy report (the DUKE Heights Economic Development Study) commissioned by the City of Toronto and the BIA in 2016 completed by the IBI Group which identified 5 sectors that the BIA should focus on and encourage.¹

During the development of the DUKE Health strategy, the following observations about the health services industry in the BIA were made:

- There are approximately 1125 jobs in the health sector of the DUKE Heights BIA, 150 firms, and an average firm size of 7.5 employees.
- Small firms dominate in this sector, with 93% of the firms having less than 10 employees and these enterprises being responsible for nearly half (412) of the jobs in the BIA.
- A majority (52%) of firms in DUKE Health have only one employee on record.
- The DUKE Heights health services industry is lucrative: revenue per employee is approximately \$88,000
- The sector in the BIA brings in approximately \$99 million in annual revenue.
- Like the rest of the industry outside of DUKE, the majority of DUKE Health firms are “small hardware store” types of businesses, with few employees or even just one.

This document makes a series of recommendations for the health services sector initiative. These are divided into Branding, Institutional Collaboration, and Marketing Assistance. Additionally, the report provides a summary of funding opportunities for the initiative, an implementation strategy for the initiative, and a proposed evaluation strategy.

The report’s branding strategy constitutes the use of a sub-branding strategy placing DUKE’s health services sector under the greater DUKE brand as DUKE Health. It outlines a sector branding strategy known as “geographical positioning,” which emphasizes the DUKE Health sector’s geographic location close to subway stations, York University, and hospitals.

The institutional collaboration strategy suggested by the report emphasizes working with educational institutions, especially York University’s Schulich Business and Osgoode Hall Law Schools. These partnerships will encourage increased activity, productivity and perhaps most importantly, employment in the sector. This includes collaboration on the acquiring of better management practices by firms, marketing strategies, and legal advice.

¹ IBI Group. DUKE Heights Economic Development Study, 2016
<http://www.dukeheights.ca/wp-content/uploads/DUKE-Heights-Economic-Development-Study-and-Executive-Summary-FINAL-2016....pdf>

A marketing assistance effort is outlined which emphasizes using existing institutional resources to help DUKE Health firms market themselves when they may not have the required expertise or resources to do so effectively. It also suggests using DUKE's existing connections with Schulich to help DUKE Health firms market their businesses through workshops, lectures, and the creation of a marketing database.

The report ends by suggesting a stage based implementation plan and an evaluation strategy combining quantitative and qualitative methods to ensure the viability and effectiveness of the sector strategy.

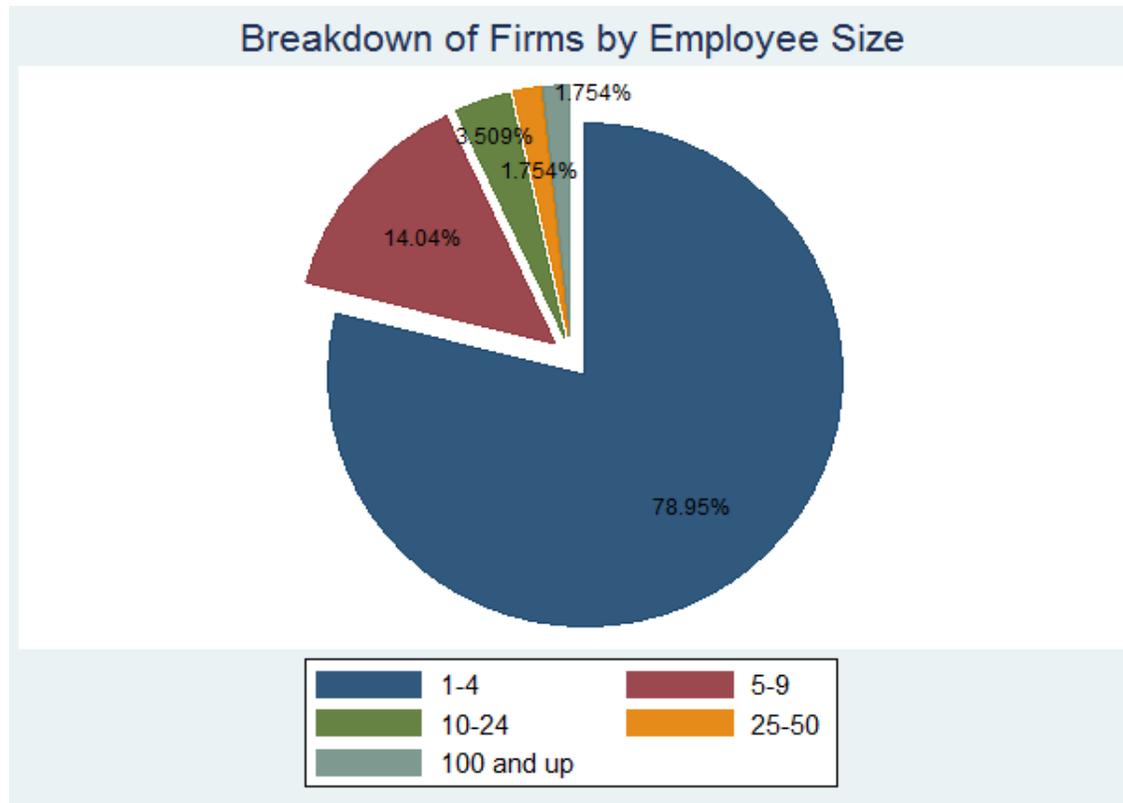
Snapshot of sector

Health services constitute a significant sector in the DUKE BIA. The BIA has approximately 1125 jobs in this sector with approximately 150 firms. Businesses in this sector include diagnostic services, nursing and residential care, outpatient care, physicians and health practitioners, and dentists, among other service providers.

Canada has a domestic market of about \$ 96.8 billion in health care services. This market is expected to grow at an accelerated rate over the medium and long term, since Canada like many other countries has an aging population and an increase in chronic diseases.² Though most of Canada's health expenses are funded publicly, they are generally delivered by private practitioners (except in the case of hospitals). These are individuals with small practices employing a handful of people in what the former president of the Canadian Medical Association called "small hardware stores."

The sector in the BIA by and large follows national trends, with small firms being dominant. Nearly half (495) of the 1125 employees in the sector work for practices which employ 10 employees or fewer, and the average firm size consists of 7.5 employees. This is in contrast to other sectors in the BIA, especially manufacturing sectors, where up to 95% of the jobs belong to the few largest firms employing more than 50 employees.

² <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Life-Sciences-Health-Care/gx-lshc-2015-health-care-outlook-canada.pdf>



There are three firms (2% of total) which have 100 or more employees in this sector, and the rest have less than 50 employees. More than three quarters of the firms in the area (79%) have 4 employees or fewer according to available data. 14% of firms have between 5 and 9 employees. Finally, about 3.5% of firms in the area have between 10 and 24 employees. Notably, there are no firms according to the available data which have more than 50 employees but less than 100 employees. Overall, the data suggests a concentration (98%) in what is termed by Industry Canada as small enterprise, i.e. firms with less than 100 employees.

The health care sector in DUKE generates approximately \$ 99 million annually in revenue – a conservative number since this is from available company revenue information. Furthermore, the DUKE health sector brings in approximately \$88,000 in revenue per employee (measured through the total revenues divided by the total employees of the sector for the companies for which that information was available). The average national revenue per employee in the Health Care and Social Assistance sector (NAICS code 62) is approximately \$41,500.

DUKE’s health services sector is therefore competitive and attractive to businesses. However, the sector is not aware of its competitiveness and relative strength. This is information which should be known within the industry, policy circles, concerned institutions, or even among DUKE health service firms themselves. This lack of awareness prevents the health services sector from: receiving public investment, gaining reputational benefits for its firms, coordinating within the different firms in the BIA for mutual benefit, and attracting private investment in the

sector for growth. The DHBIA therefore has an opportunity to facilitate certain initiatives in the health services sector to assure that the available resources in the sector (including the institutions in the surrounding areas) are efficiently and effectively used for the mutual benefit of the firms in the sector and for the BIA generally.

Branding Strategy

For Duke Heights' health services sector strategy to be successful, it needs to effectively brand its health services sector in a way which encourages greater growth and competitiveness of the sector. The following brand strategy is backed by research and best practices in sector initiative branding. It will describe how the DUKE Heights BIA will use a *sub-brand strategy* to brand the health services sector as DUKE Health.

Objectives

- To allow the DUKE Heights BIA to effectively brand its health services sector both to its stakeholders, prospective workers, and to relevant consumers
- Highlight the unique strengths of the BIA and its health services sector: particularly, the sector's increased productivity relative to the national average and its favourable geographic location
- To add value for all the firms in the health services sector of the BIA by allowing them to benefit from the brand and reputation of the BIA's health services sector
- To attract consumers, skilled workers, businesses, and investment into the BIA through effective and realistic branding of the health services sector
- To establish the DUKE Health Sector as the premier health services centre in Canada

Branding Platform

The DUKE Health branding platform will take advantage of the work done on the DUKE brand – industrious, tough, hardworking, enterprising; new engine of growth between Dufferin and Keele; most connected BIA.

Brand values: industrious, tough, hardworking, enterprising.

Brand positioning: Due to the geographical locations by Humber River Hospital, the emerging Finch West subway station at Keele and Finch, and York University of the health services sector in the BIA, DUKE Health will employ a "*geographical positioning*" strategy – emphasizing the health sector's proximity to services, educational institutions, and hospitals as its greatest asset: "DUKE Health is the best-connected health services hub in the GTA. Located by subways, the upcoming Finch LRT, hospitals, and York University, consumers, businesses, and skilled workers in the health services business should look at DUKE Health as their first choice."

Brand promise: "Canada's best-connected health services hub, all in the heart of the GTA"

The following statistics and figures should be emphasized to demonstrate the DUKE Health's viability and attractiveness:

- DUKE Health companies bring in nearly 100 million dollars in revenue annually.
- 150 health service providers and 1125 employees offer a wide variety of services.
- DUKE Health is right next to York University and its health sciences research centers.
- DUKE Health is in proximity to 10,000 health faculty students
- DUKE Health firms are considerable more productive than the national average according to revenues per employee.
- Toronto offers a series of tax and other incentives for businesses who expand, build, or renovate properties, like the Imagination, Manufacturing, Innovation and Technology (IMIT) Program, which shields businesses from the increased property taxes of their developments.³

The following aspects should be emphasized for consumer markets:

- DUKE Health is a mere ten minutes drive from Humber River Hospital, “North America's first fully-digital hospital”
- Patients can access all their healthcare services in DUKE's 150 health care providers: everything from X-rays and doctor visits to physiotherapy is available in one place.

³ <https://web.toronto.ca/business-economy/business-operation-growth/business-incentives/>

Brand Architecture

A sub-brand architecture will be used, presenting DUKE Health under the greater DUKE brand. This allows the health services sector to take advantage of the work that has been done on the DUKE brand, which includes DUKE Perks, DUKE News, DUKE Talks:



Figure 1. DUKE Sub-Brand Architecture

The advantages of a sub-brand architecture are that it allows the DUKE Health brand to benefit from the reputation that DUKE has already gained and also allows the greater DUKE brand to gain greater reputation from association with the DUKE Health brand in the future.

Marketing Communication Strategy

One part of the communication strategy would consist of internal communication which would inform the BIA’s health services firms of the DUKE Health initiative, allowing them to support and further publicize the initiative within their own networks. The value of the initiative will be

presented to these stakeholders. DUKE Health will be incorporated into DUKE's website and networks, and aesthetic branding incorporating the DUKE logo will be incorporated. Newsletters, community papers, social media, and media coverage, methods with which DUKE is already familiar and experienced, will all be used as mediums for communicating the establishment of DUKE Health.

The DUKE Ambassadors Program will be used as part of the communication strategy to inform individuals and businesses in the industry of DUKE Health. These industry leaders will publicize the sector during their business travels and attendance at conferences, thus allowing DUKE to publicize itself within the industry with minimal cost.

It is essential that the sector initiative and BIA invest in communicating the brand that has been outlined in the above section as part of its marketing communication strategy. The research shows that branding is an integral part of sector initiatives. However, this brand needs to be communicated with target markets, both businesses and consumers. The DUKE BIA will only gain results from the branding that is required from a sector initiative if it successfully and significantly invests in advertising and communicating that brand.

A more specific PR strategy will be created by the BIA's communications department to market DUKE Health to the health services industry outside of the BIA, including attendance at trade fairs, targeted advertising, and other communications methods.

Institutional Collaboration Strategy

Sector initiatives offer considerable opportunities for educational and research institutions. Sector initiatives can allow educational institutions to harmonize their curriculums and programs with the industries in which their students desire to work upon graduation. This enhances the appeal of the institutions in question to prospective students and delivers better value to their existing students. Educational collaboration is something which DUKE has already been involved with, launching a collaboration with Seneca college and the DUKE food industry in 2017. The Seneca initiative can be used as a model for collaboration with educational institutions.

York University is an institution with which the DUKE BIA has experience and an established working relationship. York is a premiere educational and research institution with a variety of leading schools and programs in management (Schulich), health (York Faculty of Health), and law (Osgoode), among others. These schools each offer a path for collaboration in the health services industry, described below.

YEDI – the York Entrepreneurship Development Institute is dedicated to encouraging disruptive and innovative businesses and entrepreneurs by giving them access to world-class business education and access to funding. YEDI has expressed an interest in developing a furniture incubator with DUKE and is going to conduct a feasibility study in the Fall of 2017. DUKE can

work with YEDI to explore similar possibilities in the health services sector. This can both work to bring new and innovative firms to DUKE and introduce and commercialize new technologies that are developed at York's various faculties and schools into the sector at large.

Faculty of Health at York – York University's Faculty of Health has already expressed interest in working with health service providers in DUKE to develop co-op and internship opportunities for students in the health and nursing programs at the faculty. This can help health service firms at DUKE gain educated recruits and help York Health deliver more value to their students by connecting them with employers. This faculty contains approximately 10,000 students and is therefore a rich resource for DUKE Health firms.

Schulich– The Schulich business school can facilitate sector-based workshops for the health services industry with the aim of giving advice to health services firms in DUKE. These would include giving specialized advice and information on the challenges and opportunities facing the health services industry in DUKE. In this way, Schulich students and faculty can provide DUKE Health firms with knowledge and practices with which they would not have been familiar otherwise, encouraging success and greater competitive advantage. These workshops can include best practices in management, strategies for better marketing (more below), and recruitment and retention of workers.

Due to DUKE Health's overrepresentation of small and single employee businesses who often do not have the ability or expertise to market their businesses effectively, there is considerable opportunity for collaboration on marketing. The BIA can work with Schulich to develop workshops to help teach DUKE Health companies to effectively market their services with minimal resources. Schulich's Health Industry Management Program can also collaborate with DUKE Health in co-op and research capacities to improve their marketing practices (more below). Schulich has already posted a paid co-op position on behalf of a DUKE health services firm to recruit an MBA student who can help with marketing, the creation of a business plan, and market and competition research.

Osgoode – The Osgoode Hall Law School has demonstrated continued willingness to work with the DUKE BIA as part of their initiative to establish connections with the local community. Osgoode has already expressed interest in developing a program with local lawyers in DUKE to provide consultation and advice to businesses in the area.

The school could also help develop business law workshops geared to the health services industry. One specific type of workshop relates to how DUKE Health firms can protect themselves legally and take necessary legal and practical precautions to reduce their legal risk.

Employment Ontario Service Providers – DUKE has 3 employment agencies within the BIA, in addition to those outside of the BIA but in close proximity. DUKE can work with these service providers to connect them with the health services industry and create a mutually beneficial relationship where employment agencies can focus on recruiting health services

industry workers to fill short and long-term positions. Ideally, this would focus on creating long term career pathways into the health services industry in DUKE, connecting the surrounding environment of marginalized community members to an important and highly competitive industry next door.

Marketing Assistance Strategy

As mentioned above, marketing is an important opportunity for improvement for DUKE Health's firms. It is important to note that 77.3% of these firms have fewer than 5 employees, and about two thirds of these have only one employee. Preliminary information gathered from the health sector in DUKE suggests that firms have difficulties advertising themselves, being primarily doctors and other healthcare workers without expertise in marketing and advertising.

There is therefore a specific need in this sector for the transmission of marketing knowledge and the teaching of techniques geared towards allowing these small enterprises to effectively market their businesses. DUKE Heights can help provide for this need through various methods including online marketing databases that businesses can consult, workshops that teach small health firms specific methods and best practices in marketing their businesses, and lecture type events by recognized experts in the field of health marketing. Below are short descriptions of how each of these methods could be carried out.

Basic marketing techniques can be gathered with relatively low investment of resources and uploaded to an online database which owners and operators of health service firms in DUKE can consult. This database can be divided into rational categories such as social media marketing, search engine optimization and web marketing, physical marketing, and branding. Health service operators and owners can then consult these databases at their own convenience, an important aspect since smaller firms, especially those who only have the owner-operator as an employee, often cannot dedicate the time needed to attend events or workshops; they would therefore benefit from having an online database which they can access according to their schedule.

For those health firms who recognize the need for greater marketing knowledge, workshops that teach these firms how to effectively market their businesses is an attractive proposition. These workshops could be led by marketing professionals, or MBAs, doctoral students, or professors from the Schulich business school, who would give vital lessons on how health firms, especially small ones with little or no time to dedicate to marketing, can market their businesses. These workshops can be divided into themes similar to the database outlined above. The workshops can also be held at times when less customers/patients ask for health services to maximize attendance.

The BIA can also help create the channels for advertising the services of DUKE Health firms. The BIA already helps its firms establish an online presence, advertise their promotions, and effectively use local media channels.

Finally, lecture type events can be held at networking events organized for the health sector in DUKE (more below on networking events). These lectures can be given by recognized experts in the field, including professors and industry experts. These lectures can focus on specific themes and the content should be based on interest from DUKE health firms, utility from a marketing perspective, and the level of knowledge of the prospective audience.

Funding

The Government of Canada and the Provincial government have several programs to encourage cluster (i.e. sector) development in regions. As such, there are funds and grants that the BIA can apply for:

- Cluster Development Seed Fund and the newly introduced Innovation Superclusters Initiative (ISI)
- Funding for the initiative should be discussed and gathered, with a view that government funding such as the *Cluster Development Seed Fund*⁴ exist (up to \$100,000 funding as a 1:1 initiative with private businesses)

Once the DUKE Health initiative has been launched and has displayed success, a need for greater funding will arise to continue and build upon this success. These funds could be pooled and used to launch larger projects than those outlined here, which require greater resources.

What are the Benefits of a Sector Initiative?

Geographical clusters of sectors have been shown to be fundamental to employment, growth, and innovation. The concept of clusters as integral to economic development and collective regional and national competitiveness was first introduced in 1990 by Michael Porter. Since then, scores of initiatives have been introduced worldwide which have attempted to leverage existing sectors in defined local and regional areas to increase employment and competitiveness. These initiatives are the model for this sector initiative strategy. These are initiatives which have shown that they have numerous benefits for firms (small and large firms), institutions, governments, and employees.

A sector's reputation is often one of the most important benefits that a sector can offer to its target businesses. SMEs (Small and Medium Enterprises) in an area with a strong sector reputation can attract consumers, investors, and workers who would otherwise be unlikely to consider these SMEs. On the consumer side, a smaller firm can use its sector's reputation to gain market share without the costly marketing campaigns that smaller firms can rarely afford,

⁴<http://www.occ.ca/programs/cluster-development-seed-fund/>

especially in regard to foreign markets. Smaller firms in a sector with a good reputation can also attract workers who would usually consider working for a smaller firm too risky by allowing these workers to take comfort in the fact that other businesses in the sector offer employment opportunities in case the smaller firm closes. Large corporations often use sector clusters and sector reputations to demonstrate corporate responsibility and communicate with policy makers. By showing that they are working with the local community, large corporations can show that they are responsible citizens in the community and country at large. Equally importantly, corporations often use sector initiatives to communicate effectively with policymakers, advocating for greater public investments in industries that benefit not only themselves, but the rest of the sector as well.

Implementation Plan

Stages and Timeline

Above, individual projects of the DUKE Health sector initiative were outlined and opportunities for using the considerable resources of the BIA were described. Below, a proposed timeline and stages for the establishment and monitoring of the success of the BIA will be detailed. The planning stages emphasize consultation with the BIA's constituents.

Consultation should be undertaken before the initiative is implemented both in order to get ideas from the constituent businesses and to begin building a awareness within the health services industry of both the initiative and the cluster itself. More is given on consultation processes below.

While a short consultation period is being completed, and perhaps in the same venues and events, networking/lecture events should be held. This will allow the health services industry to build connections between its actors and to encourage organic cooperation and knowledge sharing. It will also create awareness in the health services industry of the size and importance of the sector within firms themselves. More information is given on the proposed networking events below.

Implementation of the initiative itself will consist mostly of concomitant programs. Specifically, the branding strategy should begin as soon as possible, communicating the existence and importance of DUKE's health services industry to both stakeholders and consumers. The other programs largely require close cooperation with institutional partners, especially those in York University. Below is a Gantt chart outlining a proposed plan of the timelines of these projects and how they should work together in view of the general initiative.

Consultation

Before the initiative is officially launched, the BIA will conduct a series of interviews and tests regarding the state of the sector in the area and, especially, the perceived needs of the firms in the sector, to ensure that the initiative's objectives are in line with the needs of the firms in question.

This would entail the creation of an advisory group for the sector. This group would provide feedback and guidance for the sector initiative and assure that both participation and effectiveness of the initiative is maximized.

The BIA already has experience with the creation of these advisory groups and has created a food sector advisory group. This group can provide the model for the Health Services advisory group and the lessons learned from that effort can be transferred to the Health Services effort.

This consultation process should take care to communicate the importance and goals of the sector initiative to the members of the sector to maximize participation and cooperation. The initiative should determine and make clear its overall objectives and vision: *growth* and *investment* are objectives connected with growth, and *export promotion* and *innovation and R&D* are connected to increased competitiveness⁵, and so these objectives should be a part of the initiative's objectives and should be communicated with initiative participants and in the branding effort.

Networking

In addition, a series of networking events should be held, to create/strengthen connections between the players in the sector and create awareness of the existence and strength of the health services sector in the area. These networking events should be ongoing (i.e. past the research stage) and as frequent as demand allows, since networking and the facilitation of the sharing of information (“knowledge spillover”) is a crucial part of a successful sector strategy according to the available statistical data. Lectures and talks by industry figures and professors of management/business (here, Schulich can be approached) can be used as a draw to attract individuals in the health services industry to attend. The BIA already has similar networking/lecture events called DUKE Talks, which can be used and expanded to include a Talk for the Health services industry.

Efforts should be made to invite relevant research and education institutions to these networking events, to create connections with a view to further collaboration – some of these were expanded upon in the institutional collaboration strategy section, but further research into feasibility and interest is needed. Especially invested or interested businesses should be identified for possible inclusion into a sector initiative advisory committee, as recommended in the 2016 IBI Group report.⁶

Evaluation

⁵ The Cluster Initiative Greenbook 2.0, 2013:

<http://www.czechinvest.org/data/files/the-cluster-initiative-greenbook-3916-cz.pdf>

⁶ IBI Group. DUKE Heights Economic Development Study, 2016

<http://www.dukeheights.ca/wp-content/uploads/DUKE-Heights-Economic-Development-Study-and-Executive-Summary-FINAL-2016....pdf>

Evaluations of the cluster's success should be planned to be undertaken yearly; these include quantitative methods such as job growth in the sector, revenue growth for the sector as a whole and the number of new businesses opened in the sector, and qualitative methods such as satisfaction of a sample of firms in the sector and their perception of the success of the initiative. The purpose of evaluation is to assure that the sector initiative is sensitive to the unforeseen realities and changes on the ground and to the desires and needs of the members as the initiative proceeds.

On the quantitative side, the BIA can use the business database to which it is already subscribed to track the expansion of employment, number of firms, and revenue. The D&B Hoovers database is a sales based database which is regularly updated that includes information on number of employees, revenues, and NAICS data. This information can be used, with appropriate statistical methods to assure quality of data and the inferences that derive from them, to determine the success of the sector initiative.

Qualitative evaluation techniques should also be used to determine the views of the sector businesses on the initiative, especially where they feel the initiative is most effective and/or needed. In this way, the BIA can determine where to pay more attention and how to achieve greatest success and value for its businesses.⁷

⁷ IBI Group. DUKE Heights Economic Development Study, 2016
<http://www.dukeheights.ca/wp-content/uploads/DUKE-Heights-Economic-Development-Study-and-Executive-Summary-FINAL-2016....pdf>