Medical Laboratory Drives Service Levels Through CRM

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Microsoft Dynamics Results Case Study

Pathology Associates Medical Laboratories (PAML) is a full-service reference laboratory located in Spokane, WA. Since its founding in 1957, PAML's spectrum of laboratory testing services, specialized expertise, and sophisticated technologies has grown significantly. PAML is currently ranked among the top reference laboratories in the nation and also considered an industry leader in joint venture partnerships with community-based hospitals.

Results

* Achieve two-year payback
* Reduce average call resolution time by days
* Improve customer satisfaction scores
* Support year-over-year growth of 15 percent
* Drive value-added services
* Improve employee satisfaction

Industry

Health Provider

Country or Region

United States

Customer Size

1,600 employees

Number of Users

1,200 employees

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“Microsoft Dynamics CRM was the right solution for us because it was so flexible. We were able to take it out of the box, customize it, and configure its workflow to get it to do a lot of things that people probably never even thought of before.”

Rosalee Allan, Senior Vice President and Chief Operations Officer, Pathology Associates Medical Laboratories

Pathology Associates Medical Laboratories (PAML) knows that business success depends on business insight. This fact became painfully clear in 2002, when the company lost a major client because it lacked a comprehensive, cross-functional picture of the customer’s experience with PAML. Without a centralized case management system in place, PAML had no way of knowing that a longtime customer had logged separate issues with its different departments. To PAML, the relationship had looked relatively healthy when, in fact, it was not.

“Hospitals and clinics of course want accurate test results—that’s a given,” explains Rosalee Allan, Senior Vice President and Chief Operations Officer of PAML. “But what they really judge us on are the services surrounding the testing: the speed of sample pickup, the efficiency of sample processing, and our ability to answer their questions and handle special requests along the way. It’s in these service areas that we win or lose customers.”

With a renewed focus on customer satisfaction, company leadership realized it was time to begin looking for a centralized solution to track and analyze its customer issues. At the time, an issue took as many as three days to resolve as staff sorted through paper-based logs and reports. But PAML also wanted a system that could handle more than case management. If PAML could track all key areas of its business in a single system, it would not only be able to improve customer service, but also be able draw on insights to drive better and more strategic decision-making companywide.

However, finding a solution was not easy. Allan says, “There were a range of laboratory and helpdesk systems out there, but nothing was robust enough to handle a business model that included outreach needs such as client services, sample resolution, and logistics.”

# CRM for Lab Services

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In looking to bring its business processes together into a single system, PAML chose Microsoft Dynamics CRM. “We evaluated the industry solutions available, as well as Salesforce.com, but they were all too narrow in focus for us,” says Allan. “Microsoft Dynamics CRM was the right solution for us because it was so flexible. We were able to take it out of the box, customize it, and configure its workflow to get an enterprise-wide view of all client interaction, integrate our quality assurance system, and dynamically identify and mitigate service failures.”

Rosalee Allan

SVP and COO, Pathology Associates Medical Laboratories

Rosalee Allan has strong roots in healthcare. With a bachelor’s degree in healthcare financial management from Whitworth College and professional in human resources (PHR) certification, she is also an active member of the Society for Human Resource Management and Fellow of the American College of Healthcare Executives.

In her role as Senior Vice President and COO of PAML, Allan points out that thinking outside the box is a necessity, enabling the company to use a solution like Microsoft Dynamics CRM to expertly address the needs of its unique market while driving continuous performance improvement projects and supporting growth.

Connect with Rosalee Allan

**[](http://www.linkedin.com/pub/rosalee-allan/b/679/913)**

Allan also notes that the interface of Microsoft Dynamics CRM made it a particularly good fit for the company. She says, “Because Microsoft Dynamics CRM looked and felt like Microsoft Outlook, which our employees already used, we knew it would be familiar to them and an easier system to adopt.”

## CRM, More Than Just Customer Relationship Management

PAML started small, using Microsoft Dynamics CRM to log its incoming customer service calls. Now, 10 years later, more than 1,200 PAML staff use Microsoft Dynamics CRM every day for client services in addition to internal business processes. In addition to managing the company’s sales cycle, PAML also uses Microsoft Dynamics CRM across its client services departments, for processes including problem resolution, logistics, billing, supply chain, and IT support. “Not too long ago, doctors didn’t use email or any mobility tools,” says Allan. “Now, they do so more than ever. With native integration between Microsoft Dynamics CRM and Outlook, we are planning to send those clients different types of information they need on whatever device they use directly from our CRM solution.”

## Key Process—Exception Handling

Although Microsoft Dynamics CRM offers comprehensive support for key business processes, Allan notes that true power of the system lies in its ability to handle exceptions. Receiving more than 25,000 samples each year at its Spokane facility alone, PAML uses Microsoft Dynamics CRM to record all exceptions from the norm, for example if the volume of a sample was insufficient to perform the test or if the doctor’s handwriting on an order was illegible. In these cases, PAML staff can photograph the item in question and attach the photo to the case in Microsoft Dynamics CRM. Says Allan, “When we follow up with the client on their issue, we have the ability to securely fax them the related information and any photos right from Microsoft Dynamics CRM. This way, we are all looking at the exact same thing and we’re all on the same page.”

With all exceptions now in one system, Allan and her staff are able to analyze the company’s most frequent issues and address them. The first time they performed this analysis, they found the most frequent issue to be that physicians were not providing the source for their microbiology specimens. Using this information, PAML configured its data stream to initiate a CRM case and then rapidly alert a physician if they fail to indicate the source for a specimen. This solution cut hours of delay from the process, allowing the specimen to be set up and tested in a timely manner, getting the results to the doctor so that they can diagnose and treat the patient.

## Creating New Business Opportunities

When PAML’s joint-venture partnerships across the country close their doors at the end of the workday, all the information they have captured remains accessible in Microsoft Dynamics CRM. In this way, PAML’s round-the-clock operation in Spokane can continue to interact with their venture’s clients without missing a beat.

“Since deploying Microsoft Dynamics CRM, we have grown 15 percent year-over-year. As we expand the company and build joint ventures with hospitals, Microsoft Dynamics CRM is the core system that we must bring online.”

Rosalee Allan, SVP and COO, Pathology Associates Medical Laboratories

It is these capabilities and more that have made PAML so attractive to hospitals. Although many hospitals have multimillion-dollar labs, they do not necessarily have the logistical systems or service support they need to enter the outreach testing business. This is where PAML fits in. “Our CRM system has become the cornerstone of a whole suite of services that we can offer to these labs, opening up new opportunities for us,” Allan says. “It is a key component of the joint-venture, community-based business strategy for which PAML is nationally recognized.”

## Monitoring Customer Satisfaction

Drawing on its comprehensive CRM database, PAML is now working to develop in-depth client reviews and report cards. “At all times we are working to reduce error rates in our labs,” says Allan. “With client report cards we aim to provide our clients with insight into all the issues that their samples ran into, and if those issues happened on our clients’ end, we can then offer them training services to help reduce those errors.”

# Benefits

With Microsoft Dynamics CRM in place for 10 years now, PAML has improved customer and employee satisfaction alike and broadened its value-added service capabilities while supporting year-over-year growth of 15 percent. Looking back on its deployment, PAML calculates that its initial investment in Microsoft Dynamics CRM had a two-year payback, derived from increased customer retention, reduced customer service calls, and lower paper, printing, and storage.

Says Allan, “With every release we’ve seen Microsoft anticipating changes in how people work and what they need the solution to do in their organization; this continuous innovation and product vision for not only Microsoft Dynamics CRM but Outlook and the rest of our Microsoft investments confirms that we have made good product decisions and have a great foundation upon which we are able to build our own innovations.”

## Reduce Resolution Time from Days to Hours

Because all customer information is now in a single system, client service reps at PAML do not need to go through massive amounts of paper or contact other departments to answer customer inquiries. As a result, PAML has reduced its average issue resolution time from three days to a matter of hours.

With all information on a single system, PAML was also able to undergo a reorganization,creating a team called Resolution who received training not only to process exceptions but also to contact clients directly with issues rather than having to route those issues to client services. Now when the Resolution team identifies an issue with a specimen, they can immediately log the case, call the affected party (such as a physician), and resolve the issue on the spot as part of what PAML is calling “first touch resolution.”

## Improve Customer Satisfaction

By improving its response times and establishing a clear view of its customers, PAML has seen a significant increase in customer satisfaction scores. Says Allan, “We ran a customer survey on our exception handling and asked our customers to rate us from 1 to 5. Before Microsoft Dynamics CRM, our rating was a 3.0, and it has improved to 4.03 in 2008 and to 4.19 in 2010.”

## Increase Employee Satisfaction

PAML employees enjoy a new sense of empowerment that comes with being better informed. “Employees love being out of the paper world, and they love sounding knowledgeable when customers call,” Allan says. “They have so much more information at their fingertips than they did before. With a couple of keystrokes, they can route a case to someone who can solve a customer issue with the goal of getting a confirmation back when it’s solved. That provides a satisfying sense of resolution ownership.”

## Enable the Expansion of Value-Added Services

Using Microsoft Dynamics CRM to operate as effectively as possible, PAML has freed time to focus on transforming its business from one that provides analytics to one that is truly differentiated by its value-added services and recognized as a leader in the industry. To this end, Allan notes two key areas of focus.

First, the company is working to be at the forefront of collaborating closely with hospital systems as they carry out their strategies to be in line with new developments in the healthcare industry. With the current climate of lower reimbursements and higher costs, hospital organizations are focused on driving costs down, monitoring utilization, and implementing patient safety innovations. PAML has unique abilities to give these emerging systems a suite of solutions that support all of these goals.

Second, PAML is enhancing its consulting practice wherein it will work with hospitals and other organizations on laboratory management and outreach business needs—both areas that PAML identifies as a current gap in the marketplace.

## Support 15 Percent Year-Over-Year Growth

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| PAML’s Results with Microsoft Dynamics CRM | |
| Payback period | Two years |
| Call resolution reduction | From three days to a matter of hours |
| Customer satisfaction improvement | Around 139 percent |
| Growth supported | 15 percent, year over year |

While helping the company improve its quality of services to attract new customers, Microsoft Dynamics CRM has also laid the flexible foundation that PAML needs to keep up with growth. Says Allan, “Since deploying Microsoft Dynamics CRM, we have grown 15 percent year-over-year. As we expand the company and build joint ventures with hospitals, Microsoft Dynamics CRM is the core system that we must bring online.”

Looking to the future, Allan notes that PAML aims to make more use of the solution’s marketing capabilities to drive growth and awareness. PAML is looking to begin providing automated client alerts, for instance, sending an email notification out if poor weather conditions are going to result in a logistics delay. Allan also looks forward to deploying the solution’s latest release in the near future, in particular to take advantage of its dashboard capabilities. “Using executive dashboards, our leadership will have, at a glance, a better sense of where the business is every day, a better ability to detect dangerous trends, and an ability to respond faster,” she says.

# Next Steps

* [Connect with Microsoft Dynamics](http://www.microsoft.com/en-us/dynamics/contact-us.aspx)
* [Become a Dynamic Business](http://www.microsoft.com/en-us/dynamics/about.aspx)
* [Read about ways other organizations are using CRM to improve customer service and satisfaction](http://www.forbes.com/sites/microsoftdynamics/2013/02/28/banking-driving-more-profitable-customer-relationships-by-using-crm/)

For more information about Microsoft Dynamics, go to: [www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

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