



CASE STUDY

Service Line Expansion



"It was a pleasure to work with the Fox MC students on this project. We found them to be engaged, intelligent, creative and conscientious. I believe our organization will benefit from the work they did for us."

*-Nancy Feldman Kirsh, Executive Director,
The Birth Center*

Client Profile

Founded in 1978, The Birth Center (TBC) opened its doors to the community as the first out-of-hospital, free-standing birthing facility in the Delaware Valley. TBC is the first licensed birth center in Pennsylvania and the oldest continually operational birth center in the United States. The founders created TBC as a nonprofit, 501(c)(3) charitable organization with the mission of providing safe, satisfying care for women and their families throughout their lives. For years, TBC has been a teaching site for nurse-midwifery students as well as for undergraduate nursing students from local universities. The midwives at TBC provide maternity and well-woman care for clients throughout the Greater Philadelphia region.

The Project

At present and for the foreseeable future, all providers of obstetrical care face financial challenges relating to the rising costs of malpractice premiums and inadequate reimbursement from insurance companies. These challenges have led to the

closing of obstetrical units in a number of hospitals in the area. The Birth Center engaged Fox Management Consulting (Fox MC) to examine strategic opportunities while testing the feasibility of expanding TBC's business model into new lines of service.

Recommendations

Based on research and analysis, Fox MC concluded:

- Client retention is a cost effective tool that can be used to maintain high level of client satisfaction and repeat client visits.
- Service offerings must be based on clients' areas of interest, while providing a variety to continue to attract new clients and entice clients to use all lines of service.
- TBC's rebranding effort must be completed prior to the offering of the new services. The new brand should be broader, emphasizing more than just birthing services.
- Communications technology tools can be used to keep clients engaged and provide more personalized services.
- Development of a new location to house the expanded services will help separate the expansion from the core birthing business while providing capacity to satisfy the increased demand.

Fox MC's work provided TBC with critical information to make informed business decisions about which market opportunities to pursue and how best to pursue them.

Results

Following the project, The Birth Center has received a \$100,000 capital investment for expansion of the organization's services.