Humanim Deliverable #1

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**PESTEL ANALYSIS**

**Political**

Since a majority of the behavioral health industry is funded by Medicare the industry is heavily influenced by policy changes. Some new bills in the Maryland Senate pipeline have the goal of reducing emergency department visits and law enforcement interactions (Collins, 2023). “One of the measures would establish certified community behavioral health clinics all over the state.” (Collins, 2023). This change could be seen as a threat to the industry or an opportunity depending on how Humanim goes about adjusting to the new market forces. If Humanim builds partnerships with these new clinics, then it could be an opportunity for growth.

Another new potential policy coming to the behavioral health industry is value-based care. This incentivizes behavioral health providers to provide continual care through constant check-ins to maintain the patient’s health, essentially preventative care. This is vastly different than the current fee-for-service care which focuses on treating illness and symptoms as they appear, instead of trying to prevent the symptoms from ever appearing (Kylander). In order to adjust to this new potential environment Humanim should be prepared to have more frequent visits with their patients. The best way to do this would be to use telehealth calls for most check-ins. This is because having the patient come into the doctor’s office or clinic more often would likely create resentment among the patients since it would cost them a lot of time traveling to the clinic. This problem is only exacerbated by the fact that many of the patients don’t have access to transportation other than public transportation which is not a great option in America.

**Economic**

According to IBIS World, the economic outlook for behavioral health in Maryland is somewhat stagnant currently, with a projected revenue growth of -1.77 by 2026. However, this does not mean there is not any potential for Humanim to grow its revenue. This is because there is also a projected decrease in the number of establishments that work in the behavioral health field from 432 in 2022 to just 360 in 2026. That means that while the revenue is going down by 1.77%, the number of companies is decreasing by 16.6%. Humanim should look to work with these companies that are going to go out of business to pick up their clients, maybe even buy them out or pay them for clients they cannot handle.

**Social**

The Maryland Interagency Council on Homelessness in their 2021 report on Homelessness found some interesting and useful demographic statistics on the homeless population. The first is that 61% of the population is African American, which means that catering to the African-American community would be a much better use of resources than catering to Caucasians at 32% and the rest at 7%. Another statistic is that there are over twice as many homeless children under 18 than there are 18 to 24 year-olds. So, creating a new program to help service children under 18 could be a lucrative program. The last statistic is that 61% of the population is male, so just like catering to African Americans is more effective so is catering to males. These percentages should help guide how much money to put into ads that cater to the different demographics.

**Technology**

When you think of homelessness one of the first assumptions you make is that not many of them will have access to the internet. However, this is incorrect, a survey found that 56% of homeless people access the internet every day, and 86% access it at least once a week (VonHoltz, et al. 2018). This means that using the internet to advertise Humanim’s services could be useful if the ads are placed on the correct websites. Humanim could even start a new program to help more homeless get access to the internet. The US government has a program called Lifeline Assistance that can get people a free smartphone and a phone plan (Abbott, 2023). This would double in helping more of Humanim’s target audience by improving their quality of life as well as making it so they can see Humanim’s ads for their services.

**Environment**

Baltimore’s weather is not too extreme which means the homeless not in a shelter are not too uncomfortable compared to some other locations. However, there are still some nights that get very cold, and some days that can get very hot, and it rains decently often. These conditions could make the non-sheltered homeless rethink their position on requesting assistance from Humanim. That is why Humanim should send out their in-person reps to homeless camps on days with extreme weather. They may be more open to receiving support when their condition feels worse than on a nice day when they feel relatively comfy.

**Legal**

Since much of what Humanim does falls under healthcare, they must comply with HIPAA standards. This can be expensive when trying to do telehealth and even for hospitals to send information to Humanim. My mother worked in the emergency room for over 20 years and had referred many patients to services like Humanim. Almost every time there would be difficulty in sending over information using a fax machine since the companies did not have a system to receive information over the internet that followed HIPAA standards. If a company was able to receive information online rather than faxing, it would instantly be the first to get the referral. So, while it may be costly to set up, it is an extremely important factor in increasing referrals and quality of life for the clients Humanim works with. Humanim could set up the system to both allow referrals and telehealth meetings that are HIPAA compliant. There are even companies like PatientPop, their whole business is helping companies set up HIPAA-compliant telehealth systems.

**Porter’s 5 Forces Analysis**

**Competitive Rivalry**

Humanim’s industry is not too competitive relative to other industries. However, according to the competitor analysis Excel sheet provided in the Teams channel, there are some services that are more competitive than others and it could be beneficial to focus on the less competitive ones to obtain a larger market share in those. These services growing could then bleed into the other services because they are all somewhat connected. The three more competitive services are psychiatric rehabilitation, clinical services, and substance abuse with 11, 14, and 11 competitors respectively. This is a lot more than the 5 vocational rehabilitation and 3 homelessness services competitors. These two services also go hand in hand as most homeless people are also out of a job. If Humanim can get a strong foothold in these two services it can also bleed into other services like substance abuse since many homeless have a substance abuse issue, or psychiatric rehabilitation as mental health is another common problem the homeless face.

**Supplier Power**

The supplier in the case of Humanim is, for the most part, Medicaid. This means that almost all the supplier power is held by the government. While it is possible to lobby the government to get changes that would benefit Humanim this would be extremely expensive. The only realistic possibility of successfully lobbying the government to benefit Humanim would be to partner with competitors to pool money in a super PAC to lobby the government. However, even this could potentially be a waste of resources compared to marketing in other areas.

**Buyer Power**

The buyer power in Humanim’s industry is relatively low. However, just as discussed in the competitive rivalry section there are certain areas that the buyers have more power than others. This reinforces that it is a good idea to focus on homelessness services and vocational rehabilitation as the buyer power is much lower in those. Then once the buyer is using those services, they will likely also use Humanim for any of the other services they need since they are already working with Humanim.

**Threat of Substitution**

The threat of substitution in Humanim’s industry is quite low. This is because the sign-up process is not instant and switching would likely cause a gap in services. So, clients would likely only switch if they were forced to due to being banned from services like Sheppard Pratt does to some individuals. Since Humanim does not turn anyone away they are more likely to be the threat of substitution rather than Sheppard Pratt substituting for Humanim.

**Threat of New Entry**

The threat of new entry is almost non-existent currently in Humanim’s industry. This is because the number of companies working in the Humanim’s industry is decreasing (IBIS World). The industry also has some barriers to entry, like that they will need to build many partnerships with other services like hospitals, homeless shelters, government agencies, school systems, and the list goes on. There is also the fact that it is not easy for a buyer to switch to a different service provider. Therefore the threat of new entry into Humanim’s industry is extremely low.

**SWOT Analysis**

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| **Strengths**   * Doesn’t turn anyone away * Experienced in the industry * Being a non-profit * Good leadership * Good services results in word of mouth spreading that Humanim is good * Provides a wide array of different services * Community partnerships | **Opportunities**   * Projected decrease in competition * Value-based care * Assisting in getting people a smartphone and thus access to the internet * Increase in online presence can increase the potential for growth * New Maryland Bills to open certified community behavioral health clinics all over the state * Government grants and support |
| **Weaknesses**   * Can’t use online for a lot of things because no HIPAA compliance * Not much online presence * Limited funding * Funding from Medicaid tends to stay stagnant even during rising costs * Can’t operate very well without maintaining good partnerships (relying on other businesses/non-profits) * Reliant on donations * Staff turnover | **Threats**   * Value-based care * Large competitors * New Maryland Bills to open certified community behavioral health clinics all over the state * Many potential clients are scared that they are being used if they get services * Policy changes from state and federal government |

The SWOT analysis gives a general idea of what should be focused on improving. Some things that stand out are increasing funding, increasing the use of technology, and improving staff retention. A potential way to increase funding is to do more advertising asking for donations or do more fundraiser events. These increased donations can then assist in paying for setting up the infrastructure to use technology so more things can be done online and stay compliant with HIPAA. Finally, improving staff retention can be helped by more funding as well, allowing Humanim to pay their employees more. Better technology may help as well since it will likely mean fewer headaches for the employees.

**Marketing Implications**

The public sector has a handful of channels in the Behavioral Health Industry. There are government agencies like the Department of Health and Human Services (HHS) and the National Institute of Mental Health (NIMH). There are also public hospitals, community health centers, schools, and non-profit organizations. The private sector has a few more channels than the public sector. The private sector channels include private hospitals, private practitioners, pharmaceutical companies, employee assistance programs, insurance companies, technology-based interventions (therapist apps for example), research institutions, rehabilitation centers, and corporate wellness programs.

Some key messages for engaging with the public sector would include things like showing what services are available. Many people are not aware that there are programs that can help get them a job, a phone, or even a place to live. The key to getting people to use these services is to first make them aware the services even exist. As for the private sector, a big message is making people not feel like they are a failure for having to use mental health services. The stigma of going to a therapist has become a lot less common in recent years but it still exists and many people refuse care because they feel like there is something wrong with them for asking for help.

A value that should be addressed is all the people that Humanim has helped. These success stories are a great marketing tool that can be used. If people see that others used the services and it helped then they will be more likely to use the services themselves. A pain point that should be addressed is technology. Nowadays everything uses technology, so putting that on the backburner will not produce good results. If a hospital struggles to refer a patient because they can’t simply send an email, then it will greatly reduce the likeliness of you getting referrals. So even though it may be expensive to set up the infrastructure it is necessary to operate in today’s society. Not to mention that this infrastructure also produces other benefits like allowing the continued use of telehealth even after the pandemic. Telehealth makes it much easier for the client to use the services so that they can meet with their doctor or therapist in the comfort of their own home.

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