

Don't Overlook These Five Success Factors in Your Aesthetic Practice

Never be afraid to go back to the basics in your efforts to structure a successful practice.

By Glenn Morley

Many medical practices fail to achieve expected success in cosmetic medicine because they overlook or neglect basic yet critical elements. While most practices are initially formed with at least some assistance from trusted advisors, many lack an overall, long-term plan regarding specific and measurable goals for the integration of cosmetic services.

In fact, the relative profitability of cosmetic services can somewhat blind physicians to their optimum potential, leading to a vicious cycle of un-met potential and unrealized return of investment. Sometimes either inappropriate actions or inactivity due to a poor or non-existent business plan fuels the cycle. It is never too late to take a mental step back and re-analyze your practice in this regard. What have you got to lose? Trust that you have much to gain and make the time to apply the resources necessary to get your practice on track with a plan for success.

Let's examine five critical but basic success factors that practices offering cosmetic products and services often overlook.

Success Factor 1. Create a Business Plan. You are not alone if you do not have a business plan. Many practices do not have an up-to-date plan. However, a practice planning for success would benefit from having one in place. Specifically, you should make a written plan that achieves the following:

- Explains the services that you will

provide and why you expect to sell your services (and potential products) profitably.

- Sets forth the qualifications and experience of you and other key individuals involved in the business including the support staff necessary for appropriate productivity.
- Includes forward-looking financial statements that project the income and expenses of your business for at least three years.
- Provides an explanation of the funding (capital) needed to operate the business, as well as your expected sources of such funding.
- Identifies any professional advisors you will be using, including an accountant, lawyer, tax advisor, banker, insurance agent, and practice consultant.

Your business plan will help ensure that you consider all of the issues that may come into play in order to establish a strong foundation upon which you will make major decisions. In the bestseller, *Blink*, author Malcolm Gladwell talks about decision making and why the ability to sometimes make "snap decisions" is important. He discusses at length the extraordinary success that many business leaders experience by ultimately following their initial "gut instinct." It is important to understand that Gladwell most certainly does not endorse a cowboy mentality or free-wheel style of business management. The individuals he mentions—those able to act with speed and certainty—have acquired confidence in

decision making because they made an initial investment of time and energy in creating a strong business plan. Making critical decisions without a business plan is the first step toward mediocrity.

Success Factor 2: Develop a Staffing Plan. Another frequently overlooked basic is to hire, train, and retain the highest caliber staff possible based on your staffing plan. From a financial and functional standpoint your staff is your most valuable resource. Ideally, the staffing plan outlines the positions necessary to meet the customer service, financial, and productivity goals of the practice. It is a purposefully designed structure which will provide guidance and discipline to a practice as it grows. You will reap what you sow in this area more than any other.

Many of the most successful aesthetic medical practices have a win-win philosophy in human resources. They understand that the practice's ability to accomplish what it sets out to do is primarily based on the people they hire to work for them. Staff becomes a partner in success and the focus on staff development, and skill training is paramount because of this basic understanding and commitment to excellence.

What qualities should you look for in staff members? Try to find employees that are adaptable, passionate, self-motivated, creative, and team players. You should also be willing to model those same attributes and behaviors.

Ultimately, the return on investment is enormous.

How important is an office or practice manager? This is a key position in almost every successful practice. You should give nearly as much time and attention to filling this position as you would earmark for bringing on a new associate. Make sure you take adequate time to clearly write/define this job description and thoroughly train the person you hire. If a practice is running like a finely tuned machine, it is typically happening because there is a manager on board operating as a “right hand” for the physician(s).

What number is the right number of support staff? In regards to productivity, more is generally better. Benchmarking data show the most productive and successful practices employ four to seven FTEs (full-time equivalents) per provider. It is important to remember that the “value per hour” for support staff is vastly different than the “value per hour” for a physician. Support staff can run, fetch, and carry for physicians, rendering the physician more productive. Although using staff in this way can be a difficult adjustment for some physicians, the productivity potentially gained makes assessing the flow and efficiency of physician time a valuable exercise.

In terms of retaining your best staff member(s), be willing to pay at least market rate or in some instances more (such as for a truly outstanding employee). Physicians who continually look for ways to get as much as possible out of employees by paying as little as possible sabotage their own success. Often the difference between a lackluster employee and an outstanding employee is monetarily small, yet the difference in what these employees might offer your patients and practice is enormous. The old adage that says “you build a solid practice one patient at a time” is also quite true for building a staff. Revisit or rewrite your staffing

plan to include the career opportunity your practice has to offer staff members. Ideally, you will begin to forge a mutually beneficial and long-term team approach.

Success Factor 3: Create Self-assessment Protocols. In the hustle of a busy practice, you may fail to honestly, appropriately, and routinely ask your entire staff to join you in performing self-assessments, with the objective of being viewed as “the best” by both your internal and external customers.

Self assessments can actually take many forms: individual, physician, staff, practice, and patient. For physicians, it can mean establishing a mechanism for easy, non-critical feedback from your own employees regarding patient satisfaction. For instance, a cosmetic patient frequently will be more comfortable letting a trusted nurse know that he or she had a slightly less than optimal result after a treatment. In aesthetic medicine, this information should be viewed as an opportunity to improve services. Many practices have written protocols such as:

- Thank staff member for good communication/information/insight;
- Examine issue critically to know if you can achieve a more favorable patient outcome. If answer is yes, consider contacting a peer or the manufacturer to inquire about latest techniques and any available advanced training.

Concerning staff assessments, a routine and detailed review of performance

is most often accomplished in partnership with management. For the practice and for the employee’s own well being, it is tremendously helpful to perform this systematic performance assessment in relation to the employee’s job description. The assessment should be interactive, with coaching, on-going training, and goal-setting provided by

management. It is typical to reward peak performance, thus making a review a positive experience for everyone involved. By the same token, it is important to document poor performance early and correct it through a detailed employee-specific action plan, if possible.

Finally, a patient satisfaction survey can provide invaluable information and feedback for a practice. One caveat to bear in mind: be careful what you ask for! If you are in a location with limited or no parking and have no plans to re-locate and provide additional parking for patrons, feedback will be of little interest and the topic should not be introduced. The goal in a patient satisfaction survey is to ask questions about issues and situations that are within your control, such as the patient’s satisfaction with providers, staff, services, products, or items they would like to see offered.

Success Factor 4: Measure Practice Success. It is important to routinely measure your success. Identify key operating measures for your practice and take an initial baseline measure

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(benchmarking) from which to make future comparisons. It is critical that you feel comfortable making routine comparisons regarding the health of your practice. Common measurements to track include: collections per FTE employee, collections per FTE physician, staffing ratios, overhead ratios, and new patient ratios. As you compare your practice performance in these key areas, you will begin to notice trends and cycles; these will become guides for future decisions on staffing, promotions, vacation timing, new services, etc. The goal in using key measures to track performance is to become methodical and process-oriented in your practice management decisions. The days of “following your gut feelings” without good data will ultimately become a thing of the past as you begin to “follow your gut” based on precisely drawn conclusions.

Success Factor 5: Celebrate Practice Success. Remember to celebrate your success and the successes you see and hear about every day in your practice. Some physicians are nat-


ural people managers who can communicate clearly, provide constructive criticism when required, and think globally about issues that affect everyone in the practice. These physicians always remember staff by name and always provide positive feedback to the staff when praise has been given by patients. As a direct result, the devotion by staff to this type of physician is mind-boggling. If actions such as those described do not come easily, it is never too late to learn.

When was the last time you walked in the front door, veered over to the receptionist's desk, stopped, smiled, and said “Susan, I want to thank you for doing such a great job for the practice. Patients mention to me how helpful you are to them both on the phone and in person. I want you to know how sincerely I appreciate your doing such a great job”?

A brief word from you—the boss, the physician around whom all activity revolves—is as important to an employee as a raise or bonus check. Take advantage of your position/power and use it for the good of your practice.

Slow down from time to time and speak directly and purposefully to members of your staff that you value. Even if you only invest a little more personal energy to staff the time you spend will come back to you ten-fold.

Take Control

We have all heard about controlling the controllables. Each of these five “basics” is within your control and can make an enormous difference in your practice. Never be too proud or apologize for going back to the basics. If your goal is to take control and manage the controllables in your practice, a business plan that reflects your vision, establishes goals and objectives, and outlines the steps necessary to implement and measure results is a crucial first step. Once this vital piece of work is complete, the answers to most questions should come with relative ease. Incorporating a stronger staffing model and implementing routine self-assessments that support the business plan will establish a positive environment in which everyone will succeed while learning from each other. 

New In Your Practice

All Around Therapy. Doctors looking for a safe and effective treatment for a wide range of skin disorders might consider Cloderm (clocortolone pivalate) Cream 0.1%, reports suggest. Coria Laboratories recently reported multiple studies demonstrating the safety and efficacy of the mid-potency corticosteroid for treating a wide range of skin disorders in both children and adults, including contact dermatitis, atopic dermatitis, psoriasis vulgaris and stasis dermatitis.

Cents for 'Sense. It's not too late to support the Skin Sense Award Gala to support the Skin Cancer Foundation. The annual fundraising event is Tuesday, October 11, 2005 at The Pierre in New York City. Reception starts at 6pm with dinner at 7pm. The Foundation will honor Heidi Manheimer, President for U.S. Operations, Shiseido Cosmetics and Richard Miller, PhD, Senior Corporate Scientist, 3M Pharmaceuticals, Inc. For informa-

tion about supporting the Foundation or for ticket information: msilverstein@skincancer.org or call (212) 725-5176.

New Name, New Image. Don't be surprised to find a new name on the bottles in your next shipment from Physician's Choice of Arizona, Inc. The company, now celebrating 15 years, has changed its name to PCA Advanced Skin Care Systems.

A Positive Face. Beyond reducing wrinkles, Botox may literally be a lifesaver. When doctors at the Montreal Children's Hospital faced a premature infant with a rare genetic disorder that was aggravated by the aspiration of his own saliva, they took a risk by injecting the infant with Botox. Within 10 days the excess secretion dried-up, re-affirming Botox as a saliva management treatment.