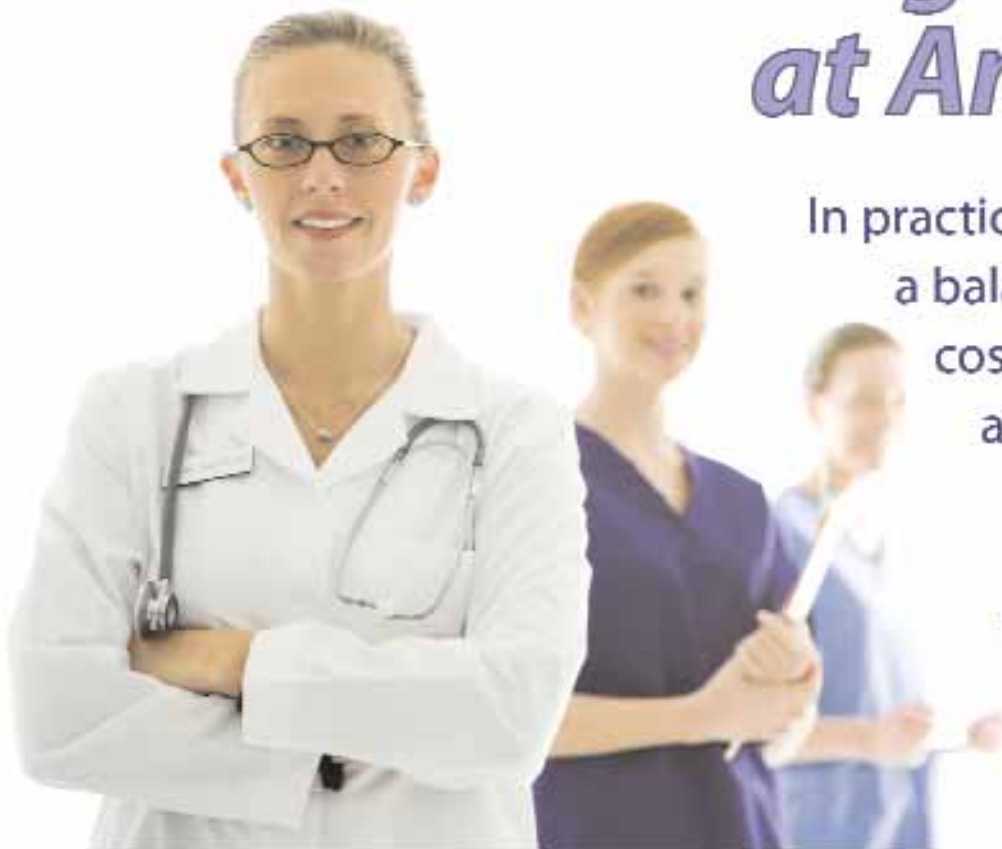


Cosmetic Dermatology: Ensuring Success at Any Level



In practice and perspective, a balanced approach to cosmetic and medical affairs coupled with a strong team ensures effective implementation of cosmetic services.

By Joel Schlessinger, MD

During this time of economic recession, dermatologists would be wise to remain open to all options for potential revenue sources to keep their practices thriving and patients satisfied. Since profits are determined from a wide variety of revenue sources, no one source should be excluded without serious investigation. Fortunately, the resiliency and the adaptable nature of our specialty gives dermatologists many tools to succeed in this tough environment.

“Alternative revenue sources” include an expanding pool of cosmetic procedures that offer physicians and patients a number of aesthetic and growth opportunities, while providing a strong counterbalance to the medical backbone and delineation point of standard dermatology practices. While technical success is possible with minor effort, true success will only happen with some effort in refining marketing and

management skills. In this practitioner’s opinion, the best approach acknowledges and makes best use of the synergistic relationship of medical and cosmetic dermatology.

Simple Strategies

To begin, I highlight a number of areas in which dermatologists can fine-tune their ability to successfully implement cosmetic services.

Price Ranges. In recent years, the landscape for cosmetic procedures has changed dramatically. More procedures and products have become available, but so too have non-core specialist options for acquiring these services. As experts on skin conditions and overall skin wellness, dermatologists have always been the innovators of medical and cosmetic procedures and treatments. But mall spas and “doc in box”

alternatives may be more attractive to some patients looking only at cost or convenience. That makes affordability one of the first things to consider. Since patients from various socioeconomic backgrounds visit your practice, it's very important to have a strong sense of the local environment, and it's imperative to understand your clientele's needs and desires.

No matter where the practice is located, it is important to serve the needs and interests of local individuals while still offering a well-balanced range of options. Procedure offerings in a medspa environment may range from cost-effective waxings to more costly microdermabrasion. No matter what cosmetic procedures an individual practice may offer, financial balance is key in your offerings. Offering an array of procedures at varying costs should increase the likelihood of patients coming in the door and eventually migrating to other, more involved types of cosmetic procedures.

Business Know-How. Another essential component of effectively implementing cosmetic services is business savvy and management. With dermatologists and cosmetic surgeons dealing with more and more competitors, the need to increase patient satisfaction is ever greater. The quality of interaction between ancillary staff, products and procedures should be high, as well as the perceived value of these services. That makes informing patients of the reasons your services confer extra value or safety is another important aspect of providing or explaining value. Because patients need to understand that the services that dermatologists and cosmetic surgeons provide are the standard of care, it is up to physicians and their ancillary staff to convey this message.

Financing and Discounts. One way to address higher price structures is by providing benefits to long-term patients—your “frequent flyers.” In some cases combination packages can be provided for procedures. Another option that has worked for some practices is financing. Patient financing programs now receive positive feedback from both patients and practices. Rather than paying for costly procedures via credit cards, patients who finance their cosmetic procedures often times obtain better interest rates than the credit card companies may offer. These options may not be optimal for all practices offering costly cosmetic procedures, but they are worth investigating.

Marketing. Equally important for success in the cosmetic arena is the marketing of these services to all patients. For example, patients who visit your practice for medical reasons may be interested in certain cosmetic procedures, espe-

When to cut back on expenses and how to do it

We tend to always think in terms of growth, but there are going to be cases in which procedures start out with strong growth and then decline with time. This has been the case in our practice. For example, CO2 resurfacing started out with a bang in the 90s and then trailed off significantly over time. The same thing happened for laser hair removal (mainly due to competition from medspas and other physicians).

It is important to evaluate revenue monthly and put everything in perspective. This means looking at areas of growth and areas of retrenchment. A case in point is the reaction of Warren Buffet, the CEO of Berkshire Hathaway and one of the two richest men in the world, when asked a question at his annual meeting about how much advertising he expected to do for GEICO insurance this year. His answer was that he doesn't follow a standard protocol regarding advertising dollars, but solely looks at his return on investment. Having said that, he noted that every year he has advertised more for GEICO, he has shown a handy increase in sales and therefore he will continue to reinvest this money into advertising for this product.

As dermatologists, we have to predict and follow up on our advertising money and its return to us. Based on our deliberations and analysis, our decisions for further investments may be swayed. If laser hair removal is still growing in your part of the country, then it may make sense to continue to advertise or even purchase a faster laser. On the other hand, if it is slowing down, assess why (is it the life-cycle of the procedure, a problem in the office, new competition, etc.?) and adjust your expenses accordingly.



Are there areas on which to spend more at this time?

The most important element for success is to keep up your ideals and give great customer service. We recently purchased a new computer system for our office. Since this purchase, our productivity has been much better, and the office staff is much more efficient. It may be that this costly system will pay for itself in the long run.

Additionally, we have sent employees to special management training sessions that were somewhat costly. Despite the fact that they were an added expense, the benefits are already showing, with employees who are more motivated and who are taking on more responsibility. Sometimes, spending money can be a wise move in order to save in the long run!



cially since many patients already approach medical issues, such as acne, as cosmetic concerns. Therefore, great opportunities exist for crossover between medical and aesthetic components of a practice. Additionally, these options serve to expand the reach and frequency of interaction with patients, while addressing their concerns in other areas.

Discussing the range of options available for patients is essential for expanding those products and procedures and incorporating them seamlessly into your practice. Moreover, accessibility is essential for the success of new services. Don't

be afraid to talk about the services your practice offers. Instead of viewing the "Oh, by the way, Doctor" question as a nuisance, think of it as an opportunity.

Brochures and marketing materials can be helpful, but equally important are your caregivers that the patient may encounter during their visit. Their simple mention of other options may result in greater interest in a wider variety of procedures by the patient. The role of a patient coordinator is beyond the scope of this article, but bears mentioning.

Best in Customer Service

One of the more underappreciated aspects to smoothly interspersing cosmetic services with medical appointments is strong management. Simple strategies to improve staff relations and work flow will undoubtedly allow your operation to run more smoothly. These strategies include monitoring employee performance while avoiding overtime, wasteful expenses, and time-consuming activities. Measures to decrease these elements often result in better organization, which is absolutely necessary when physicians are performing medical and cosmetic services. These are especially important in facilitating good customer service, which is the sine qua non of offering cosmetic procedures and products.

Meetings and Management. Holding regular meetings with staff ensures that they have more familiarity with the culture of your practice, increasing their knowledge of various procedures and services the practice provides. Input from nurses, physician assistants, and other staff members may also be extremely helpful. While physicians are experts on medical care, every member of the staff contributes to the daily operations of the practice and can offer valuable insights on how to market certain products or procedures.

Education. Successful implementation of cosmetic dermatology services often depends on the input, organization, and workflow of the staff. Therefore, broad staff education is critical for understanding trends within the practice and anticipating these trends in the general cosmetic dermatology market. More importantly, when staff is knowledgeable about cosmetic procedures, they can assist in recruiting patients who may be visiting for other purposes. A large part of successful implementation of cosmetic dermatology into a medical dermatology practice depends on the crossover opportunities available, which is why a well-informed staff can assist the efficiency of operation in both cosmetic and medical capacities.

Pay raises and bonuses. Significant changes in local economies are occurring rapidly during this recession. This

creates pressure on physicians to keep prices as affordable as possible. By the same token, this may mean that salary increases and bonuses will remain flatter than in the past.

It is important to adjust expenses in the office to meet the economic realities. While you may have adjusted salaries every six months previously, it may be more feasible to adjust them yearly. In some cases, salaries may remain stable given the local challenges. On the other hand, if employees remain on staff, that may be more valuable to them than a raise.

Lastly, controlling overtime is going to be critical in this environment. We have worked very hard in our office to keep overtime to a minimum, and this has assisted greatly in keeping our expenses down. Our staff was consistently working overtime, so we reformulated our schedule to allow for one day off weekly, but with longer hours on the days worked. This proved helpful in controlling overtime expenses and was received well by our staff.

Bridging the Gap

Recent trends among dermatology residents indicate a growing shift toward appreciation of cosmetic services by younger dermatologists and dermatology residents. Moreover, Botox, fillers, and laser procedures have all seen double-digit gains in recent years, reflecting an increasing relevance of cosmetic dermatology in the overall specialty. While cosmetic dermatology can provide physicians with a number of options professionally and financially, it continues to remain important to keep ties to the larger specialty of dermatology.

Many dermatologists feel the need to declare themselves either “medical” or “cosmetic” in scope of practice. However, this is a poor choice if we are to remain true to our specialty. We should continue to explore all possibilities without becoming exclusive. Cosmetic dermatology will never flourish without a strong foundation of medical dermatology; the combination is what makes our specialty unique. Similarly, physicians who oppose cosmetic derma-

tology on the grounds that it doesn't address disease and illness are limiting their potential to address the whole patient. The simple fact is that cosmetic aspects of dermatology feed into medical areas and medical aspects feed into cosmetic areas. The key is maintaining balance in practice and in perspective.

Mistakes are often made when physicians broaden their practice by opening a medspa concurrently, with the expectation that it will “run itself.” This couldn't be farther from the truth. The dermatologist should be equally vested in all components of the practice, allowing for blending of all aspects.

One helpful area in integrating the two aspects of a practice can be the structuring of a more balanced appointment schedule. Many patients are more prone to seek non-medical professionals' services because they are frustrated with long wait times for appointments—wait times that sometimes range from one to three months, or even longer for patients with “rashes,” acne, or warts. To address this concern, some physicians offer same-day service for patients who call seeking cosmetic services such as fillers. Rectifying this disparity is essential, and one can start by tailoring the daily schedule to open up more emergency slots for medical patients. While

not all patients will migrate to your practice or utilize cosmetic services, many of our cosmetic patients started out as work-ins.

Cosmedical Specialists

In the end, dermatologists are in a unique position to use their specialized knowledge in more than one area to ensure greater success as well as greater patient satisfaction and standards of care. Dermatologists should see their multiple talents as providing opportunities to offer better quality of care for their patients and should advocate a synergistic approach to the specialty as a whole. ■

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