

# Six Pillars: Assess the Health and Growth of Your Practice

How to monitor your practice's wellness in order to make better strategic decisions.

BY MARIE CZENKO

When it comes to personal health, it is important to monitor your well-being through annual check-ups, such as skin cancer screenings, dental cleanings, and physicals. Similarly, the health of your practice should be monitored annually to determine its wellness. Areas to assess are: financials, operations, marketing efforts, the patient experience, staff engagement, and physician owner goals and vision. Acquiring this diagnostic knowledge can help you make better strategic decisions regarding your practice and its well-being. Below is an in-depth look at these six wellness pillars.

## PILLAR 1: FISCAL ASSESSMENT—BENCHMARKING

Most practices perform certain financial routines, such as a daily close-out, a monthly reconciliation, and an annual tax return. While these are essential, they don't often provide key metrics. Meanwhile, financial benchmarking allows you to track and identify fiscal trends in your practice year-to-year and compare your practice data against industry measures/ranges. By incorporating annual financial benchmarking into your practice's essential procedures, you will be able to answer the following questions, which are critical to measuring practice well-being:

**1. How is revenue trending?** Identify your practice's revenue trends in service, retail, research, and consulting, and if you have one, your ambulatory surgery center (ASC). Additionally, look for growth trends in treatment segments, technologies, and providers. Then ask the "why" behind them to determine if opportunities or risks exist in each area. This analysis will help you make strategic decisions to improve problem areas and capitalize on untapped opportunities.

**2. Are expense ratios healthy and consistent?** While many practices only look at overhead expense ratios, those truly invested in monitoring stability ask the "why" behind ratios that are trending high or low and look for correlations. Then, using objective data, these practices make decisions to correct such outliers (where appropriate). For example, if both payroll ratio and staff engagement are low, yet turnover is high, there is a correlation to consider. Perhaps you should give staff a raise to increase satisfaction and retention.

## PILLAR 2: OPERATIONS—PHYSICAL AND ORGANIZATIONAL

The old adage "If it isn't broken, don't fix it" should not be applied within your practice; rather, smart practices are looking to constantly improve. While standard safety and emergency procedures are measured frequently by compliant practices, there are other important areas that should be scrutinized. These areas include:

**1. Facility.** While you may not notice the scuffed paint, dusty vents, worn carpeting, or soiled chairs in the reception area, your patients do. Don't wait for a remodel. Keep your facility fresh by annually assessing the maintenance, cleaning, and touchups needed.

**2. Technology.** Similar to changing the oil in your car, you must maintain your technology service agreements to keep your technology running smoothly. Don't wait until your electronic medical record or practice records management system crashes, your data storage runs out of space, or your laser quits. One crash is all it takes to disrupt a few minutes or days, or worse, result in the loss of invaluable private patient data.

**3. Flow and Efficiency.** How many rings are allowed

before staff should answer a call? What number of waiting patients is acceptable and for how long? These are important metrics that can impact your patient experience and ultimately your bottom line. Monitor such areas regularly, adjusting as necessary to optimize flow and efficiency.

### PILLAR 3: MARKETING—COMMUNICATION AND REPUTATION MANAGEMENT

There is a difference between marketing and sales; marketing is a long-term strategy to brand your business and promote your products/services to potential consumers, while a sale is a short-term endeavor focused on closing a deal. In a world where integrity, patient loyalty, and patient experience are key, effective marketing will organically convert into sales. Successful marketing includes assessing the following key areas:

**1. Online directory market.** Do you know where your practice is listed online, if the information on those listings is correct and consistent, and how patients are reviewing the practice? An annual deep-dive is vital to knowing whether your online presence is consistent.

**2. Website.** Your website is the most powerful tool in your arsenal to promote and educate current and prospective patients on your brand. Keep website content fresh and current, and monitor the following:

- How many people are visiting your website and where they are located;
- Inquires generated from the website and how often they convert to actual patients;
- Simple analytics through in-house testing (i.e., hitting a mobile click-through call number to see if it works and clicking on pages and videos to see if they load correctly); and,
- Your web developer to ensure he or she is consistently reporting on visitor count, page speeds, backlinks, and search engine optimization (SEO).

**3. Social media.** Social media is reflective of your marketing, no matter how lightly or aggressively you participate. Ideally, your practice will use social media to:

- Respond quickly to those who comment or message;
- Share posts, follow others, and comment on those you follow to add to the content and visibility of your social identity/community; and,
- Encourage quality patients to engage with you.

**4. Internal marketing.** The most important element of marketing is retaining loyal patients, which requires daily best practices with every patient. Annual internal marketing assessments should include actively updating:

- The patient cosmetic interest questionnaire (CIQ);
- Patient communication preferences;
- In-office materials, including service menus, look books, pop-ups, and brochures; and,
- Best practices for your team regarding engaging and responding to in-office inquiries.

### PILLAR 4: PATIENT EXPERIENCE—SURVEYS

We live in a world where surveys are de rigeur for just about every customer encounter. This makes the patient experience one of the easiest assessments to obtain. Yet conducting a survey is a pointless waste of you and your patient's time if the information provided is not used (i.e., responding to service failures and accolades, tracking "who" and "what" is thriving or failing, or pulling testimonials). To carry out an effective and useful patient survey, you need to determine:

**1. Your audience.** By knowing this you can determine the best method for implementing a survey (in-office, online, via follow-up email, etc.). You can also decide what questions to ask.

**2. How to use feedback.** Refer to your best practices on how to respond to and use data garnered from surveys/reviews for guidance. This will ensure you use patient feedback wisely and take appropriate action.

### PILLAR 5: STAFF ENGAGEMENT—ASSESSMENTS

Your practice is a business, and your staff is an essential asset to your success. Once you have taken the time to hire the right people and they have been properly trained, assess whether the talent is the right fit and are happy in their position using the following tools.

**1. Annual performance review.** Aside from merit increases, most people want feedback and recognition. An annual review is about more than money; it can be used to update job descriptions and goals.

**2. Individual development plans.** Since you take the time to hire and train the right people for your practice, you need to make time to allow each individual to assess his or her role and opportunities in the practice. Do you know what career path your employees envision for themselves? Asking staff members about their personal development is key to growing.

**3. Staff satisfaction.** Free platforms such as SurveyMonkey allow you to create a simple and anonymous employee survey. Such a survey will empower staff to share how they feel about working in your practice and provide

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you, as the owner, valuable feedback on your company culture. Similar to patient surveys (mentioned above), if you don't act upon feedback, there is no value in this exercise.

## **PILLAR 6: VISION—PERSONAL GOALS AND PRACTICE STRATEGY**

In order to successfully guide all of the above assessments, you have to envision what you want for yourself, your patients, your team, and your business. As part of your annual assessment, you should review and update:

- Your practice's one-, three-, five-, and 10-year plan;
- Your own one-, three-, five-, and 10-year-plan as a business owner, provider, and individual; and,
- Your practice's strategic plan.

If you don't have any of the above plans, draft them. Business planning is all about anticipating change. If you wait until your lease is up, you're maxed out as a provider, or you're ready to retire, you've waited too long. You will be simply reacting to the situation rather than carrying out your strategic plan, which could be detrimental.

## **GETTING A PULSE**

Annual assessments are a best practice for monitoring what is working well and uncovering opportunities to run a healthier practice. While the above assessments may seem like a lot to add to the burden of daily practice, remember that they don't all need to happen at once. Plan your annual assessments, staging them in conjunction with other business needs and the seasonal pace of your practice. Over time, they will become an enlightening learning process for your practice rather than a chore. Annual assessments can give you the subjective and objective data you need to get a pulse on your practice's health and needs going forward. ■

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