

DRIVE YOUR MEDICAL PRACTICE TO SUCCESS

10 Key Strategies of
Profitable Practices



**MULTIVARIABLE
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Why do some medical practices survive and thrive, while others fail?

When two physicians offer comparable services to similar patient populations, one physician may struggle while the other builds a lucrative practice. Why do some medical practices survive and thrive, while others fail?

In 2013, financial pundits across the nation called becoming a doctor the “one million dollar mistake.” After more than a decade of higher education, the average new physician graduates with \$166,750 in debt. With the staggering price tag of medical school, reduced reimbursements from insurance companies, the high overhead costs of running a practice, and malpractice concerns, today’s physicians face unprecedented challenges.

How can you stand out from the more than 800,000 licensed physicians in the United States?

Whether you are building a medical practice from the ground up or have already joined an existing practice, mastering key business principles will help drive your success. **At its core, your medical practice is a business. You have the necessary education, training, and experience—but do you understand the business principles that are critical to your profitability?**

This white paper discusses the business practices that will help your medical practice thrive in a competitive environment.

Continue reading to learn ten key strategies that will ensure your success in the years to come.



Key #1

HIRE A DIRECTOR OF FIRST IMPRESSIONS

Your receptionist will interact with every patient who contacts your office, whether by phone, e-mail, or in person. In some cases, your receptionist may be the *only* person with whom prospective patients speak before deciding whether to schedule an appointment—which means your receptionist significantly impacts the number of new patients who make it through your front door. Does your receptionist know that he or she is your office's Director of First Impressions? Does he or she make a positive impression in person as well as over the phone?

Key #2

TRAIN YOUR TEAM TO PRIORITIZE PATIENT SATISFACTION

For many patients, a simple doctor's visit can be a stressful experience. Are your nurses and staff attuned to the feelings and experiences of each patient? Do they show empathy to the stresses and anxieties your patients feel? Keep in mind that even common procedures are rarely routine for patients. After unexpected news or an uncomfortable surgery, kind words and a comforting smile can make all the difference.

The reality of running a medical practice is that your nurses and staff may spend as much time as you do—and in some cases, more time—with your patients. Often, your patients' satisfaction will come down to how they feel toward the people in your office. To ensure that your nurses and staff members make a positive impression, hire and train for communication skills, flexibility, empathy, and professionalism—all key traits of excellent customer care agents. Set clear expectations and make sure your team understands that patient satisfaction is a primary factor in your evaluations of their performance.



Key #3

TREAT EVERY PATIENT LIKE A YELP REVIEWER

When residency is over and an attending physician is no longer evaluating you, a more important question emerges: How will your own patients evaluate you? Review sites like Yelp and Google are rapidly becoming one of the most common methods for patients to research and choose new doctors. [Preempt negative online reviews by staying attuned to your patients' attitudes.](#) Do you and your staff actively solicit feedback from patients? Do your patients feel comfortable providing honest comments? Make sure your patients know that you appreciate their feedback—whether it's positive or negative.

While only a small percentage of patients write and post reviews online, a much higher percentage will read reviews. [Keep in mind that resolving an issue with a current patient is almost always more cost-effective than finding a new patient.](#) When your patience is wearing thin, remember that one poor review can cost you hundreds of thousands of dollars in potential revenue. Even if you have a successful direct mail campaign, prospective patients are likely to run a quick Google search or peruse Yelp reviews before picking up the phone to call you. The bottom line: To attract *new* patients, prioritize your *current* patients.

HAPPY PATIENTS, HEALTHY PRACTICE

Win glowing online reviews by focusing on first impressions and prioritizing the satisfaction of your current patients.



Key #4

PREVENT MALPRACTICE SUITS THROUGH COMPASSIONATE CARE

Even more terrifying than a poor review, the threat of a malpractice lawsuit strikes fear into the hearts of almost every practicing physician. Unfortunately, many physicians will be forced to defend themselves against malpractice at some point during their careers. Even worse, the average medical malpractice claim costs tens of thousands of dollars in defense fees, regardless of a win or loss.

Decades of studies have uncovered a consistent trend: Almost half of all malpractice suits are filed against just six percent of doctors. Do these doctors attract high-risk patients, work in high-risk specialties, or behave in ways that increase the likelihood of suits? Researchers have confirmed that physicians' bedside manner and patients' satisfaction with their received care are excellent predictors of a physician's risk of malpractice claims. In fact, patients' perceptions of a physician's behavior—including his or her tone of voice, warmth, and listening skills—more accurately predict malpractice claims than a physician's technical competence.

Physicians who build caring, respectful relationships with their patients, communicate clearly and openly, and express empathy are less likely to face malpractice claims—even when their patients have poor outcomes. In other words, a patient's emotional treatment may be just as important as his or her physical treatment.

Of course, some specialties do have statistically higher rates of malpractice and not all suits are avoidable, but too many doctors fall into the trap of assuming a malpractice suit is inevitable. Instead of assuming a claim is inevitable, commit to taking all possible actions to prevent malpractice suits. By doing everything in your power to head off claims before they are filed, you are protecting your practice's assets.

IDENTIFY YOUR COMPETITIVE ADVANTAGES

Know what sets your
medical practice apart,
and communicate those
strengths to your patients.



Key #5

DIFFERENTIATE YOURSELF FROM OTHER MEDICAL PRACTICES

Regardless of your specialty, differentiation is critical to gaining a competitive advantage. What do you offer that other medical practices do not? [Staying up-to-date on the latest technology and offering unique services can help your patients as well as your profit margin, but only if your patients are aware of your offerings.](#) Your patients may have no idea that you have state-of-the-art diagnostic equipment, while the physician down the street uses a decades-old model. Look for opportunities to keep your patients up-to-date on your practice's offerings.

Modern patients have many resources at their fingertips and your patients may seek out second—and even third—opinions. Don't be afraid to embrace and support other medical practices, even those with whom you compete. Whenever possible, strive to coordinate and communicate seamlessly with other physicians. [When you efficiently and respectfully work with other medical practices on behalf of your patients, your office will stand out for its organization and professionalism.](#) Respond promptly to requests, quickly confirm receipt of medical files, and return phone calls in a timely manner. Eventually, mutual referrals could play an important role in your new patient recruitment.

Key #6

OFFER CUSTOMIZED CARE PLANS

Even when your day is filled with appointments, strive to spend one or two minutes with every patient to learn more about his or her unique history. Do your high-risk patients with a history of smoking know you offer CT screenings that can lead to life-saving early diagnoses of lung cancer? Do your patients interested in homeopathy know that you have an on-call massage therapist?

Note which services you have offered patients at past appointments, and also track the services that each patient's insurance plan covers. When a patient's plan covers additional procedures, inform the patient so that he or she has the opportunity to take full advantage of the coverage. [Remember, presentation is key. How do you present and position care plans to new patients? Do you motivate through fear or through science? Different patients require different approaches, but all patients will appreciate an experience that is customized to their needs.](#)



Key #7

STREAMLINE YOUR OFFICE MANAGEMENT

The average internist spends more than a quarter of his or her time on administrative tasks, while emergency practitioners spend nearly half of their time entering data. Routine activities like data entry, billing, and scheduling can quickly become a time-consuming headache without an organized system. Successful physicians think like CEOs, and they manage their medical practices like small businesses. To streamline office management, systemize or automate any activities that your staff will complete more than once. Organization and systemization will save precious time by eliminating the need to re-invent the wheel each time the same issues arise.

THINK LIKE A CEO,
AND RUN YOUR
PRACTICE LIKE A BUSINESS

Save time and money
by streamlining your
office management,
implementing systemized
organization, and seeking
out areas for improvement.

Key #8

SEEK OUT AREAS FOR IMPROVEMENT

Once you have systems in place, evaluate those systems and identify areas for improvement. Look for ways to save time and money. Is it possible to remind patients about upcoming appointments without interfering with your staff's day-to-day responsibilities? Can you automate your reminder system to use e-mails and texts instead of phone calls?

Finally, remember to document your best practices. If your receptionist or office manager calls in sick, are your systems clearly documented so that others can quickly and easily take over? Your office should never rely on a single person to function properly. This type of documentation will also ease training of new staff members.



Key #9

CRUNCH THE NUMBERS

Even if you have joined a practice with existing patients, you will likely find yourself in a position to take on new patients eventually. When generating new patients for your office, you have a variety of lead generation programs from which to choose. Most lead generation programs—from advertising, to marketing, to direct mail campaigns—will cost you money, but which will get you the best results? Compare lead generation programs by tracking conversion rate and calculating return on investment (ROI).

At first glance, the numbers may be deceiving. Just because your direct mail campaign brought you new clients doesn't mean it was successful. For every direct mail flyer you sent out, how many new patients called your office? If the flyer program cost you \$10,000 and only returned \$10,000 in profit, the program may not be worth repeating. On the other hand, your free referral campaign likely used important non-monetary resources. Weigh both cost and time. Simple math can help you consistently and efficiently compare and evaluate your lead generation programs.

BRUSH UP ON YOUR MATH SKILLS

Ready to dust off that calculator and start crunching numbers? Evaluate your lead generation programs and understand your bottom line to increase your profit margin.

Key #10

FOCUS ON THE BOTTOM LINE

As a physician, some factors are beyond your control. The good news: You control your own profit margin. The first step toward increasing profit is simple: Know your profit margin. Next, think about how you can lower your costs: Can you negotiate better deals with your suppliers or your landlord? Finally, think about how you can increase revenue: What additional services are you able to offer patients? If you offer superior services, don't be afraid to charge more than your competitors—many patients will pay more for better services.



Summary

Do you know the answers to these questions?

Why do my patients choose my medical practice?

Why do my patients return to my medical practice?

Why do my patients recommend me to their friends, colleagues, and family members?

How do I express empathy for my patients?

What services do I offer that other doctors do not?

In what ways do I build trust with my patients?

How can I improve my office systems?

Does my practice rely on any single person?

What are the conversion rates of my lead generation programs?

What is my profit margin?

CHOICES

When choosing a physician, patients have choices. As a physician, you have choices, too. Choose to drive your medical practice to success by following these ten best business practices:

- 1 | Hire a Director of First Impressions
- 2 | Train Your Team to Prioritize Patient Satisfaction
- 3 | Treat Every Patient like a Yelp Reviewer
- 4 | Prevent Malpractice Suits Through Compassionate Care
- 5 | Differentiate Yourself from Other Practices
- 6 | Offer Customized Care Plans
- 7 | Streamline Your Office Management
- 8 | Seek Out Areas for Improvement
- 9 | Crunch the Numbers
- 10 | Focus on the Bottom Line



Practice Background Questionnaire

Name: _____ Practice Name: _____

Practice Phone: _____ Mobile: _____

Address: _____ Email: _____

CONFIDENTIALITY NOTE: The information contained within this questionnaire is confidential information, intended only for the use of Multivariable Solutions and the person completing this questionnaire. If the receiver of this questionnaire is not the intended recipient, the receiver is hereby notified that any dissemination, distribution, copy or publication of the questionnaire is strictly prohibited.

Introduce Us To Your Business

To get started, we'd like you to tell us a little more about you and your business. The following questions have been designed to help us identify key profit building opportunities within your business, so that we can prepare to have a productive face-to-face meeting.

What type of practice do you have? _____

What specific services do you provide? _____

How many staff do you currently have? _____ A year ago? _____

What is your approximate annual revenue? _____ A year ago? _____

What is your Net Profit Margin? _____ %

Describe your target market(s): _____

How long have you been involved with / owned the practice? _____

What were your goals when you started, or took over the practice? _____

How many hours do you work now? _____ How many would you like to work? _____

How much income do you take home now? _____ How much would you like? _____

Do you have a business plan? ☐ Yes ☐ No Do you have a marketing plan? ☐ Yes ☐ No

If yes, how often do you measure your progress against the plan? ☐ I don't ☐ Monthly ☐ Quarterly ☐ Annually

If you had one wish for your practice in the next 30 days, what would it be? _____

Who other than yourself is involved in the decision making process within your practice? _____

Is there anything else you'd like to share about yourself or your practice? _____



Select Your Top 5-7 Business Priorities

Sales & Marketing

- ☐ Having turn-key, persuasive and inexpensive ways to generate more leads and prospects for my products and services.
- ☐ A step-by-step marketing plan that significantly increases my new customers, revenues and profits without taking all my energy away from day-to-day business.
- ☐ Creating customer focused advertising and online marketing strategies to draw willing buyers to my business every week.
- ☐ The most effective sales appeal for my products and services that uniquely sets my business head and shoulders above my competition.
- ☐ To build a more motivated, professional and profitable sales or telemarketing force that creates a far stronger sales conversion and average sale value.
- ☐ Having a strategy that will compel my former and inactive customers to come back and buy from me again and again.
- ☐ Boosting the average sale value and creating a far better sales result from every customer that we are currently doing business with.
- ☐ Introducing new and more profitable product lines or services to both win new customers and extend the value we provide with our existing ones.

Team Building & Leadership

- ☐ Helping me develop and build strong leadership skills and attributes so I can not only manage, but truly lead my people and my company.
- ☐ To help me find or re-find my passion and get my heart and mind back focused on enjoying running and building the business again.
- ☐ Using a recruiting system that is both efficient and effective to help me add the right, motivated and great people to my team.
- ☐ Developing an ongoing training system so people are more effective and more productive at their jobs and are ready for promotion as the company goes on.
- ☐ Training my team so they deliver superior levels of customer service and create raving fans and repeat buyers time after time.
- ☐ Helping me and my team get better use of our time and stop working reactively, and become more pro-active about building the company.

Running Your Practice

- ☐ Developing a clear and powerful set of both personal and business goals and having a vision for my company.
- ☐ To get myself the freedom of more time away from the business, still knowing it is growing and creating increasing profits without me there.
- ☐ To help me understand how to re-invest my profits back into the business or how to make profits and invest them for passive income outside of my business.
- ☐ Getting a solid business plan of action so I and my team are focused on doing what matters, what is important and what will get the biggest results.
- ☐ To get the business and my people to a stage where they can run it profitably so I can take some time out each week and vacation each year.
- ☐ Developing a straight forward succession plan so I can replace myself with the right people at the right time and allow them to run it without me.
- ☐ Expanding the operation to multiple outlets or multiple territories so I can take advantage of an already solid and profitable business model.
- ☐ Creating a franchise system that both sells and creates profitable franchisees who can afford to pay me serious royalties.
- ☐ Assistance with taking the company international to profit from global markets, global costs and global currency values.

Systems

- ☐ Having a system for controlling, managing, and reporting the company finances so I can know I am building real profits.
- ☐ Working 'ON' my business rather than 'IN' it and create a systems dependent company rather than a people dependent one.
- ☐ Developing an organized chart and position descriptions and getting the company administration handled.
- ☐ Building consistency of delivery into my products/services giving better levels of service and more rewarding customer experiences.

Coaching

- ☐ Having a Hotline to a great coach who can help me stay focused, answer my most important business questions and help me grow the business.
- ☐ Other _____





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