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Making '08 Great Recession Proof Your Practice

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Objectives

- Macro look at the economy
- Review “Going Back to the Basics”
- Practice Building Techniques

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Economic Terms

- Recession
 - A decline in the country's gross national product, or negative real economic growth for two or more successive quarters.
 - Since 1854, The United States has experienced 32 cycles of expansions and contractions, with an average 17 month contraction and 38 months of expansion.
 - These periods have been much shorter since 1980. Since 1980 there have only been four recessions.
- *More than three out of four Americans polled think that the country is in a recession.*

Starbucks Story

- “Through the Ceiling” rise in value since the company went public in 1992.
- Took a **commodity** and turned it into a **luxury good**.
- Highest price that their stock traded was May 5, 2006 at \$39.63
- August 5, 2008 the stock price was \$ 14.37 = A 64% decline in value. September 5th: \$ 15.09
- More than 45 million customers buy something from Starbuck’s every week.

Be Alert and Agile

- “The Seattle coffee giant has aimed to increase sales amid the weak economy, its **aggressive expansion** and **increased competition** from mainstream food-service outlets. Some remedies include **closing 600 stores**, creating a **smoother blend of drip coffee**, introducing a **customer-loyalty card** and adding new food and drinks. This month the company added a line of smoothies and a high-fiber baked good that are part of a move toward **healthier fare**”

What is Starbuck's doing.

- The company is going back to the basics.
- They are creating an atmosphere of change.
 - ▶ Grinding beans
 - ▶ Shutting down some locations
 - ▶ Focusing on their core business.
 - ▶ Looking at innovations around this core business.
 - ▶ Soliciting customer feedback

Recession and Toyota

Lexus 460 Hybrid

Lexus Luxury Gas Autos

Toyota Luxury Gas Autos

Toyota Prius Hybrid Autos

Toyota Camry Line of Autos

Service and Automotive Accessory Retail Sales

Cosmetic Pyramid

Gateway Demand

Facial Surgery

Lipo, Augmentation

IPL, NA-Resurfacing

Laser Hair & Vein Removal

BOTOX[®] Cosmetic Injections

Juvederm[®] & Semi-Perm Fillers

Glycolic Peels, Microdermabrasion

Retail Sales & Esthetician Consultations

The Cycle of Practice Life

- Attract new Patients
- Develop and Maintain Patient Loyalty
- Build Referral Base
- Attract new Patients

All are accomplished through good consultation, great outcomes, marketing and communication.

Some Basic Rules



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1. Define what makes your practice unique

- Differentiate
 - ▶ What are the unique attributes that you would associate with your practice?
- Credential Yourself and Your Practice
 - ▶ A credentialing statement addresses; certification, education, experience and unique attributes.
 - ▶ When a provider is well credentialed by staff, a relationship is pre-established for your patient.

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2. Customer Service

- Create an **experience** for your patient.
- Now more than ever, **every** call is important and patient satisfaction is critical.
- **Follow up** with your patients.
- Invest in training your staff: BE the staff that **does the most, knows the most, etc.**

3. Market Segmentation

- Do you treat all patients the same?
- Most successful companies segment their consumers by some common properties:
 - ▶ Demographics
 - ▶ Psychographics
 - ▶ Monetary Contribution

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Understanding Your Patient

High Spending Advocate <i>Very Loyal</i> <i>High Spending Pattern</i>	High Spending Shopper <i>Little to No Loyalty</i> <i>High Spending Pattern</i>
Low Spending Advocate <i>Very Loyal</i> <i>Low Spending Pattern</i>	Low Spending Shopper <i>Little to No Loyalty</i> <i>Low Spending Pattern</i>

Sales ↑

← **Loyalty**

High Spending Advocates

- High Loyalty – High Spending Pattern
- These patients respond to VIP treatment.
- Referral dinners, thank you cards.
- Notification when new procedures/ services become available
- “Freebies”- new product samples
- *Make this patient your practice **partner**.*

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Low Spending Advocates

- High Loyalty – Low Spending Patterns
- Education
- Treatment plan
- Packaged services - so the services may be more affordable.
- *Capitalize on this opportunity.*

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High Spending Shoppers

- Little to No Loyalty – High Spending Pattern.
- Find out **why** this patient is not loyal to you.
- This is an opportunity to develop a relationship with this patient.
- Develop a treatment protocol.
- *This group could have the greatest impact on your practice.*

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Low Spending Shoppers

- Little to No Loyalty – Low Spending Pattern.
- Keep a close eye on these patients.
- Some may never develop into another level of patient - they don't see the value of the services.
- There may be those that due to current economics or lack of education are not fully engaged.
- *Engage these patients through good internal marketing and consultation.*

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4. Maximize Every Patient Interaction

- Every Patient Encounter is an opportunity
- Every Patient Treatment is an advertisement
- Positive Patient Interaction = The Best No Cost Marketing Investment

Cosmetic Questionnaires

- Used at registration and periodically to assess needs (Engage)
- Prompts cosmetic questions & directs consultation
- Reintroduce during practice contact? (Re-engage)

Exhibit 1: Sample Cosmetic Interest Questionnaire

Patient Name: _____ Date: _____

- | | | |
|--|--|---|
| <input type="checkbox"/> BOTOX® Cosmetic | <input type="checkbox"/> Acne | <input type="checkbox"/> Removing Leg Veins |
| <input type="checkbox"/> Skin Care Advice | <input type="checkbox"/> Birthmarks | <input type="checkbox"/> Facials and Eye Treatments |
| <input type="checkbox"/> AHA and Glycolic Peels | <input type="checkbox"/> Sunscreen Advice | <input type="checkbox"/> Spider Vein Treatments |
| <input type="checkbox"/> Skin Care Products | <input type="checkbox"/> Hair Removal | <input type="checkbox"/> Laser Treatments |
| <input type="checkbox"/> Skin Rejuvenation | <input type="checkbox"/> Collagen Therapy | <input type="checkbox"/> Removing Facial Veins |
| <input type="checkbox"/> Liver Spots/Age Spots | <input type="checkbox"/> Chemical Peels | <input type="checkbox"/> Avage™, Retin-A or Renova |
| <input type="checkbox"/> Micro-Dermabrasion | <input type="checkbox"/> Laser Resurfacing | |
| <input type="checkbox"/> Other: Please Specify _____ | | |

Please answer the following questions on a scale of 1 to 5 by circling the appropriate number.

When viewing my face in the mirror, I believe I look younger, the same as, or older than my true age.

<i>Younger Than</i>		<i>True Age</i>		<i>Older Than</i>
1	2	3	4	5

When looking in the mirror, I am not concerned, somewhat concerned, or very concerned about the appearance of my wrinkles.

<i>Not Concerned</i>		<i>Somewhat Concerned</i>		<i>Very Concerned</i>
1	2	3	4	5

How did you hear about us?

- My physician (full name) _____
- My insurance company provider (name) _____
- The yellow pages (specify advertisement) _____
- A friend or family member (name) _____
- Another person not listed above (name) _____
 - Please provide name and address of the person who referred you so we may thank them.
- Internet
- A seminar where I saw the doctor. The event took place on (date) _____ at (location) _____.
- Approval to Send Information _____

Patient Signature _____

Thank You!

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Sample Personal Treatment Plan

TREATMENT PLAN

Designed for: _____

These are the areas of concern for me:

- Brown spots
- Fine lines and wrinkles
- Rough texture of skin
- Tired looking skin
- Major lines around nose and mouth
- Sagging skin
- Hair on face
- Hyperpigmentation
- Acne
- Dark circles under eyes
- Freckles
- Dryness

Ranking of concerns:

1. Fine lines and wrinkles
2. Major lines around nose and mouth
3. Brown spots and freckles

1st treatment-

BOTOX Cosmetic

DATE: 1/3/07, 5/5/07, 9/12/07, 12/12/07

2nd treatment-

IPL series of 5

DATE: TBD

3rd treatment-

Skin Care Regimen (Vivite Kit)

DATE: start today, continue for four months

4th treatment-

Dermal Filler

DATE: 5/5/07

Reassessment Date: Follow up on 5/12/07 after filler treatment to discuss other options.

5. Marketing Focus

- Create relationship with new patients, deepen relationship with existing patients.
- Consistent dialogue and communication with your existing patients in order to retain them.

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Marketing

- Practice goal: convert the most new patients or services for the least amount of expense.
- Marketing approach: determined by budget and risk tolerance.
- Sadly, marketing expenditures are too often determined by a good salesperson, herd mentality, or desperation.

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Communications

- Practice Goal is to build loyalty from its patient base to build revenue
- Communication discipline is frequently a result of available systems, staff and innovation.

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The Relationship of Marketing and Communication

- Risk: Marketing is a one way communication
- Communication can be one way, or “round trip” marketing
- *Design your “nuts and bolts” approach to patient building with these concepts firmly in mind.*

Internal Marketing

- The lowest cost / investment with the highest return...**RE-EXAMINE**
- Examples of internal marketing;
 - ▶ Personal Treatment Plan
 - ▶ Menu of Services
 - ▶ Recall notices
 - ▶ Practice newsletter
 - ▶ Direct mailings to current patient base
 - ▶ Staff engagement

Web Site Benefits

- Unlimited Audience
- Flexible and Changeable
- Addresses New and Existing Patients
- High ROI
- World's Largest Business Card
- Opportunity for on-going communication

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Evaluate Marketing Results

- When the Bill or Contract is Due
- Gut feel from patient comments
- Patient Tracking

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Track Your Advertising

- This is critical to all marketing decisions.
- Track your new prospects / patients with codes.
 - ▶ YP1 (yellow page)
 - ▶ NP913 (newspaper, September 13th)
 - ▶ RF (patient referral).

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Good Decisions Require Good Information

- Use a Daily Prospect Log for new patients that will roll up to a monthly log.
- Based on marketing cost & responses you can calculate your cost per new patient.

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Tracking

- **Ad Cost:** \$500 per insertion
- **Insertion dates:** 9/7, 9/14, 9/21 for a total cost of \$1,500
- **Office received:** 22 calls & booked 5 cases
- **Cost per response:** $\$1,500/22 = \68.18 per response
- **Cost per booked patient:** $\$1,500/5 = \300 per patient

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Tracking

<u>Prospect</u>	<u>Date</u>	<u>Scheduled</u>	<u>Fees</u>
<i>M. Craze</i>	<i>9/7/05</i>	<i>TBD -FU</i>	
<i>J. Bassell</i>	<i>9/10/05</i>	<i>Filler-lips/ Botox</i>	<i>1,100</i>
<i>V. Hays</i>	<i>9/11/05</i>	<i>CO2</i>	<i>5,000</i>
<i>K. Jones</i>	<i>9/12/05</i>	<i>Liposuction</i>	<i>3,000</i>

Total Response = 4; Conversion = 75%; Total \$9,100

Benefits of Tracking - ROI

- If a certain form of marketing or promotion activity is successful, then **invest more**.
- If efforts create little to no return on investment: **Walk away**.
- Don't be afraid to try new ideas, simply measure the results.
- Vendors offer discounts with long term agreements. Ask for short terms and the discount if / when you extend your commitment.
- If you are armed with solid data you can negotiate better rates and placements.

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6. Cut the FAT

- Some benchmarks;
 - ▶ Staff Salaries - 15% to 18%
 - ▶ Rent – 5% to 7%
 - ▶ Marketing - 3% - 6%
- This is the time to examine expenses;
 - ▶ Need to have, nice to have; look at where you are allocating your resources.

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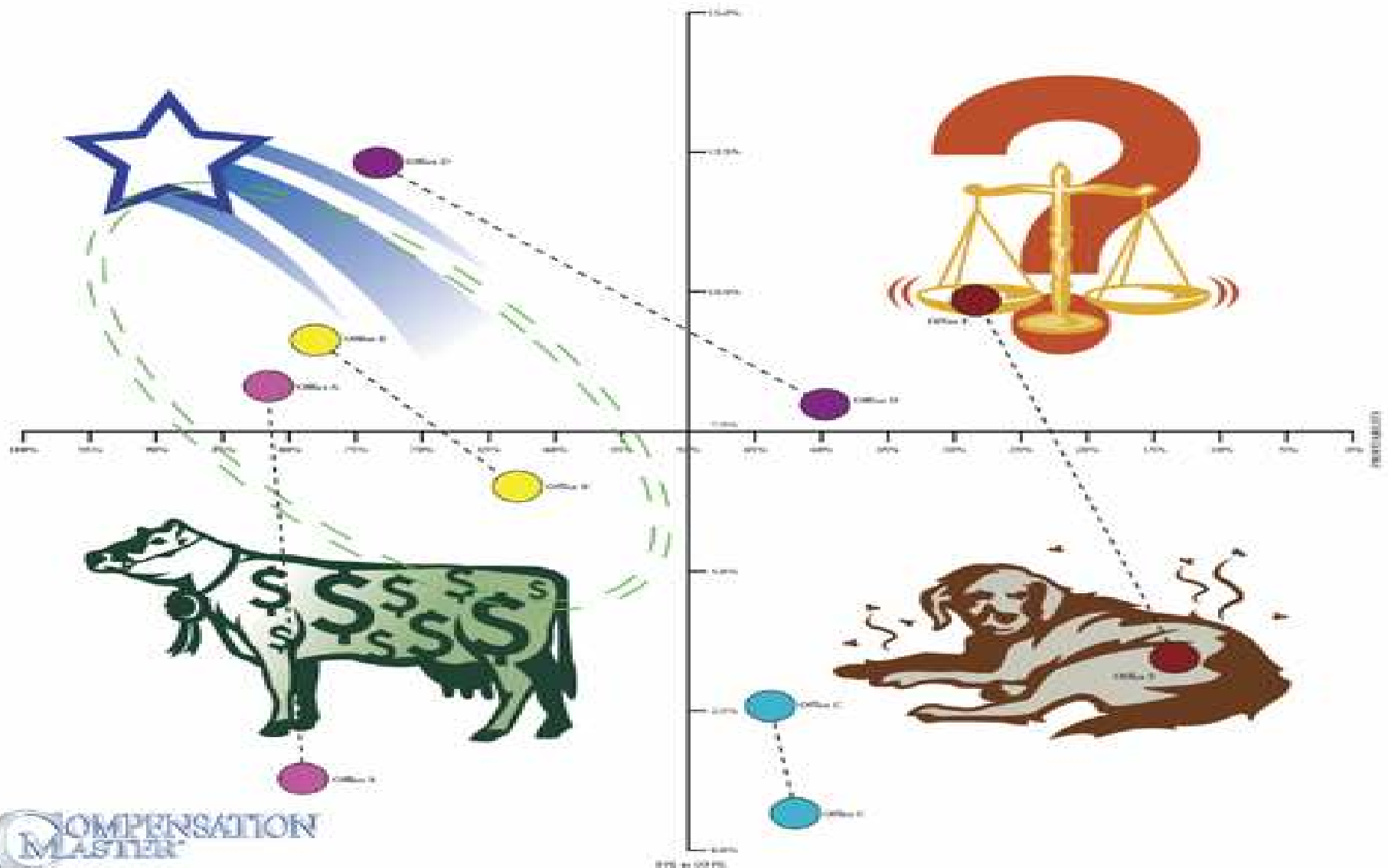
7. Invest in staff education

- Be the practice that knows more, helps more and does more
- Educate your patients – **requires** procedure knowledge
- Customer service focus – **requires** telephone skills
- Differentiate yourself from competitors – **requires** positioning and credentialing statements that staff can articulate.
- Strengthen your patient relationships – **most practices don't follow-up**, so yours should.

8. Evaluate Your Services

- Do you have so many products, procedures and services that your patients are overwhelmed?
- Think about a leaner, meaner menu of services and product line...be the **expert** in those arenas.
- What offers **high** customer satisfaction, **low** investment and **high** returns.

Cash Cows or Dogs?



9. Cut the clutter

- **Look** at your waiting room with an objective eye.
- **Listen** to what a patient might hear while waiting for appointment
- Less is more.
- Evaluate and be willing to **change!**

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Relax

- Examine and re-examine all of your approaches in marketing, communication, presentation, retention and conversion.
- Create a disciplined approach to maximizing the good patient experience from first call to referral
- Think of web marketing as a long term investment in your communication approach
- Make all of your practice assets work for you:

Patients. Staff. Marketing Dollars. Physical Space.

Practice Culture. Providers. Outcomes. Etc.

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Thank You!

Thank you for supporting Allergan Medical.