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
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 Starbucks’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

Positive proof of global warming.
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.
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
### Understanding Your Patient

<table>
<thead>
<tr>
<th>Sales</th>
<th>Loyalty</th>
<th>Low Spending Advocate</th>
<th>High Spending Advocate</th>
<th>Low Spending Shopper</th>
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<td>High Spending Pattern</td>
<td>Very Loyal</td>
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<tr>
<td>High Spending Shopper</td>
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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.*
Low Spending Advocates

- High Loyalty – Low Spending Patterns
- Education
- Treatment plan
- Packaged services - so the services may be more affordable.

*Capitalize on this opportunity.*
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.
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.
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)
# Sample Personal Treatment Plan

## TREATMENT PLAN

**Designed for:** ____________________

### These are the areas of concern for me:

- [x] Brown spots
- [x] Fine lines and wrinkles
- [ ] Rough texture of skin
- [ ] Tired looking skin
- [x] Major lines around nose and mouth
- [ ] Sagging skin
- [ ] Hair on face
- [ ] Hyperpigmentation
- [ ] Acne
- [ ] Dark circles under eyes
- [x] 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.
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.
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.
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
Evaluate Marketing Results

- When the Bill or Contract is Due
- Gut feel from patient comments
- Patient Tracking
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).
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.
**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
<table>
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<th>Date</th>
<th>Scheduled</th>
<th>Fees</th>
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</thead>
<tbody>
<tr>
<td>M. Craze</td>
<td>9/7/05</td>
<td>TBD -FU</td>
<td></td>
</tr>
<tr>
<td>J. Bussell</td>
<td>9/10/05</td>
<td>Filler-lips/ Botox</td>
<td>1,100</td>
</tr>
<tr>
<td>V. Hays</td>
<td>9/11/05</td>
<td>CO2</td>
<td>5,000</td>
</tr>
<tr>
<td>K. Jones</td>
<td>9/12/05</td>
<td>Liposuction</td>
<td>3,000</td>
</tr>
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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.
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.
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!
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.
Thank You!

Thank you for supporting Allergan Medical.