



10 Proven Recession-Busting Strategies for Veterinary Practices



There has been little real growth in the UK veterinary industry in recent years and increases in practice profits have proved elusive. As the global recession bites deeper into the economy, practices need to employ every means at their disposal to counter the economic pressures and competitive threats they face.

During a recession the pace of business is invariably slower and practice owners will have more time available to review processes and workflows, implement efficiencies and make cost-savings.

It's also an ideal time to make those changes that will provide a stronger business platform from which to exploit the good times when they come along.

So, what specific actions can practices take to improve their business performance and secure a brighter future?

As with every other business sector, the key factor in improving efficiency, productivity and profitability is the use of effective and robust IT solutions.

Experience shows that practice survival will not come from an increase in pet ownership neither will it come from across-the-board price increases.

It will come from ensuring the practice focus is fixed firmly on retaining its existing clients and patients.

That focus must also be aimed at increasing compliance with healthcare treatments; eliminating "missed" charges; ensuring adherence to practice-wide Standards of Care; improving the effectiveness of marketing activities and building greater client satisfaction.

This booklet details ten practical strategies to help practices combat the effects of the recession. Individually each one will have a positive and beneficial impact.

Implemented collectively they will supercharge practice performance.



Strategy 1 – Focus On Your Existing Clients

The most effective way to keep your business above water in these difficult times is to direct all your energies into retaining your existing clients. Bear in mind, it's easier and less costly to keep existing clients than it is to recruit new ones!

It's also very important to remember that, even if unemployment continues to rise, the majority of your clients will still have the same spending power as previously.

Therefore, all your efforts must be aimed at maintaining and, if possible, increasing, client healthcare spending.

And the first thing to review is your Reminder activities.

Strategy 2 – Implement A More Effective Reminder Regime

Every practice owner knows that sending Booster Reminders is key to generating repeat income. If the Reminders don't go out, the impact on revenues is immediate and damaging.

The majority of practices send Booster Reminders to their clients and many find it's cost-effective to also remind clients when Flea and Wormer treatments are due. However, there are many potential improvements every practice can make to its Reminder regime.

Here are some suggestions.

1. Don't Just Send Booster Reminders

Research shows that your clients want to be reminded about all the treatments and services their pets need for a long and healthy life – dentals, weight checks, repeat blood tests, post-operative checkups, diets and health checks – the list goes on.

So, if your Practice Management System allows, expand the range of your Reminders and tell your clients about all the treatments and services their pets need.

RxFact: RxWorks can generate Reminders for any vaccine, medication, treatment or service.

2. Send More Than One Reminder

Clients lead such busy lives it's easy for them to overlook your first Reminder.

So, again, if your Practice Management System allows, experiment by sending a second and third Reminder where appropriate and check whether your response rates improve.

RxFact: RxWorks can generate 1st, 2nd and 3rd Reminders as well as a Safety Net Reminder.

3. Be Imaginative With Your Reminders

How about addressing the Reminder to "Spike" or "Tiddles" or including a photo of the patient in your letter looking at a picture of health? By using imaginative ways such as email and text messaging to communicate your Reminder message, clients are more likely to respond and revenues to increase.

RxFact: RxWorks Reminders can be sent as mail-merge letters personally addressed to clients or patients; as email attachments; or SMS Text messages.

RxFact: Digital photographs can be merged with your communications and RxWorks can also produce lists for telephone follow-up and print address labels and postcards.

4. Monitor The Effectiveness of Your Reminder Regime

Many practices over-estimate their Reminder success rates and, not surprisingly, there is a lot of complacency about compliance!

It's essential to analyse the effectiveness of your Reminder regime and identify which types of communication are successful and which aren't. If your Practice Management System cannot generate that type of analysis then ask your supplier to provide it.

RxFact: Detailed analyses of your Reminder Response Rates are available on demand in RxWorks enabling you to fine tune your activities to generate the best results.

Strategy 3 – Increase Healthcare Compliance

All the industry experts agree, and authoritative research shows, that the secret of practice revenue growth is to increase compliance with your healthcare treatments and wellness programmes.

At least 90% plus of the animals in your care are fit and well at any one time so it's sound business sense to ensure they remain in good health. By improving acceptance of your healthcare recommendations you'll have healthier patients, happier clients and increased profits.

Improving healthcare compliance requires an integrated IT systems-based approach. One that alerts and prompts your team to discuss overdue services with clients, recommend the appropriate treatments and record the outcomes.

And, if you do all that, what's the impact on practice performance?

Potentially very considerable!

An authoritative study by the American Animal Hospital Association showed that a modest 10% increase in compliance can generate £20K of extra profits per vet per annum! So, good patient healthcare delivers good practice financial health.

Here are five ways you can boost compliance in your practice.

1. Avoid The Black Hole!

An effective and imaginative Reminder Regime that encourages clients to return for healthcare services is of paramount importance in improving compliance. However, of even greater importance is a Practice Management System that keeps track of every patient that falls behind with your healthcare programme and prevents them falling into that black hole for forgotten pets.

RxFact: RxWorks HealthCare Manager ensures that patients overdue for any healthcare treatments never disappear from the system.

2. If You Know About It – You Can Take Action!

If your team – vets, nurses and reception staff – is alerted and prompted to take action when a patient is overdue for any treatment in your healthcare programme, you'll see dramatic improvements in compliance levels and practice turnover.

If your Practice Management System can alert staff to non-compliant patients do make sure everyone is trained to use them effectively to champion healthcare compliance in your practice.

A key component in success is to make sure your staff deliver a consistent message to the client. This should explain the value of the recommendation in making sure the patient's health is not compromised.

RxFact: Whenever a client contacts the practice – in person or by telephone – RxWorks HealthCare Manager will prompt your staff to discuss and remind the client about any overdue treatments.

RxFact: You can even create scripts to help reception and nursing staff effectively and consistently convey the benefits of a particular treatment.

3. Make Your Recommendations Count

A critical factor in improving compliance is to ensure that your healthcare recommendations are relevant and clearly expressed at the most appropriate time. Invariably, that is when the client is in the consulting room. So, it's most important that your Practice Management System prompts the veterinarian to discuss all treatments relevant to the patient.

RxFact: RxWorks HealthCare Manager will prompt discussion of every required treatment and service with the client during a consultation thus helping deliver a consistent message to the client.

RxFact: RxWorks can print a Patient Record Card automatically whenever a healthcare treatment has been provided so the client leaves with an up-to-date record of their pet's healthcare status.

4. Monitor The Outcomes Of Your Recommendations

Equally important as making timely recommendations is the need to record the outcome of those discussions. Did the client accept the recommendation? Did they defer making a decision? Or did they decline the treatment because it was too expensive? And what about the vet? Was it an appropriate consultation or was there insufficient time available to discuss healthcare treatments?

RxFact: *RxWorks HealthCare Manager provides 5 ways to record the results of all your healthcare recommendations:*

Treat to provide the treatment or medication immediately;

Appointment to book the treatment in your forward schedules;

Defer for whatever period and be prompted to discuss again;

Waive when it's inappropriate to recommend a particular treatment or the recommendation is declined by the client; and Deactivate when it is counter-productive to make further recommendations.

5. Analyse The Results Of Your Compliance Efforts

Without recording and analysing the results of your compliance efforts, it won't be possible to identify where you're being successful, why clients waive certain recommendations and which treatments they consider to be too expensive.

Understanding the reasons why clients haven't agreed and then taking action to remove any barriers is equally important in increasing compliance.

Knowing, too, how individual members of your team are performing will enable you to recognise and celebrate success – a key factor in raising compliance levels.

RxFact: *RxWorks provides a range of Compliance analyses and reports all designed to help practices monitor their performance and identify where changes in process may be required.*

Strategy 4 – Communicate With Your Clients

Effective, regular and timely communications are an essential service component for every practice.

We've previously said that authoritative research shows very clearly that clients want to be informed and reminded about all healthcare treatments and services their pets need.

So now, when it's more important than ever to retain existing clients, is the time to review the effectiveness of your client communications.

Here are some ways that are proven to be effective in building loyalty and increasing client's annual spend.

1. Your Invoices

Most Practice Management Systems produce invoices that do not inform the client or explain the value of the services provided.

Look critically at your invoices and ask yourself whether they enhance the client's impression of your practice. Do they reinforce the quality of the client experience or do they only serve as a reminder of how much has been paid?

RxFact: *Invoices produced in RxWorks are designed to add value to the client experience, enhance their appreciation of your staff's expertise and underline the quality of your services.*

2. Information Handouts

Clients willingly spend more on their pet's healthcare when they fully understand why the treatment is necessary and what it involves.

Informative, educational handouts written in a client-friendly style ensure good understanding and encourage acceptance of the recommended treatment. If your PMS allows, personalise them and include client and patient details to add more emphasis.

RxFact: *The RxWorks Client Education module provides a comprehensive library of species-specific information handouts and post-operative care notes. These can be printed on demand or triggered automatically when a particular treatment is billed.*

3. Patient Record Cards

The Patient Record Card is a highly effective tool for encouraging compliance with healthcare treatments and developing client loyalty. If your software can produce them make sure every client leaves the practice with one.

RxFact: *The RxWorks comprehensive Patient Record Card can be printed on demand or triggered by selected services and treatments. It shows the status of compliance with healthcare programmes, upcoming and overdue treatments and future appointments.*

4. Recalls & Follow Ups

An AAHA survey revealed that more than 70% of clients interviewed said they wanted a follow-up phone call from the practice following their pet's treatment. It's a powerful way to bond your clients by showing you care and, most importantly, it generates additional revenues from in-clinic recalls.

RxFact: *As services and procedures are billed the RxWorks Recall Manager module can automatically generate recalls for action by staff.*

Recalls can be to check on the progress of a discharged patient or book a re-check appointment. The outcome of recalls is automatically recorded in the relevant client or patient record.

5. Emails

Email is an effective way of sending clients important communications whether for Reminders, promotional offers, seasonal advice or for chasing debtors.

In a recession email is an even more attractive communication medium because it's virtually free!

RxFact: *RxWorks is integrated with Microsoft Outlook for seamless, fast email.*

6. SMS Text Messages

Dentists, hairdressers, garages and many other service businesses regularly use SMS texts for important reminders and other messages to clients.

Text messages are always read and are a sure-fire way of getting your client's attention.

RxFact: *Whether it's to remind them of upcoming appointments and healthcare treatments, report on the status of an in-patient or prompt them to administer medication, the RxWorks Automated Messaging Manager module automatically sends text messages to clients.*

Strategy 5 – Market Your Services To The Right Clients

When times are difficult as they are now, it's very important to keep your clients informed about your services and encourage them to keep coming back.

Targeting clients that are likely to need a particular service is obviously going to be more effective than throwing all your efforts at everyone in the hope that some will be interested in your offer.

Many practices separate their clients into one of 5 categories – A, B,C,D & E. – which tend to reflect the annual spend.

By concentrating their marketing and reminder activities on just the A,B & C clients, practices are more likely to obtain higher response and acceptance rates.

RxFact: *The data mining tools in RxWorks will quickly produce analyses of clients and patients showing compliance rates and spending levels for any given period.*

RxFact: *Annual spending can be analysed on a 12-month rolling basis and clients categorised as Platinum, Gold, Silver or Bronze. These categories provide another way to target marketing activities.*

So, before you start thinking about marketing your services you will need to:-

1. Understand Who Your Clients & Patients Are

A good place to start is to analyse the composition of your client and patient database to determine how many clients you have, how many animals they own and which species they are. You might also need to break the data down into “clients by area or postcode” and “animals by species, age and gender”.

Are the data analysis functions of your present Practice Management System capable of a simple task like this?

RxFact: *RxWorks data analysis functions are flexible and very easy to use and provide many “standard” analyses of clients and patient numbers. More complex analysis tasks can also be easily undertaken.*

2. Decide Which Services To Market

If you find from the analysis of your database that you have a large population of dogs over 7-years old, you might decide to market a Senior Dog Health Check. Alternatively, if you have a large number of un-neutered young dogs amongst your patients it might be appropriate to offer their owners a special promotional price for neutering.

Can your Practice Management System extract precise groups of clients that own the animals you want to target?

RxFact: *Queries covering every data field in the database that meet a wide range of user-defined criteria can be quickly and easily created in RxWorks and the relevant data extracted.*

3. Select The Right Method Of Communication

Once you’ve decided who to target with your service promotion and extracted the group of potential recipients, you’ll want to consider which is the most effective way of getting your message in front of them. Is a personally addressed letter or postcard appropriate? Would an email or SMS text message communicate the urgency of your offer more effectively? Perhaps a telephone call might be more suitable?

RxFact: *Whichever means you choose to market your services RxWorks provides a range of communication methods that are easy and quick to use.*

Strategy 6 – Stop Losing Precious Profits!

In a busy, fast-moving practice it’s all too easy for pricing errors and oversights to occur – staff are only human after all. However, what’s alarming is the scale of the problem.

Management consultants working with UK practices all agree that anywhere between 5–20% of turnover is lost through billing oversights and pricing errors! What’s even more disturbing is that these are actually lost profits. If you overlook to charge for a service you’ve provided, not only have you failed to cover your costs but you’ve lost the profit as well!

These lost charges are the result of ad-hoc pricing where each consult and piece of work is individually priced up – item by item, line by line. It’s a process that requires staff to be aware of and remember everything that should be charged. Not surprisingly, errors occur all the time.

What can be done to stop the loss of these precious profits?

1. Audit The Accuracy Of Billing.

Most practices accept that “missed” charges do occur but, understandably, under-estimate the scale of the problem.

So, the first step is to assess accurately what’s happening in your own practice. Here’s what to do.

Randomly select 50 or so invoices from the current year and check which services and treatments have been provided. Then compare the charges raised to what you would expect to have been billed.

If we’re right, you’ll be shocked by the amount of errors and omissions you find. You’ll be even more shocked if you extrapolate the error percentage you’ve discovered across a whole year’s work!

So, the next thing to do is to:

2. Eliminate The “Missed” Charges

So many of the treatments and services practices provide are repetitive. Every week the same conditions are diagnosed and treated and the same surgical procedures carried out.

The easiest way to eliminate “missed” charges is to agree practice-wide protocols for all the everyday treatments and surgical procedures. Then, for each protocol, define every item that should normally be charged. These protocols can then become the Standards of Care that everyone can use.

Standards of Care can ensure consistent quality of treatments and healthcare services, prompt staff what to charge for and ensure clients are accurately billed every time.

RxFact: *RxWorks unique Performance Pack module provides over 5000 pre-defined, species-specific, Procedure templates for Small Animal, Equine & Farm work.*

Each template can be edited to reflect each practice’s Standards of Care. Templates are linked to your price list and include all the items that are normally charged for a particular treatment or surgical procedure.

3. Improve Consulting Room Productivity

Research shows that 2–3 minutes of each 10-minute consultation is spent typing up clinical notes and pricing the work. If some of that time could be saved on, say 50% of all consultations in a year, the productivity gain would be very substantial – just think of all the extra appointment slots that would be freed in your diary.

RxFact: *Where RxWorks Procedure templates are used in a consultation they are proven to save a minimum 3–4 minutes of typing time.*

4. Eliminate Duplication Of Work Entry

If yours is an Equine or Farm Animal practice you’ll know how much staff time is spent keying in details of the work done on visits. This duplication of effort is highly costly, error-prone and labour intensive.

What’s needed is a way to record work details while you’re in the field.

RxFact: *RxWorks Mobile Veterinarian provides a uniquely simple means of recording your work on a Laptop while you’re out on your calls. By connecting to the practice network details of all the day’s work can be uploaded automatically to update the practice database.*

Mobile Veterinarian can save many hours of duplicate work entry, ensure your invoices are accurate and produced on time and cut your clerical labour costs dramatically.

Strategy 7 – Monitor Your Business Performance

Even today many practices try to manage their businesses by using the tax accounts prepared by their accountants. The problem is that such accounts just record the history of the previous financial year and are of little help in managing the business from week-to-week.

What’s needed is an easy way of monitoring what’s happening in all areas of the practice and what the business trends are indicating.

Only then can practice owners make informed decisions about the future direction of their businesses.

RxFact: *RxWorks comes complete with over 1000 pre-defined reports and analyses designed specifically to help practice owners monitor what’s happening in their businesses.*

RxFact: *RxWorks financial reporting tools provide more than 10,000 permutations of reports on demand.*

Strategy 8

– Develop Professional Fees Based On Your True Costs

Veterinary practices have always used rather simplistic methods to determine the fees they charge for the professional services and products they supply.

Very often medications and other stock items are billed with a 20–200% mark-up and professional fees calculated at three times the vet's remuneration.

The result is an over-reliance on the profit contribution from the sale of drugs and vaccines while many professional fees do not reflect the inherent costs involved.

Most other businesses develop their pricing strategies knowing how much their services or products cost them. This knowledge is essential in ensuring that prices are competitive and fair to the customer as well as profitable and fair to the business.

The challenge for the veterinary industry is to gradually move from an unbalanced and inaccurate fee structure to true, cost-based fees.

The starting point for any change in pricing policy is to know the real costs of providing your services. However, that's easier said than done. Identifying and manually calculating these cost components is a surprisingly complex task and one that few practices have attempted. Fortunately, technology can cut it down to a manageable size and greatly simplify the process.

RxFact: *RxWorks' Performance Pack module is a unique and innovative toolset that in easy, logical steps helps you to calculate the true cost of your professional fee components.*

By using your practice financial data, details of your staffing levels, information about your physical resources and your desired profit margins for each income heading, Performance Pack quickly calculates a suggested fee for every service and treatment. These can be adjusted to take account of shoppable services and treatments and those which command a premium.

Strategy 9

– Find Out Where The Profit Comes From

Understanding which products and services generate a profit and which lose you money is essential in these difficult economic times.

The problem is that this information is simply not available to most practices and they are reduced to monitoring business performance with misleading gross revenue reports.

RxFact: *RxWorks Performance Pack module compares the suggested price it has calculated with the actual price charged for each service and procedure. It then records whether an individual profit or loss has been made.*

Performance Pack reports analyse profitability at a clinic, provider, service, treatment and individual procedure level.

Strategy 10

– Decide Whether Your Practice Management Software Will Help You Survive The Recession

Ask these three questions about your Practice Management Software.

1. Does it provide the functions and tools needed to implement the nine strategies detailed above?
2. Does it help your staff deliver the best quality healthcare service?
3. Will it provide a robust and reliable platform that will help you take advantage of better times when they come along as they surely will?

To Summarise

The key to achieving all these changes in practice focus and financial performance is a robust, functionally-rich and innovative Practice Management System. The right system will provide the tools and functions to inform your decisions and support the changes you want to make.

RxWorks is such a system.

It has been in continuous development for over 20 years and has been designed to improve the quality of patient healthcare, increase client satisfaction and boost practice profitability. Our systems are now used by more than 1,700 practices in 18 countries.

Many other vendors have come and gone but, by listening to our client's current and future needs, RxWorks continues to grow and provide unrivalled veterinary business solutions.

Every year we release two new versions of our software that take advantage of advances in technology and reflect trends in veterinary management. Our annual software licence entitles our clients to all new releases and ensures their systems are always up-to-date.

If you would like an obligation-free discussion with one of our Practice Advisors to discover how RxWorks could help your practice survive the recession, please call us on **0845 4747 445** or email **uksales@rxworks.com**



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