

## Doctor, Do You Struggle?

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Following one of my previous articles, I received a number of e-mails from docs who were honest about the fact that they were struggling in practice.

These doctors are good clinical chiropractors but are barely able to make a living, regardless of the number of years they have been in practice. To quote one DC, "I don't think I am the only chiropractor in the world who struggles. Despite the appearance of success that is common in journal articles and in small talk at seminars, I believe there are many practices out there working hard to break even. Let's hear about *them* for a change!"

I believe this statement is correct for many practicing chiropractors, especially newer DCs. Some new doctors achieve amazing success. Most struggle and ultimately become successful, while a few others struggle forever. Learning from those DCs "at the top of the curve" is essential for success. However, for doctors who are unable to gain ground despite years of practice, it may be equally important to learn from mistakes.

### But *My* Business Is Different

There are definitely reasons why a practice struggles. One of my consulting clients protested to me that "his business is different." In reality, all businesses face similar issues, depending on their size or stage of growth. Cash flow, new patients, "growing pains," organizational systems and strategic planning all produce struggles whether you are a chiropractor, dentist or sewer contractor. With that in mind, I have included a recent e-mail from a chiropractor struggling with profitability in his practice. Let's see if we can learn from his mistakes. Here's what he had to say:

I enjoyed your "Creating a Chiropractic Starbucks" series, but I am still having trouble getting my practice in gear. I believe my practice is doing everything you advise in your columns and I am confused about how one practice (yours) is highly successful using these methods and another (mine) that pays attention to the same types of things fails.

My practice has not suffered unusual challenges (e.g., staff mutiny, a building hit by hurricane, insider theft), yet it continues to barely break even. I provide high-quality chiropractic care and take my time with appointments. For patients who are unsure about chiropractic, we offer a complimentary exam at no cost. We have a fully digital, paperless office with a facility and location that is the envy of most of my colleagues. I have a small, highly trained staff. We keep our fees affordable. (In fact, we are among the least expensive offices in town for the type of work we do.) I am the only chiropractor in town who offers spinal decompression.

Despite our best attempts, we cannot break free from insurance limitations. The majority of our patients are here because we are in-network with their insurance. When we drop a plan, we lose patients when they learn we're no longer in-network. The patients then migrate to a nearby office that takes their insurance, despite the

sacrifice of quality, comfort or a friendly staff. It appears that patients seem unconcerned about quality and seem totally focused on where they can find cheap chiropractic.

Listening to practice-management "gurus" and attending seminars, one gets the impression that all chiropractors are wildly successful or that it is easy to run a cash practice. When I dropped a few of my insurance plans, I lost 700 of my 1,000 patients. The reality seems to be that the chiropractor who does only what the insurance pays for and who offers a quick two-minute adjustment rakes in the money. I have not gone all-cash, but the insurance I do take leaves me writing off everything that might be profitable.

Marketing is also a struggle. I have a full-page phone book ad that has failed to produce anything even close to what the sales rep showed me when I bought it. Instead, the ad has produced only one patient in nine months. I have attempted other types of marketing, with equally dismal results. We have attempted the coupon books and spinal screenings. If they attract any patients, they seem like bad ones.

When I was fresh out of chiropractic college more than 10 years ago, I figured things would just get better with time. They haven't for me, but most of my colleagues seem like they're doing well. Show me a way out of this mess and I will quit regretting that I became a chiropractor.

### Get a Clear Vision

The first problem I see in this doctor's situation is a lack of a clear vision. Have a strong vision of what you want your practice to become. Without this vision, the chance for success is slim. Without a vision, a fate worse than failure can happen - the misery of having built a successful business you don't like. Your vision should include every possible detail you can imagine about your practice: how it will look, the amount of money you want to make, the types of patients you want to see, the hours you will work, etc.

### Map It Out

Once you have a vision, you must strategically plan the steps you must take toward achieving it. If, like this doctor, you have 1,000 patients, it is definitely not the time to drop all insurance plans and risk losing 70 percent of your practice. If your dream is a cash practice, a more strategic approach would include analyzing the insurance plans that pay the worst or are carried by the least amount of patients and phasing them out slowly. Throughout the entire transition, you need to educate your current patients on the benefits of your care and the limitations of insurance reimbursement. Get them on your side; help them to see your viewpoint and they will stay with you.

### Be Consistent

In this doctor's practice, there are several inconsistencies that need to be firmed up. You cannot be all things to all people. Confusion will hurt your ability to market your services. On one hand, the doctor notes that he has among the lowest fees, offers a free consult and advertises with coupons. On the other, he is proud of the fact that he takes time with patients, has a state-of-the-art office and offers spinal decompression. The two sets of features are not necessarily compatible in helping promote the office. Low fees, coupon-type ads and free consults are designed to remove barriers and open your practice up to the greatest number of potential patients. A state-of-the-art office, longer treatment times, decompression and other such features are consistently seen in offices that

appeal to high-end clientele. Look at every marketing piece, every procedure, policy and interaction with patients or potential patients and see if there are inconsistencies in the message you are sending. When you find inconsistencies, eliminate them or they will quietly sabotage your vision.

### Start Working Smart, Not Hard

Chiropractors often make the mistake of assuming that once their vision is set and a plan is in place, the next step is to work like a dog until they retire or die. There is another way. I like to call it working smart, not hard. Start fine-tuning your practice by looking for opportunities to boost profitability and eliminate waste. Examine your profit and loss statements to get an idea of where your money goes. See where there is room to increase profitability. Did you last raise fees in 1999? Do some of your services pay better than others? Would hiring a CA or a massage therapist add profitability by increasing production? Then go to the other end and see if you can drop the lead weights holding you back from profitability. Calculate your "cost of doing business." Know how much your overhead costs you on a per-patient basis. Then you have an appropriate way to measure marketing vehicles, staff expenditures and how expensive your space truly is. Are you paying for poor marketing? Drop it ASAP!

### Accentuate the Positives

Struggling DCs typically have numerous things going wrong. The idea of "fixing" everything can be overwhelming. Let me put you at ease: Don't bother! Instead, focus on what you are doing right. For example, like many chiropractors, the doctor who sent me the above e-mail was unhappy with poor insurance reimbursement. Instead of switching to a cash practice, he could learn how to get better reimbursement from the plans he already is on by using a consultant, hiring a new billing person or attending a seminar. Similarly, if the doctor is proud of the fact that he takes his time with patients, trying to turn himself into a high-volume cash practitioner may be impossible. Instead, he needs to learn how to command higher fees that compensate him for the time he spends with his patients.

### Replace Instincts With Strategies

Why do two chiropractors reach the age of 62 and one has \$5 million in savings and the other \$5,000? Is it because the former is a frugal miser and the other a spendthrift? Despite what *The Millionaire Next Door* preaches, I think the reason goes much deeper than that. You don't get a nice bank balance without a specific strategic plan. The intention is not survival; the intention is success. Your final choice, then, is whether you want to learn from the success of others or from your own mistakes. Practice-management seminars and coaching programs will fail if you are not teachable or if you are unwilling to compromise certain aspects of the way you practice. Similarly, books, CDs, magazines or specific consulting programs that help you identify your problems won't solve them until you implement changes.

Keep in mind that whatever source you use has the potential to be helpful, because your business is not that different than any other business. So, the good news is, you can learn how to be successful. You can learn how to work smart, not hard. Now is the time to start.

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