

Market Readiness in a Fierce New World

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The world has indeed transformed. The rules have changed and are in constant flux. Our culture's psychology has thus destabilized, which leads to defensive thinking and bunker mentality. In some ways, this profoundly affects our market position and viability. What should we as chiropractors do? In my 25 years as a chiropractor and business consultant to chiropractors, I have seen many challenges dealt to the field of chiropractic and have made strategic recommendations to help DCs face these challenges and thrive. In order to figure out what to do, we have to understand what is happening. Let's talk about the economy.

Don't Just Ride Out the Storm

The headlines sound threatening. Unemployment is rising. There is talk of super-inflation in the near future. The stimulus spending doesn't seem to be working. The stock market has pulled way back. Real estate values have dropped. Need I go on? Prevailing wisdom says hunker down, tighten your belts, squeeze everything, play defense and hope for the best. Ride the storm out, right? Wrong - dead wrong!

Even with the severity of the current economic downturn, there is still an enormous amount of wealth in our nation's households and every day some of it will be spent somewhere - much of it on health-related services. This year there will be around \$2.5 trillion spent in the United States alone for health care (most of which is really "sick care"). More than \$500 billion will be spent on wellness-related products and services. There is still a lot of "economy" for what you do.

While doing some research relative to what is happening in the world economically, I came across something that should be very interesting to you. You probably have heard of [McKinsey & Company](#), the world's number-one business consulting firm. McKinsey is a top-level consultant to many of the most influential businesses and institutions in the world, serving more than 70 percent of *Fortune* magazine's most admired list of companies. In essence, when McKinsey talks, the major businesses of the world listen.

A while back, I read a white paper the firm put out analyzing what happened to varying industries during the past two economic downturns. The results were revealing. Overall, consumer spending decreased 10 percent, which is significant. Categories such as "transportation" and "food away from home" saw the most significant decreases in consumer expenditures. However, during these periods of economic downturn, there were five sectors that actually saw growth through increased consumer spending. Guess what one of those sectors was? Yup, health care. Consumer expenditures in the health care sector rose by an average of 29 percent! I am not surprised by this data, and perhaps you aren't, either.

So, what are your choices in these troubled times? Either retrograde retreat and hold on for dear life or get very aggressive and go after profitable growth. I obviously advocate the latter. There is opportunity in all crises. Today is no exception. Shrinking is a bad idea. You can't score points on defense. Time for a gut check.

Understand What It Means to Be Market Ready

In examining the attributes of chiropractors who are thriving right now, I have found that they have positioned themselves to attract people to their services because these services speak to and help consumers cope with the stresses they are experiencing. They have made themselves "market ready" and are going after the market and capturing more of it every day. It is critical that every DC understand what it is to be market ready. In tough economic climates, mediocre practices just die. So, what does it mean to be market ready?

First, it means being crystal clear on the objective. In other words, what is the purpose of your practice? What is the clear goal you have for every patient who comes through your door? Where do you want your practice to be in five years? Have you set up practice procedures that are consistent with these clear goals and objectives? What do you do on day one and day two with new patients? What is your marketing plan? How do you budget it? How do you measure its results? What are your patient-education strategies? How robust are all these systems and considerations? I could go on, but I think you get the idea. Succeeding in chiropractic practice can be very tough. Being in the marketplace today without being market ready is close to business suicide.

An objective I have is to see the chiropractic profession grow through what is happening now because in stressful times, the need for chiropractic services to preserve health and well-being escalates. Let me add some critical context here. In times of heavy stress (like we have today), do the people of your community need your services more or less? I find too many DCs react to the circumstance by worrying about what's going to happen to *them*. Doctor, the purpose of your practice has nothing to do with you; it is about the people in your community! Your income and success are an effect of that purpose, not a cause. If you reverse cause and effect here, you are in for trouble.

Your Services Are Needed Now More Than Ever

With today's stresses, the people of your community have an increased need for care. People are so stressed by what is happening it is making them sick. For example, many are having trouble sleeping. Their choice is to go into the allopathic system and get a prescription for sleeping medication, or to come to you to help dissipate their stress naturally. Taking drugs to sleep - what can be more natural than sleeping? Taking sleeping medication doesn't solve the problem; it just replaces it with another problem. I think you get the idea.

But what about the ability for people to pay for chiropractic in this down economy? Let's start with unemployment. In 2007, unemployment tracked at around 4.7 percent. As a macroeconomic indicator, whenever it is under 5 percent, that is a good sign. Now, it is heading toward 9 percent or 10 percent, and perhaps even more. Macroeconomically, this is really bad.

However, what does it mean from your perspective as a doctor of chiropractic? Currently, if I were to make a generous estimate, chiropractors are seeing about 1 percent to 1.5 percent of the population on an active basis. I know you hear higher numbers, but just do the math. My estimate represents the number of people who have an appointment scheduled to visit a chiropractor. Hence, more than 98 percent of the population doesn't have an appointment to see you right now - and yet most are candidates who would benefit from care.

Even if we were to presume that people who are laid off from work aren't financially viable for care (which is a faulty presumption; many got great severance packages and benefits, etc.), the more than 98 percent who were not already booked for an appointment "pre-meltdown" would only be reduced to around 93 percent. And if you were to take out the folks who were already unemployed

before the economic meltdown, you would only be down to 88 percent. Yes, the vast majority of people in your community who are not receiving care, are employed and will greatly benefit from your services. Further, think about where the economic meltdown has hit people. The stock market has pulled back significantly. I feel it. I have money in the market. But before the economic downturn, did people come to you and say, "Hey doc, I sold some stock today. Thought I would buy an adjustment"?

Real estate values have fallen quite a bit. I get it. I own personal and investment properties. But again, did folks come to you before this economic mess and say, "Doc, I just sold my home so now I can come get adjusted"? For the most part, people came to you and paid for services with discretionary income from their paychecks. The vast majority still have those same paychecks. In the context of this economy and your negligible market share, matched to the expanded need for chiropractic services and the fact that health care spending goes up during economic downturns, you have a huge opportunity!

Overcome the Consumer Mindset

The one thing that you must overcome, however, is the mindset of the consumer. In most cases, they have the same paycheck and the same cash flow as they did before the economic decline, but they feel much less wealthy. Your strategy for marketing must emphasize tactics to break through this "broke" mindset and get people to invest in your services. If you do this, you are in for the best years of your career. A big key is instituting some high-impact, low-cost marketing strategies.

Recently, I interviewed a young DC who opened a new practice six months ago in the midst of this bad economy. After only six months, he has a patient volume of 250 visits per week. His practice is 100 percent cash. Why would this be his experience when so many other DCs are struggling so hard? The answer is easy. It is because he fully understands the concept of being market ready and taking advantage of the available opportunities.

Many of you are just a few steps away from great breakthroughs in your practice. Take a step back. Empty your head of all the negativity it has absorbed these past months. Create a crystal-clear vision of helping the people of your community. Don't be a part of the problem; be the solution. Only dead fish swim with the current. Be bold and swim upstream.

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