

It's the Number You Need to Profitably Grow Your Practice

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In light of our country's recent economic challenges, many chiropractors are now seeking ways to trim the fat, lower expenses and stay profitable with lower patient volumes and decreased revenues. While I don't advise becoming preoccupied with cutting corners and costs, I do think it always wise to be strategic about expenditures - regardless of the surrounding market conditions.

Unfortunately, many DCs become overwhelmed at the myriad of statistics, metrics and other analytical tools designed to assess the health of the practice. You could start simply by measuring new patients per month, percentage of cases accepted and production per hour, or you could use your practice management software to ferret out an unbelievable number of reports designed to give a snapshot of your practice from different perspectives. In fact, there are entire industries that will deliver you (and companies much larger than yours) calculations to assess your business in every way imaginable.

While it may possibly be worth the investment of time and money into measuring patient satisfaction surveys and complex statistical data, there is a simple, accurate and inexpensive way to measure the growth potential and ultimate health of your practice. What's even better is that this easy-to-use tool was *not* developed microscopically by some chiropractor who claims "it works for me." Rather, it was field-tested by more than 400 businesses interested in finding out what it takes for a company to grow.

Heavyweights like GE, IBM, Enterprise Rental Car, Intuit, American Express and even the ultimate giant, Microsoft, utilize this very tool to determine if what they are doing on the inside will attract more business from the outside. The tool is so simple, it can barely be labeled as such. It is really nothing more than one powerful question, the answer to which will tell you volumes about how well your practice is doing.

It can give you insight as to what is working well and where money is being wasted in the area of marketing or new-patient attraction. In tight times, it can give you the opportunity to cut back on spending you can't currently afford. Or if things are going well, it may provide a reason to increase spending in certain areas to help promote or maximize practice growth.

One Simple Question

This instant practice evaluator can be determined by asking your patients one simple question: "How likely is it that you would recommend our office to a friend or colleague?" Have the patient score their response on a 0 to 10 scale and you will have the single number you need to grow your practice!

Before you conclude that this is too simple, consider that every CEO of a Fortune 500 company knows about the power of loyalty and its effect on the profitability of their business. Undoubtedly, you have run across the maxim that it is cheaper to keep a customer (patient) than to get a new one. However, it is in the application and assessment of these principles that most fall short.

Customer satisfaction surveys aren't very useful, as they typically have low response rates due to their length or the fact that their results don't seem to correlate well with any measurable data. Measuring loyalty in and of itself is a difficult undertaking.

Using the Question to Achieve Profitable Growth

The interesting finding unearthed by this simple question captivated the attention of many top-notch CEOs and marketing VPs: While a high "referrability" score does not necessarily guarantee your practice will grow, the profitable growth of your chiropractic practice *cannot be achieved without it*.

After all, if you are spending oodles of money on marketing to obtain new patients who flow as quickly out the back door as they came in, you certainly do not have a profitable business model. Obviously, no practice will ever grow if its patient bucket is that leaky. At the other end of the spectrum, small practices with limited budgets can potentially save their advertising dollars, focus on keeping patients happy from within and still achieve profitable practice growth (and much more inexpensively than the big guys wasting their money) by accurately assessing their practice strengths.

So, how do *you* utilize this question for maximum benefit to your practice? This tool, known as the net promoter score (NPS), was developed by Fred Reichfeld and first appeared in the *Harvard Business Review* in an article titled "[The One Number You Need to Grow](#)." It was so universally embraced by world-class companies that he developed a system to calculate the NPS, allowing you to immediately examine the pulse of your business.

The Net Promoter Score Formula

The formula used to calculate your NPS separates your customer (patient) responses into three categories: promoters (those who score your business a 9 or 10), passives (7 or 8) or detractors (6 or less). Since that is basically everyone you survey, here is how you determine your score: percentage of promoters minus percentage of detractors.

Obviously, the higher the score, the better. Practices that score high on the NPS scale are better able to impress patients, turn patients into chiropractic advocates, and position themselves for more practice growth. On the other hand, practices that score low on the NPS scale are more likely to waste their money on advertising, have a greater need for new patients (because they keep leaving) and unfortunately, will need to spend more money to bring patients in (creating a deadly catch-22). They may do well to fix internal issues before throwing money at their problems.

Calculate Your NPS *Before* You Spend

So, before you run out in desperation to try some new method of advertising, consider calculating your NPS. For those of you who are not quite sure whether a certain form of advertising or marketing is cost-effective, look at your NPS and see how you are currently doing.

It is often said that "what gets measured gets done." If you want to grow your chiropractic practice from within, effectively and inexpensively, the NPS provides an excellent yardstick to use for this purpose. Use it to put (or keep) money in the bank and create a profitable practice. To learn more about how to use the NPS, read Reicheld's book *The Ultimate Question*, written after he "invented" the NPS, which provides interesting case studies and applications of this tool in the corporate world.

