

How to Relieve Financial Stress In Your Practice

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The recent changes in consumer attitudes on spending, as well as a tighter credit market have created a much less forgiving practice environment.

However, the basic rules of practice and business success have, by and large, not changed at all. It only appears to have changed because there is now less of a margin for error.

Those who violated, and continue to violate certain basics of business are now finding it hard to survive. The good news is that the way to fix the problem does not have to be a mystery.

For the purpose of this article, I will not distinguish between *promotion* and *marketing* - two subjects which can have very different objectives.

A Valuable Skill

Knowing how to relieve the immediate financial stress on a practice can be a valuable skill for any practice owner. While a thorough review of all the components of an existing practice would need to be performed to determine the exact (correct) actions to take in order to bring a practice back up into an optimal position, there are certain basic ideas that apply in most situations.

Don't Cut Promotions and Marketing

The proper thing to do when you are experiencing a downturn in your income or practice volume is to put your available resources into promotion and marketing.

This can be accomplished through various actions both inside and outside your office. This could include money or time or your attention - and in most cases, would include all three.

The knee-jerk reaction of an unskilled executive is to immediately cut expenses. Worse than that, the first expenses usually cut are in the areas of promotion and marketing.

This, of course, further contracts the practice, making the situation even worse. So, the first action to take at the first sign of a downturn is to promote!

Promotion could include obvious things like advertisements, health fairs, handing out business cards, making personal contacts with local professionals, networking meetings, asking for referrals from your patients and the assortment of marketing ideas available to you.

However, it also includes the lesser thought of actions such as improving the staff dress code of your clinic, being sure that your receptionist is giving a warm greeting and smile to everyone that comes in the door, or sending thank you cards for referrals and birthday cards and every other action, which could improve the image of your clinic in the eyes of the public.

Invest In What You Know

It is absolutely prudent to keep a close eye on the success of your promotion and marketing to

determine your return on investment (ROI).

The best scenario is to invest in actions which have been successful in the past.

Occasionally, new actions need to be tried, and these should be monitored closely. If you find that an action does not make you money, don't stop promoting all together, simply shift those resources into what is working for you.

And, if you're not sure what is working, or what could work, you need to find that answer very fast and then invest your resources in it immediately.

The Expense Side

Another successful action can be to cut all unnecessary expenses.

But be very thoughtful in determining which expenses are unnecessary.

Most expenses in a practice are completely necessary, even if they do not, at first, appear to be so. This could include money that was being spent on extras that didn't really produce more income, or it also could include shifting hours of personnel from less productive tasks to more proven and productive tasks.

The key is to make the best use of your resources for the purpose of expanding the practice.

[pb]Think Expansion, Not Contraction

Always view your practice through an eye toward expansion. The moment you try to keep it the same, it will contract. Guaranteed.

From an application standpoint, this means that your actions should always be aimed at increasing the volume and income of the practice.

Once you hit that perfect size practice that meets all your needs, keep expanding it - this will prevent practice contraction.

Tips For Times When Things Are Dire

These next few ideas should not be used except in a very dire situation because of the potential for creating the image of a struggling practice. However, if it's the difference between surviving or closing your doors, these options may be better than the alternative.

A quick cash injection can be attained with the following actions. It is important to ensure that any action you take is compliant with state regulations.

Special Discounts: If you have patients who are on monthly payments, you can call each of them and offer a discount, such as 5 percent or 10 percent off, to pay their remaining balance this week, or by the end of the month, or whatever you determine is best.

This is not meant to be anything more than a quick conversation; the person is either interested in the offer or not. Most people appreciate having the opportunity to do so.

Special Offers: If you sell care programs or packages, you can offer a special package for a limited time to those who might not otherwise purchase one.

Most practices have people who decide not to follow recommendations (care programs/packages) after an exam and report of findings. Their reasons will vary, but for some, it might very well have been an issue of timing and/or finances.

You can call these people to first ask how they are doing, and then offer them a special program.

For instance, your typical operating basis might be not to take exclusively relief care type cases. Consider offering that option to those who did not accept your recommendations over the last two months.

Bundled Services: Another package you can offer is to bundle services together in a "buy so many, get one free" type of deal.

For example, if you offer massage in your clinic, you can offer a package of buy four and get one free.

You can also do the same thing with your existing maintenance patients. Offer an opportunity to buy so many visits and get one or more free. (Again, ensure you are compliant with state and federal laws.)

There are many more specific actions a practice owner can take to relieve the financial stress in a chiropractic office.

However, choosing which of these actions and how to apply them, often requires an in-depth look at the exact circumstances.

Perfection Is Not Required

You don't have to be perfect, but *survival* does require you to be "right" much more often than you are "wrong". And to *flourish and prosper*, well that requires that you are right much, much more often than you are wrong!

So do whatever you need to get the know-how required to expand your clinic to the next level - and put that know-how into action.

Some of the largest and most profitable chiropractic clinics are being built right now in 2011.

It's a great time to be a chiropractor and succeed in practice.

With the right tools and a positive outlook, you CAN grow the practice of your dreams!

So keep your head up and expand your practice - your patients are counting on you, the profession is counting on you and a generation of future chiropractors is counting on you.