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Choosing Which Products to Offer: Dollars & Sense

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I attend a good deal of trade shows for a variety of practitioner types. One of the most common questions I field is, "What is [the ROI](#) (return on investment) on your product?" My response often creates slight disappointment because analyzing product worth purely on traditional ROI metrics can be shortsighted and a version of "tripping over dollars to pick up pennies."

What's Wrong With the ROI Mentality?

Nothing is wrong with the ROI mentality when it comes to business. It is logical and makes sense. But there can be a problem if a practitioner applies pure ROI model in the short term, which would simply be: 1.) How much does the product cost me? 2.) How long until I make my money back?

Results Over Profit Margin

Once a doctor starts making decisions based on profit without first considering how much a product or protocol truly enhances a patient's health (either in a corrective manner or pre-emptively), they lose proper direction. And sticking to health as the top priority regarding decisions isn't only the moral high ground - it actually makes better business sense as well.

Better Health = Better Business

If you think about it, does a product that has a high profit margin, but doesn't significantly increase your patients' state of health, really improve your bottom line more than a product that makes a more significant difference, even at a lower profit margin?

If your products and protocols make a vast positive impact on your patients, what happens? Not only do they likely remain active patients, but they also rave about you to their family and friends, who may then become new patients.

And how much are new patients worth to you compared to making a few more dollars per product

you sell? It's not even close; a new patient means infinitely more income to your practice than a higher profit margin.



New patients are the lifeblood of your practice, as is patient retention (the two go hand in hand). If you strive to only offer products that make a significant, positive impact on your patients' health, your success will be much greater than making decisions based on profit margin.

A Real-Life Example

Let's say you are choosing which line of pillows you want to carry. Brand A is a well-known, highly regarded, quality pillow with a long history of correcting neck issues during sleep. There is no question the product works exceptionally well for certain patients.

However, when you put your ROI and profit margin hat on, you see Brand A costs you \$50 and you can't see getting more than \$70 for it. Along comes Brand B - it looks similar to Brand A, but only costs you \$25 and you think you can get patients to pay \$60.

Brilliant. You have almost doubled your profit! The cheaper model was made with lower-quality materials, but it basically looks like the original, well-established, known-to-work product.

But when you ensure quality, what happens? Sticking to the pillow analogy, when the patient uses the Brand A pillow, their sore neck actually gets better and the patient's life improves.

What happens next? Well, if you are really smart, you have your practice name right on the pillow

itself. And when your patient starts bragging to her friends (some of whom also have sore necks after a night's sleep), she not only delights in her new favorite pillow, but also pronounces how fabulous you are in general.

Guess who generates new patients because you offered a top-quality product? You do.

What happens when you don't ensure quality products? Nothing. The patient's condition doesn't improve (at least not from the pillow), they eventually throw it in the corner, and the discussion about how awesome you and the pillow are never happens. So tell me, in which scenario are you truly ahead on an economic basis?

How to Choose the Best Products for Your Practice

Obviously, some products are a better fit for certain practice types and philosophies. That isn't rocket science. But how should you choose which products fit your practice to the highest degree? Some basic rules apply.

Is the product especially effective? While it is true certain healthy products and modalities do not offer immediate, substantial improvements to a patient's condition, it sure does help your cause if they do. In other words, regardless of the type of product, if it offers relatively quick, substantial improvement for a patient's condition and/or well-being, it will influence your patient's opinion of your overall value.

Perhaps [vitamins](#), for instance, are a wise choice for your patients, but most likely, patients are not going to actually "feel" an immediate difference in their life. That doesn't mean you should not offer any supplements of that nature, but just keep in mind you should also offer products that make a quicker, noticeable difference.

With the above being true, one should also consider: *How long-lasting is the impact of the products you offer?* For example, some topicals may make a seemingly quick impact on pain reduction, but if the patients has to apply it every 30 minutes to achieve that same relief - or perhaps even lesser relief - it might not "win the patient over." Try to offer products that provide lasting improvement of a condition. Some of the best-sellers in the chiropractic space offer quick relief, but are short-lived. Some of those options may be valuable for your patients, but try to keep the longer-lasting impact in mind as well.

Is the product unique and/or patented? The reason to offer unique, special and patented products when at all possible is simple: to enhance and differentiate from other practices. If all you offer are the same things that can be bought at a drug store, etc., how does that make you any better than Walgreens?

Is the product's research original, and not just citing some study of similar ingredients done by others? A vendor merely citing other studies of the "ingredients" found in its product is not as significant as companies who do their own, original research. Ask your salesperson about their company's research supporting the product's value.

What do your peers have to say (non-competition, probably)? What products have been exceptionally effective in treating *their* patients' conditions? Some of the most popular products have achieved success with superior marketing and networking, not necessarily because they are more effective.

Try to really "open the hood" and examine which products work, and don't just assume a well-known, best-selling product automatically offers superior results.

The Bottom Line

Most of us got into health care because we have an inner desire to help people and improve their current and long-term conditions. Of course, we have to make profit or we can't keep our doors open, but you are better off evaluating products based on how much they improve your patients' actual conditions instead of making your decision purely based on profit margin. This differentiation is crucial to your practice success.

Editor's Note: The author's mention of specific product types (pillows, etc.) does not represent endorsements or critiques of the products themselves.