

Business-Building Strategies From the Amazon and Google Playbook

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Want to build your practice? Then it's time to borrow some methods from Amazon, Google, MDs, dentists and other "big guys" and increase profits exponentially like they do. If you've spent even just a few years in chiropractic, you have probably heard most of the "traditional" methods of growing your practice. And if you are still in practice after the first five years (after most businesses fail), you likely have settled in on a few that work and discarded the rest.

Unfortunately, for many chiropractors practice-building stops there and we fail to look for solutions outside our own little chiropractic "bubble." In other words, we somehow presume that we must only employ strategies to build our business that are being promoted by chiropractors. Not only is this type of thinking shortsighted, but if we start to poke around outside our bubble, we may find that other professions not only have great ideas that can apply to chiropractic, but also that they are a few steps ahead of us.

So, the only question remaining is, are you willing to learn strategies that have been proven to work outside of chiropractic and apply them to your practice? Let's take a look at three ways *other* professionals build their practices / businesses that can easily be adapted to chiropractic with similar success.



Strategy 1: Focus on the Back End

Like it or not, few professions outside of chiropractic rival our own 360-degree dysfunctional behavior in the area of getting paid for what we do. We set our fees and allow insurance companies to dictate how we are paid (and most state or national associations do not help us negotiate our fees collectively, either). When we collect from non-insurance patients, we tend to [discount our fees](#) whether or not we receive them at the time of service.

And to top it all off, when payment for our services falls through the cracks, we typically roll over and play dead. We assume the insurance is right when claims are denied (without appealing their errors). We carry endless balances and finance patients (without interest, of course). Finally, if and when we are audited and given a postpayment demand, we tend to pay it back without fighting back, questioning the legitimacy of the auditor's claims or negotiating a fair settlement.

While all of this may sound harsh, the reality is that most practices can increase their profits by 20 percent or more simply by focusing on their back end. This has nothing to do with new patients, patient visits, marketing or anything that brings people in the doors. While all these things are good and necessary, far too many chiropractors all but ignore the end goal of these front-end strategies: simply to get paid for what you do.

Certainly I am oversimplifying the process, but it never ceases to amaze me how chiropractors can drop \$750 a month on their new Web site's social media strategy or on a series of promos advertising their new-patient special; but, virtually in the same breath, fail to make a dime off of any of these efforts because they fail to collect, fail to bill, code or document their services properly - or all of the above.

Of course, I am somewhat biased, but after years of giving seminars, writing for this publication and blogging on the importance of chiropractic billing, coding, documentation and audit prevention, I've seen it firsthand. But apparently, I'm not the only one who thinks this way. *Medical Economics'* health care consultant, Keith Borglum, is just as straightforward: "*The most cost-effective improvement is usually in improving your coding.*"

Put simply: Quit chasing the prospect of more patients and focus on making sure you are getting paid for the ones you have. If you are able to do this, [your revenues](#) will increase. If you aren't sure how, get help.

Think this strategy is overrated? Think again! When was the last time you saw an MD digging into a coding book or wondering why they hadn't been paid on a certain procedure? They've delegated these things to the experts and they know how to get paid. We can do the same.

Strategy 2: Join Forces

While my first suggestion may seem painfully obvious, I have no idea why chiropractors fail to take more advantage of the practice- building strategy of partnerships. We are one of the few health care professionals who remain "lone rangers." Almost everyone else has seen the benefits of a partnership or group practice and jumped onboard to get the tangible benefits, including shared workload (time off!), lower overhead, addition of specialized services, expanded appeal, and synergistic benefits of practicing together. For older chiropractors who are concerned with succession planning (and they should be), a partner also represents a close-at-hand potential buyer for their practice upon retirement.

In my experience, the primary reasons DCs seem to avoid the partnership route are (a) it seems like more work finding the right person as opposed to just opening up shop alone; (b) unfamiliarity with how to navigate the contracts, procedures and systems of a partnership; and (c) inability to differentiate themselves as owners of the business and employees of the business. They feel they are the business. Unfortunately, the grave will prove them right or wrong.

Again, take a look around. Many chiropractors envy the income and freedom of most other health professionals (MDs, dentists, etc.), yet we fail to model our practices similarly to their business. Solo MDs are rare birds, as are solo dentists, orthodontists, attorneys, etc. Why? Partnerships work!

Strategy 3: Act Like the "Big Boys"

Outside of chiropractic, it's not uncommon to see big companies acquiring smaller ones to increase market share. Since 2003, Google has bought out some 120 companies. Amazon.com has been actively acquiring other companies since 1999, most notably Zappos.

Why not emulate the "big boys"? A loyal customer base can be transferred to the acquiring company, thereby expanding that company's customer base or market share. While most chiropractors only plan to buy or sell their practice when they retire, the reality is that many practices are sold much sooner than that. Some are "fire sales" whereby the doc just wants to get out of the profession or is forced out for health reasons. Others are conscious choices to move on much earlier than traditional retirement age. Still others simply shut down.

Practice mergers or acquisitions increase productivity, profitability and market share, and they can do so much more quickly than most marketing or patient acquisition methods. For example, I helped a client purchase the files of a DC who was slowly headed toward [retirement](#). Unfortunately for the older DC, he had let the practice slide to the point that it was virtually worthless as an independent sale. In fact, most of the brokers he contacted told him it wasn't worth their time to list the practice for sale.

When my client found out about this opportunity, I performed a business valuation (appraisal) of the practice and helped him make an offer for the patient files only (no equipment, no building, etc.). This doc had been in practice nearly 30 years and had many patients who had come infrequently over the years. Certainly not all were active, which impacted the file price accordingly.

Here's the good news, though. First, the older DC went out with virtually no effort and cash in hand. Second, with the older DC's assistance, my client notified patients of the change and did some initial marketing to get those patients into the new office. The end result? Within 90 days, he had achieved a five-to-one return on his investment, including marketing costs. By 180 days, [the ROI](#) was up to 12-to-one. By the end of year one, his practice was up 28 percent and his total ROI leveled off at 14-to-one. Not a bad investment for very little work on his part.

Could you do the same? Certainly! There are always chiropractors looking to retire. There are docs looking to downsize their practice, close multiple locations or leave the profession altogether. If you keep an eye open and construct a fair deal, it can be a win-win for both doctors - and for the patients, who don't have to go looking for a new DC.

Beware of Good Ideas

The ideas discussed above are certainly not meant to be an all-inclusive list of "non-traditional"

practice-building strategies. Maybe these are strategies you can employ or perhaps they have no appeal to you. Regardless, my point is the same: Practicing in the 21st century requires a willingness to think outside the box - but that doesn't mean you have to be a complete trailblazer. With some strategic thinking, most chiropractors can find additional revenue-building opportunities present in their practice so they can literally "work smarter, not harder."

In my experience, most chiropractors are full of good ideas on how to build or grow their practice. The problem is not necessarily a lack of ideas, but a lack of focus. As the old saying goes: The good is the enemy of the great. Stop spinning your wheels utilizing the same, tired, old strategies that are "good" when you can focus on a few strategies that lead to *great* returns.

If you would like to see an "Opportunity Finder Tool" Dr. Necela uses to advise clients of the best revenue opportunities that may be appropriate for their practice, e-mail the author at info@strategicdc.com, noting that you read this article in *Dynamic Chiropractic*.

OCTOBER 2012