

Business Management Concepts

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Practice Analysis

Is your practice
operating efficiently?

Overview

- Financial
- Statistical
- Managerial
- Exit strategy / succession plan
- Demands of this market place
- Responding to challenges

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Planning

- Develop a plan
- Implement the plan
- Monitor the plan
- Adjust the plan
- Enjoy the fruits of your labor!

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Financial Review

- Weekly – only a few things
- Monthly
 - Focus on the key items
 - Compare to budget
- Quarterly
 - More depth, look at trends
 - Compare to budget & adjust marketing / spending

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Financial Review

- Annual
 - In depth financial analysis
 - Develop new budget for coming year
 - Strategic planning
 - Where do you want to be next year?
 - How will you get there?
 - Any challenges facing you / your practice?
 - How is the market place changing?
 - How should you respond?

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Key Indicators

- New patients (define)
- Visits (define)
- Visits per new patient (duration & revenue)
- Per visit:
 - Charges, collections, cost
- Referral sources
- Income & expenses

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Daily Review

- New Patients
- Visits
- Cancels & No-Shows
- Hours worked
- Compile into weekly statistics

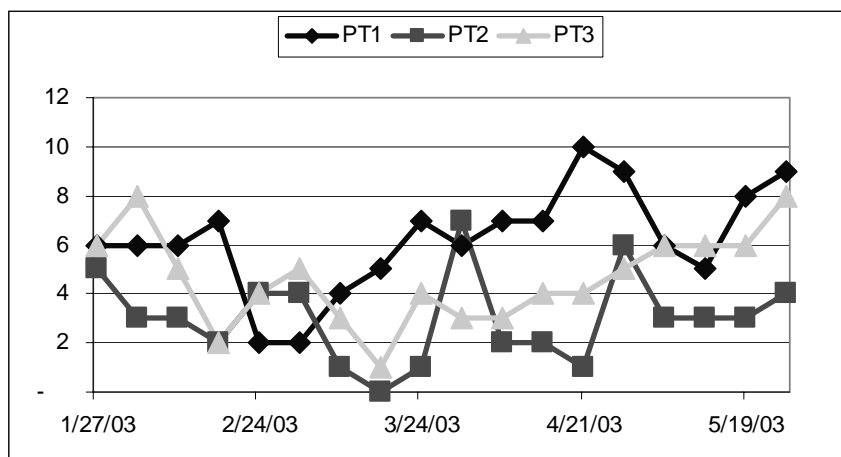
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Weekly Review

- New Patients & Visits
- Arrival Rate
- Referral Sources
- Charges
- Clinic Totals &
 - Per patient care team – PT, PTA, ATC, Aide/Tech
 - Per visit & new patient

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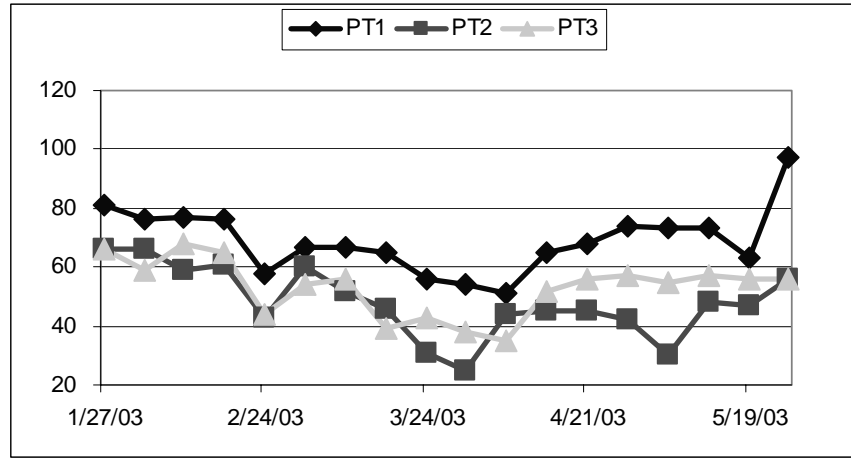
Weekly New Patients per PT



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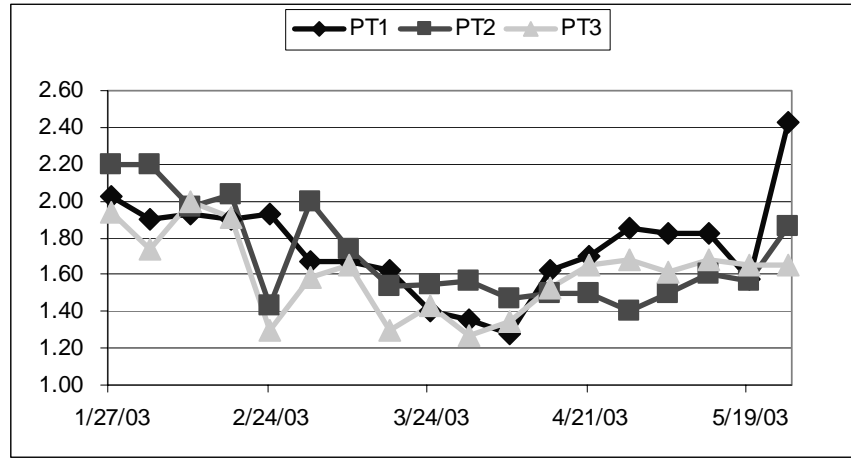
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Weekly Visits per PT



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Weekly Visits per Hour per PT



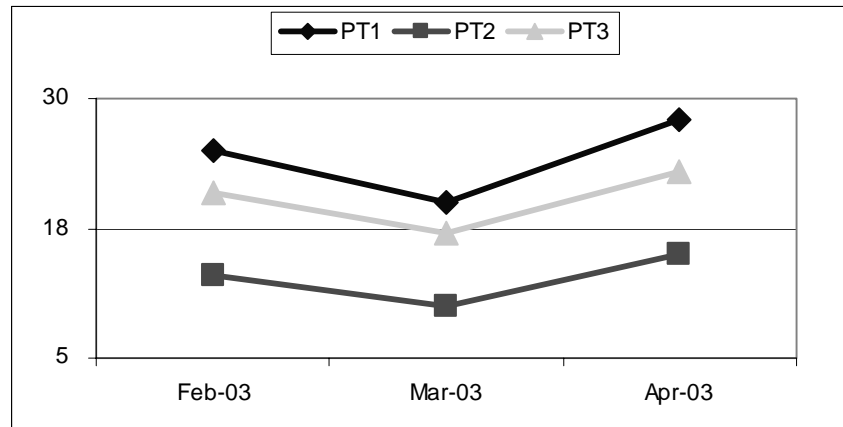
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Monthly Review

- New Patients & Visits
- Arrival Rate
- Referral Sources
- Charges
- Clinic Totals &
 - Per patient care team – PT, PTA, ATC, Aide/Tech
 - Per visit & new patient
- Budget comparisons

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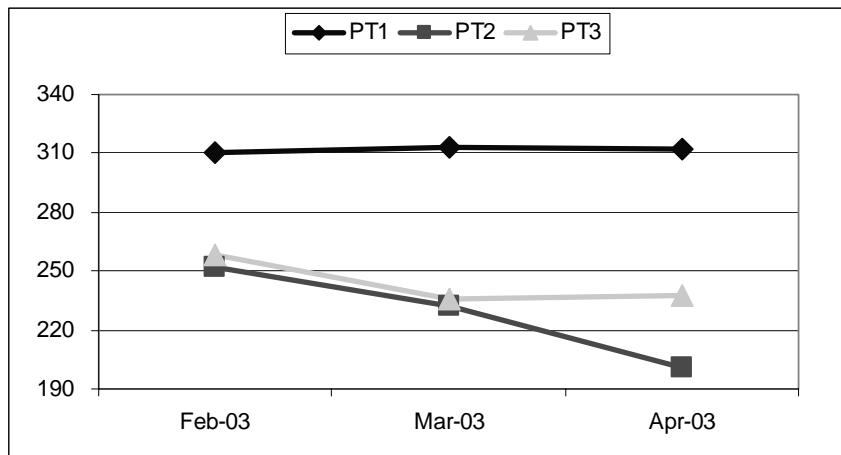
Monthly New Patients per PT



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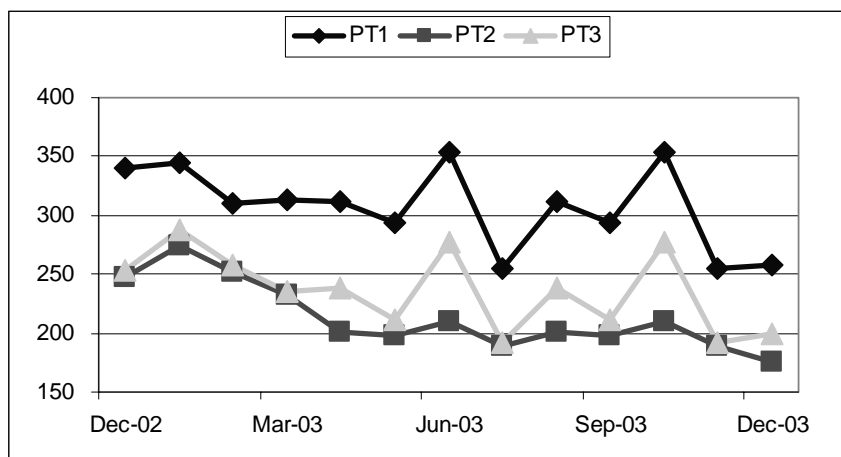
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Monthly Visits per PT



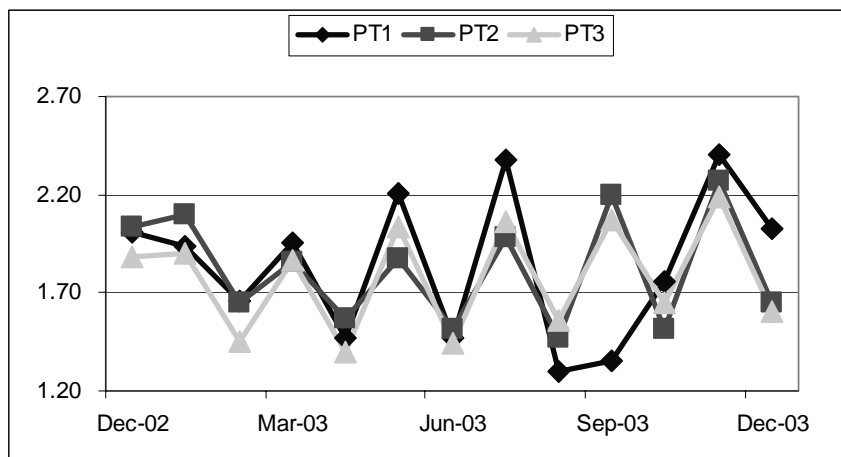
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Monthly Visits



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Monthly Visits per Hour per PT



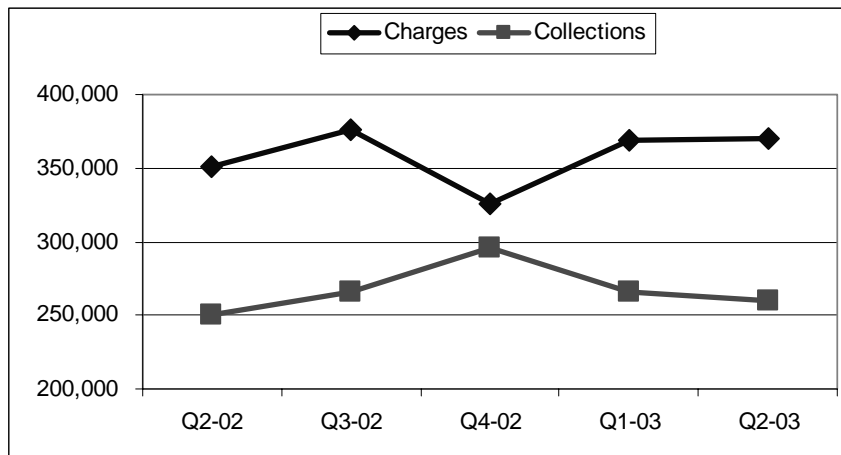
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Quarterly Review

- Same as monthly
- Compare to previous quarters and same quarter last year
- Examine referral patterns more closely
- Adjust marketing & expenses as necessary

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Charges & Collections by Qtr



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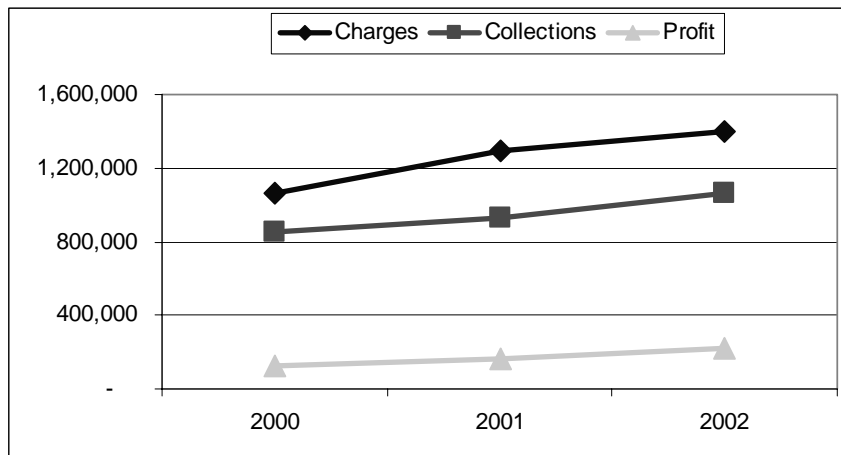
Annual Review

- Same as quarterly
- Look at previous 3 years
- Reassess local market
- Review regional trends
- Modify strategic plan
- Develop budget for coming year

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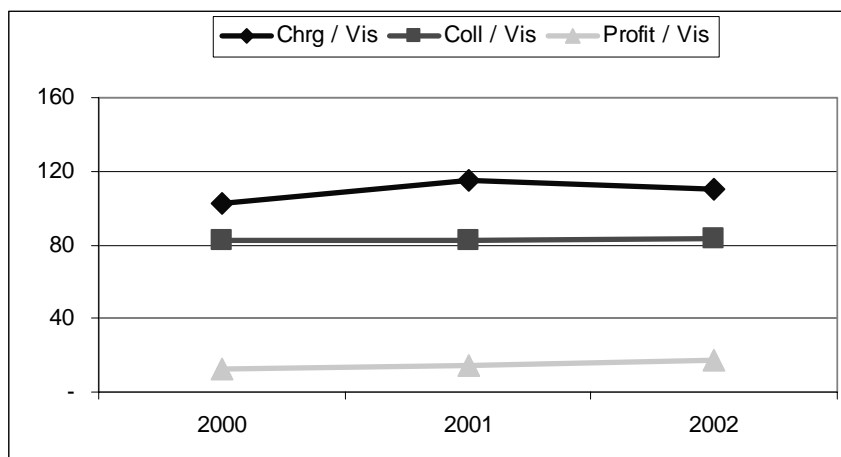
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Financial Review



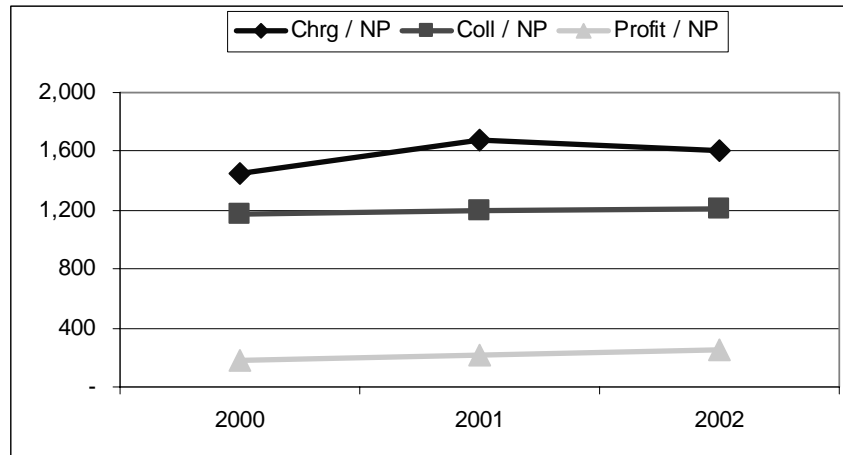
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Financial Review by Visit



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Financial Review by New Patient



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Strategy & Planning

- *“If you fail to plan, you are planning to fail”*
- Plan to succeed!
- Use your plan as a guide and modify as necessary based on changing market conditions

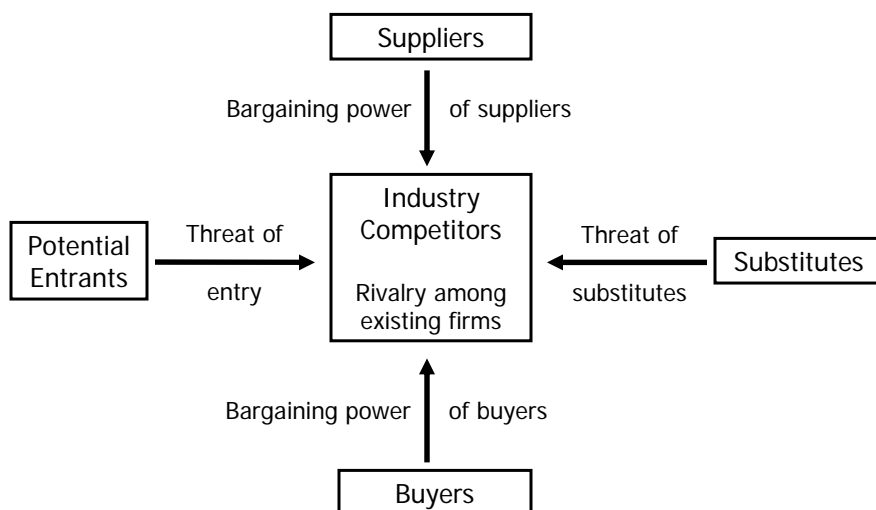
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Competitive Environment

- Direct competitors
 - PT clinics
 - POPT clinics
 - Chiropractors?
 - Personal trainers?
 - Dance studios?
 - Massage therapists?

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Strategy Concepts: Porter's Five Forces of Competition



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Competition from Substitutes

- Many substitutes exist
- Consumers often can't differentiate between PT and the substitutes
- PT is often significantly more expensive
- PT is 'medical' & should be covered by insurance – makes it difficult to develop cash based business

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Threat of Entry

- Very easy to enter the market
- Multiple new small offices
- Easier to get started – groups can help
- Substitutes very easy to start

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Rivalry With Or From Established Competitors

- Becoming more of an issue
- Traditional sources of referrals were MD's – now expanded to payors, employers, etc...
- 'Friendly' competition – or not?

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Bargaining Power of Buyers

- Payors have the power and they are being more aggressive
- Difficult to get into many networks
- Price pressures are intensifying
- Consumers likely to be even more demanding

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Bargaining Power of Suppliers

- Vendors are being squeezed on prices – opportunity to reduce practice costs
- Referral sources are a supplier – their choices are increasing – therefore more difficult to secure consistent referrals
- Referral sources are also becoming competitors

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Customers

- Referral sources
 - Physicians
 - Insurance companies
 - Employers
 - Coaches / schools
- Patients
- Payors

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Core Competencies

- Define your core competencies & those of your staff
 - Where do you need to make changes?
 - Who should perform a given task?
 - How can you improve your weaknesses?
 - How can you maximize your strengths?

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Develop a Sustainable Competitive Advantage

- Specialized services
- Cost is not a good method to compete on – often leads to a death spiral
- Customer service
- Value added services

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Monitor & Adjust

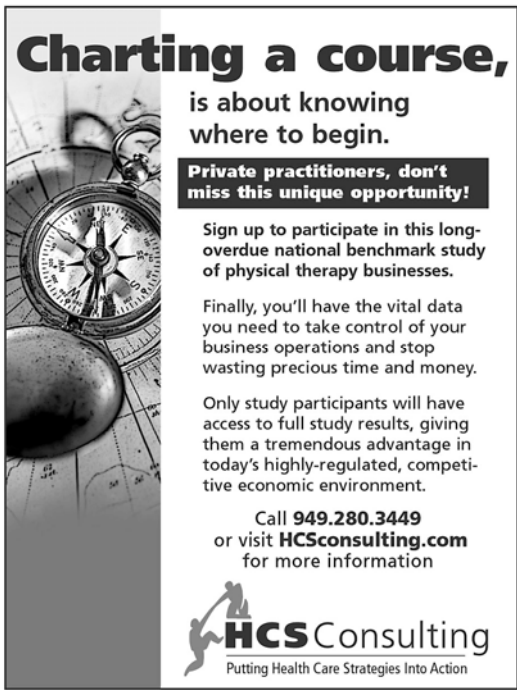
- Monitor
 - Daily – limited
 - Weekly
 - Monthly
 - Quarterly
 - Annually
- Adjust marketing efforts and expenses as necessary

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**Charting a course,
is about knowing where to begin.**



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is about knowing
where to begin.


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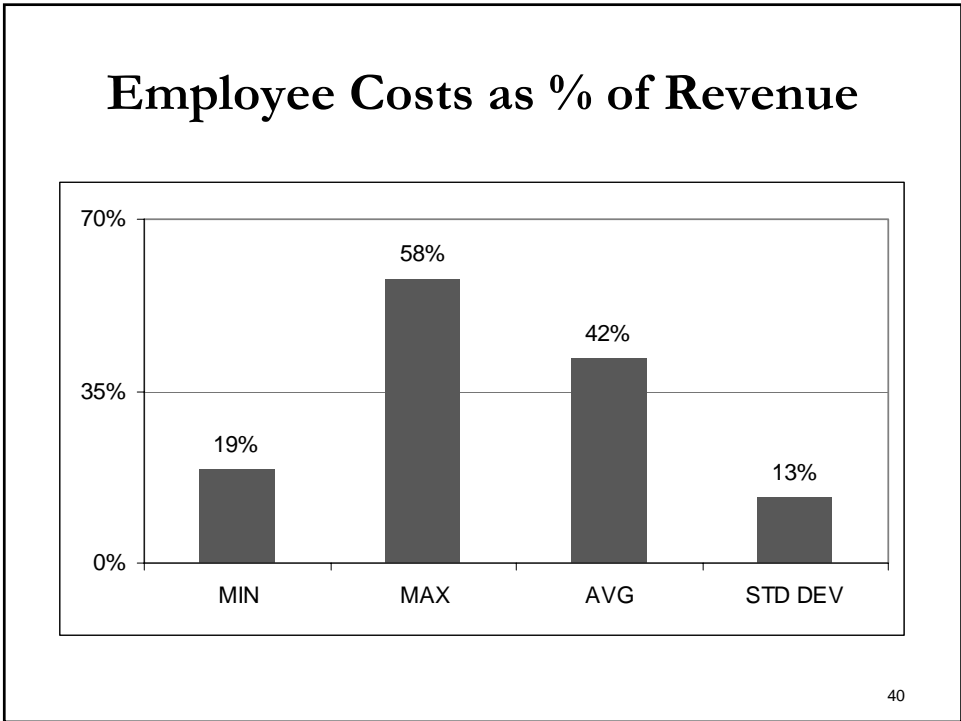
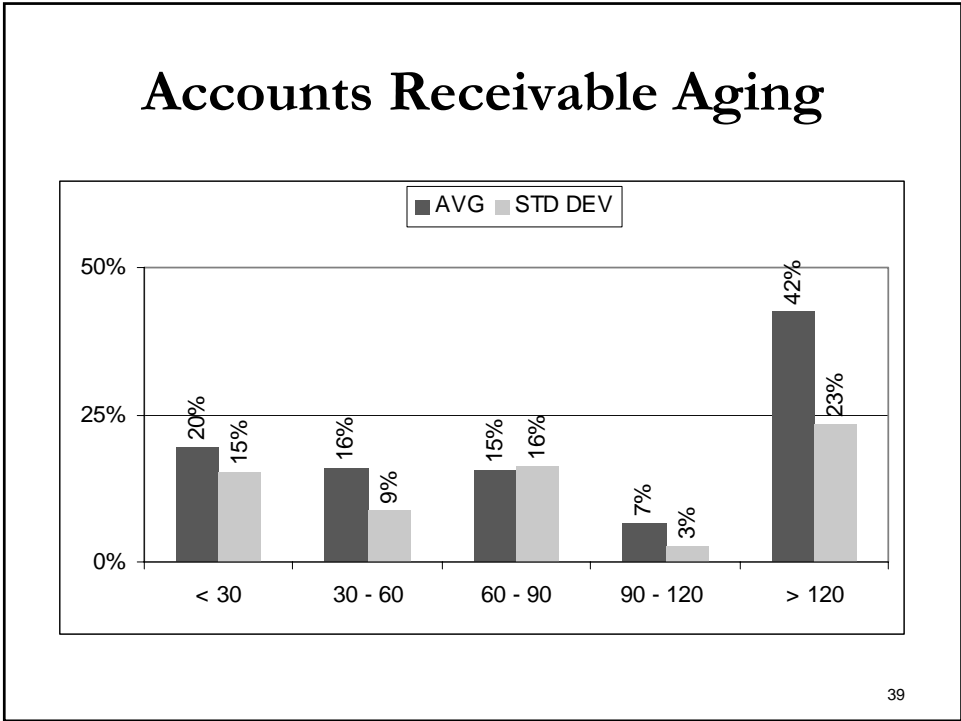
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Putting Health Care Strategies Into Action

PT Benchmark 2003

- Landmark national study of private practices
- Finally have the specific data you need to take control of your practice
- Stop wasting precious time and energy
- Directly compare your practice to others
- Confidential and secure

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Practice Tune-Up & Valuation

How efficiently is
your practice operating?

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Practice Tune-Up and Valuation

- Provides an in-depth look at the overall financial and productivity of the practice
- Focuses on financial review and trends
- Overview of all aspects of practice management
 - Financial
 - Productivity
 - Compliance

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Marketing & Promotion

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Strategy

- Where are you?
- Where do you want to be?
- How can you get there?
- What's happening in the market?
 - Regional / Local
 - Demographics
- Niche marketing

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Strategy

- Identify market
- Is there a want / need that is not being met?
- Can you provide a service that meets the want / need?
 - Existing staff / facility
 - New staff / facility

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Strategy

- What will it take for you to fill the want / need?
- Will it be profitable?
- Techniques to use to market the service – coming from other speakers
- Ask your customers
 - Focus groups

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Positioning

- General practice
- Niche practice
- Core competencies
- Owner's role
- Staff role
- Should you have a specialized marketing person?

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Marketing Concepts

Four Ps

- Product
- Price
- Place
- Promotion

Four Cs

- Customer solution
- Customer cost
- Convenience
- Communication

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Customers

- Referral sources
 - Physicians
 - Insurance companies
 - Employers
 - Coaches / schools
- Patients
- Payors

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Customize Message

- Customize the message for each customer
- Define their needs / wants / interests
- Find a unique way to meet their needs
- Define your message / positioning – how you want to be thought of

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What To Do! - Provider

- e-health presence
- Clinical quality
- Service quality
- In networks
- Good location
- Cultivate relationship with current & past patients to foster referrals

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What To Do! - Provider

- Choose your strategy – volume or customer intimacy
- Market well & appropriately
- Get business help
- Control costs – but recognize that increasing revenue is ultimately better than reducing costs

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What To Do! - Provider

- Use technology to improve productivity
- Provide patients/consumers with appropriate information
- Monitor compliance issues closely
- Leverage practice

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Thank You!

