

Modern

Aesthetics



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FOR 2013

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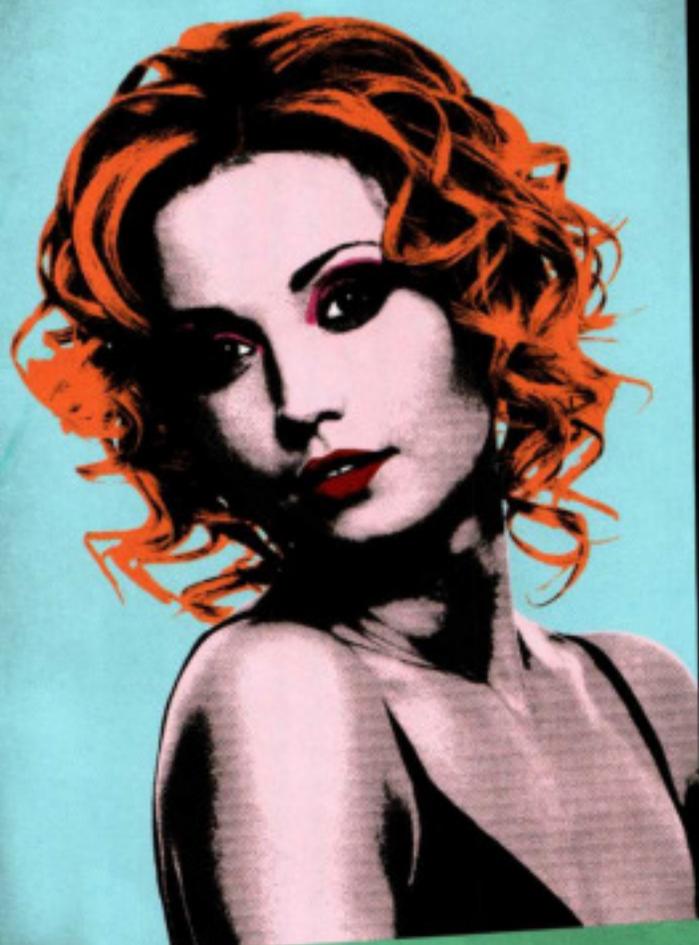


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Modern
Aesthetics



OPENING AN AESTHETIC MEDICAL PRACTICE: TIPS BEFORE YOU START

BY JAY SHORR

After muddling through many years of college, medical school, internship and residency, you are now ready to begin the journey of opening your own office, practicing medicine without any glitches. Right? Think again! The journey you are about to embark on is only the beginning of realizing that "you don't know what you don't know." It was so safe and secure in the cocoon of schooling and rotating through other doctors' practices, and you always said, "I won't do it that way when I have my own practice." Well, now the time has come, and the truth and reality are about to hit you square in the face. Let's see what you really need to know as you get started.

As an aesthetic physician, you have to determine which procedures you are going to specialize in. Aesthetic medicine has a broad range of services that can be performed by physician assistants (PAs), nurse practitioners (NPs), physicians, and in some cases, even estheticians and nurses, depending on the state in which you are choosing to practice. With that being said, what are your next steps?

FACTORS FOR SUCCESS

Let's look at the important factors that will help you achieve success:

Location. One of the most important elements that will make or break a new business is location. When considering location, it is most important to determine the type of patient you want to attract. Keep in mind that the aesthetic patient has the choice to go anywhere, since the procedure is not insurance related. Allowing the prospective and existing patient to find you with minimal effort will be beneficial in the future. You should research the geographic location that you would like to practice in to determine the demographics of your patient. Age, gender, and income level are the key components in choosing your location.

Office Space. Once you've settled on a location, you're going to want to select an office that is accommodating

both to you and your patients. Several variables come into play when you have to negotiate your office space. If you will be leasing the space, make sure you have enough space to operate your practice, inclusive of treatment rooms, clerical and office space, supply area, and a comfortable patient reception area. Beyond negotiating a rate per square foot, remember there are many types of leases that can make you accountable for maintenance and taxes. Therefore, be sure to always read the fine print.

Competition. Knowing your competition is also an essential aspect of deciding on location. Try to engage the assistance of someone who can complete a feasibility study for you. This will review who your competition is, where they are located, and procedures that are performed at the various competitive practices. What services are they offering that you aren't? After all, the dawning of the age of aesthetic medicine only gets more competitive as insurance reimbursement decreases. Physicians, PAs, NPs, and estheticians are all fighting for the same patient market share, and with social media discounting, it only gets worse.

Procedures. To develop your purchasing strategy, future marketing plan, and scheduling, you must be definitive in which procedures you will be promoting most. Be sure to specialize in something instead of being a generalist in everything. You must always have your own niche so that you stand out from the rest. When you find which procedures your competitors are performing, your next question should be, "Shouldn't I be doing that procedure as well?" Most major and some smaller vendors will set up free training if you will be purchasing their products.

Equipment and Supplies. When it comes time to purchase equipment and supplies, you need to have a budget and know what your priorities are. Your capital equipment is most important and must be negotiated the hardest, since it is the most expensive single items you will be purchasing. Next, your supply costs are an everyday disposable cost and must be purchased wisely. Align your practice with a

KEYS TO SUCCESS

- "S" Simple and to-the-point direction
- "U" Unlimited effort on everyone's part (employees/vendors)
- "C" Combined resources from business associates
- "C" Collections are easy and timely
- "E" Elevate your practice from just being "one of the same"
- "S" Stability in your Employee base – no constant turnover
- "S" Selection of procedures that are profitable and appealing

group purchasing organization (GPO) in order to get the best overall pricing. Make sure to ask your vendor for this pricing model.

Vendors. When it comes time to pick your vendors, make sure to ask questions, insist on answers, compare them to other vendors, and never feel obligated to them. Ask the vendors to offer extended financing terms (30-60-90 days), and try to negotiate free items for your staff and negotiate for volume purchasing. See if co-op advertising is available.

Pricing. Do you know how to determine pricing? Although you may believe you should charge what everyone else is charging, are you really worth what the other experienced practices are charging? If the going rate in the community is around the same, then it might not hurt to make sure you stay within the range in the beginning until you are able to command the higher price point in the future. Make sure you determine what net profit you want to achieve and then take your fixed cost into consideration.

Staff. Now that you want to start being productive, you will need staff to assist you in your endeavors. This may include your intake/administrative staff, billing, medical assistants, and mid-level providers or estheticians. How do you go about hiring your first employee? This is not something you learned in medical school, and you can't run your practice without a staff. You can find staff members through referral, online ads, newspaper, medical societies, and vocational tech schools, but understand the level of performance and experience is certainly commensurate with the pay they will require. The following steps are the stages of employee selection/retention:

- **Recruiting:** The selection process
- **Consideration of Employment:** The position are you hiring them for, including terms & conditions
- **Official Hiring:** A formal offer and acceptance
- **Orientation:** Initial training of policies and procedures

- **Ongoing Training:** The consistent "work in progress" theory
- **Incentify:** This includes salaries, bonuses and commissions
- **Performance Reviews:** Completed on a regular basis
- **Retention:** Minimize turnover

Promotion. Now that you have everything in place, all you need are patients... other than your friends and family. This is one of the most difficult processes, as it must cost you money in order to promote, advertise and market your business/practice. You must budget for this from the very beginning. Make sure to have a website that promotes whatever it is you want the public to know. The Internet is the most powerful advertising format today. Other forms include newspaper, magazines, radio, TV, e-mail newsletter, direct mail, and the best, of course, is a word-of-mouth referral.

Banking and Financial. Finally, you must wisely decide where to place the money you generate. Your banking and credit card fees can take a large percentage of your profits if not properly negotiated. Make sure to meet with your banker and negotiate your fees upfront to minimize these expenses. You will be shocked how much bargaining power you may have if you combine your finances, including personal, business, credit card, mortgages, etc. Also in the financial realm, you might consider hiring an accountant, insurance agent, and healthcare attorney that deal with medical practices. It can save time and expense in the future when they are familiar with your industry. Thus, allow them to assist you in setting up your corporation and negotiate contracts in order to minimize taxes and personal liability. ■

Jay A. Shorr, BA, CMBM is Managing Partner of The Best Medical Business Solutions, Inc in Coral Springs, FL.

Modern Aesthetics INNOVATION

Your supply costs are an everyday disposable cost and must be purchased wisely. Align your practice with a group purchasing organization (GPO) in order to get the best overall pricing. Make sure to ask your vendor for this pricing model.