



Stop Trading Time for Money: Grow Revenues Without Working Harder

Joy Fuhrman, DVM, MBA, CPA
Joy Fuhrman & Associates, LLC.

INTRODUCTION

You love what you do, but the long hours, demanding clients and high caseload have caused you to become stressed and burned out. We learned from our Baby Boomer parents that if you work long enough and hard enough, you will make money. But this is not always the case. Like every service-based professional, a veterinarian's earning potential is limited by the number of hours they are able to work, the number of cases they are able to see and the number of patients they can treat. This is true even for practice owners!

So how can you scale your business and stop trading your time for money? The answer lies in truly understanding what it is that our clients pay us to do. Our clients pay us for our *knowledge and expertise*, which includes information about taking care of their pet that the average lay person does not know and the knowledge that Dr. Google and other on-line resources are unable to provide. I know exactly what you are thinking: "As a veterinarian, I do so much more than just provide information to clients!" While this may be true, think about the number of times you have had to educate a client that

grapes are toxic to dogs, or that feeding a chihuahua Taco Bell could (and likely will) cause pancreatitis, or that a cat that does not eat could end up with hepatic lipidosis.

What if you were able to monetize the information and advice you share with one client *in the exam room* to a multitude of clients *outside the exam room*?

Digitizing Your Knowledge

So how do you monetize your bank of knowledge? Write a blog or a newsletter. People are hungry for information when their pets are in distress. And they will turn to (and in many cases pay for) the information they are seeking. Begin by setting up a really great subscription website. Companies like Subhub and MemberGate allow you to quickly and cost effectively set up a website where users pay a subscription fee to access your digital knowledge databank. Market your website on social media and on platforms such as Quora and Reddit where people go to ask questions and search for information on a variety of topics.

Ready for a bigger challenge? Consider writing a book. This can be non-fiction or even a story about your life as a veterinarian. Check out *All Dogs Go to Kevin* by Dr. Jessica Vogelsang for a poignant look into the life of one veterinarian.

Writing not your thing? Consider starting a YouTube channel or setting up a Facebook Live demonstration of life-saving tips that pet owners can use on their pets prior to bringing them into the ER, such as bandaging a bleeding wound, how to respond in the case of a snake bite, or how to carry a patient who becomes acutely paralyzed in the hind end.

Signing up for pet advice forums is another great way to monetize your knowledge and expertise. Companies such as Petcoach and Ask.Vet pay veterinarians to answer users' questions about anything from puppy training to advice on whether a trip to the emergency clinic is warranted. Which bring us to the next (sometimes controversial) topic...

" People are hungry for information when their pets are in distress. And they will turn to (and in many cases pay for) the information they are seeking. "

Growing Practice Revenues

By this stage, I am sure you have asked yourself: "Who has time *outside* the practice to do more work?" So let's examine how we can increase revenues *inside* in the practice. There are essentially three ways this can be accomplished. First, see more patients. Second, increase your revenue per patient (ACT). And third, outsource or automate. The latter of these

options may be difficult for a veterinarian to do since we are likely several years away from having robots performing veterinary medicine! But let's examine the first two options in more detail:

See More Patients: The suggestion here is not that you spend less time with each patient or each client, but rather that you optimize how you use your time by appropriately leveraging your technical team. Your technical team is trained to perform any and every task in the hospital *except for* making diagnoses, performing surgery or prescribing medication. This means that if you are performing cystocenteses, reading microscope slides, or administering any medications, then you are not making the best use of your time. If you spend just 30 minutes each shift performing technical tasks that can (and should) be delegated, then you could (theoretically) be seeing one additional patient during that shift.

“ ...optimize how you use your time by appropriately **leveraging your technical team.**”

Increase ACT (Average Client Transaction):

This does not necessarily mean you should increase your prices! Rather, it means that you should take steps to ensure that you are capturing *all* charges for *all* services provided to the patient. According to a survey conducted by Veterinary Economics, veterinary practices miss \$64,000 in fees per full-time veterinarian each year. Think about that! For a clinic with 4 to 5 doctors, that's another two full-time veterinarians

that could be hired! According to AAHA, the average hospital is missing 17% of its diagnostic charges, while other sources claim that 80% of practices are missing 10% to 15% of revenues through uncaptured charges.

To be clear, we are not talking about clients or even employees walking out of your hospital with products that have not been purchased. We are not even talking about clients declining your recommendations or staff not offering additional services to a client that could benefit their pet. We are not talking about discounting services, or giving services or products away. Rather, we are talking about unintentional neglect in not charging clients for services actually performed.

Many Practice Management Systems (PiMS) have a complete disconnect between the medical record and the client invoice. While veterinarians and technical staff are trained to ensure that all treatments administered to a patient are appropriately documented in the medical record, this is not always true for the invoice. This system of dual information entry inevitably results in treatments being administered and services being performed that ultimately do not find their way onto the client invoice.

This is especially true in emergency practice. Think about the last CPR you performed. The doctor was calling out drug doses and volumes and the technician was administering them. A technical assistant was scribbling on a piece of paper the drug names, volumes administered and time given. Unless your hospital has impeccable work flow or if your practice manager is conducting regular audits, how likely is it that every product used on the patient is correctly recorded in BOTH the medical record AND the invoice? And even

if the drugs are correctly recorded, what about the flow-by oxygen, the supplies used, or the AFAST (Abdominal Focused Assessment with Sonography for Trauma) performed? Using a software platform where information recorded on the medical record is *automatically* charged to the invoice will reduce errors, increase revenues, *and* save you time.

" Using a software platform where information recorded on the medical record is *automatically* charged to the invoice will... save you time. "

Duplication of effort is prone to errors... are you still using paper treatment sheets? Take a minute to estimate the time spent by your team (doctors and veterinarians) in preparing the treatment sheet, checking the sheet for each patient at the top of every hour to see if they have treatments due and then making sure that every treatment administered is accurately captured in the medical record and also in the invoice.

Using a whiteboard platform that electronically captures the treatment sheet for *every* patient in the hospital, lists treatments across *all* patients by time due, and then automatically captures those treatments in the electronic medical record *and* in the invoice, will save both doctors and staff significant time and effort. Time saved means that your medical records will be completed

efficiently, charges will be accurately captured, and your team will spend less time getting these tasks completed.

Telemedicine

Veterinary medicine has been slow to embrace telemedicine as a means to provide veterinary services to the pet-owning public. As of this writing, in most states veterinarians are prohibited from using Telemedicine to establish a Veterinary Client Patient Relationship (VCPR). The AVMA believes that veterinary telemedicine should only be conducted when there is an existing VCPR *with the exception of teletriage advice given in an emergency* until the patient can be seen by a veterinarian.

Think about how often pet owners call your e-clinic asking for advice on what to do with their pet. Most frequently the answer will be "bring the pet into the clinic." What about those times when the pet ate a non-toxic dose of chocolate, or when the technician spends a long time on the phone with the client talking them through the signs of a dystocia? This is technically teletriage. What if you were able to charge for this advice? Veterinary telemedicine platforms such as Anippanion and GuardianVets allow pet owners to participate in online video appointments with their veterinarian, or with a veterinary technician, to have their questions answered. If the pet owner ends up bringing the pet into the clinic, the teletriage fee can be discounted to their invoice. However, if they do not bring their pet in, your practice is compensated for the time spent and expertise provided to that pet owner.

" ...your practice is compensated for the time spent and expertise provided, to that pet owner. "

A Time-For-Value Business

We think that our clients are paying us for the services we deliver, like the time and effort we spend helping their pet. In reality, they are paying us for the *perceived value* that we offer when we deliver those services.

Perceived value is defined as the worth or merits a customer ascribes to a product or service. If a customer thinks there is great value in a product or service, he/she will pay a premium for that product or service, *regardless of the cost to deliver the product or service*. If you think this is incorrect, consider the last time you bought a designer outfit. The cost to manufacture that outfit is not significantly different from a similar quality no-name brand outfit. However, you *perceive* the outfit to be of greater value and are willing to pay a premium for that perception of value.

Human medicine has capitalized on this concept by creating exclusive "concierge" doctor practices. Patients pay a premium membership fee to be a part of the "club" and are given full access to the doctors including extended patient visit times and 24/7 mobile

phone access. Doctors have successfully increased the perceived value of their services by limiting their availability to a select few.

While I am not suggesting that we limit veterinary services to those who can afford to pay a premium for those services, it is important that every doctor recognize that a client's willingness to pay is directly correlated to their perception of value. By this, I mean that our ability to be an exceptional communicator and to make the client feel as though they are the only person in your world at that moment will go a long way to helping them recognize the value of your services. Don't believe me? Think about your last euthanasia and how exceptionally grateful the client was—even though you were unable to save their pet. Their perceived value of the services goes beyond the time or the cost of the service you actually performed.

" Perceived value of the services goes beyond the time or the cost of the service you actually performed. "

Convey a Different Attitude: Our clients look to us for advice. They rely on our expertise. If you are uncertain about whether radiographs will give you the diagnostic information you need, then your client will be too! If you convey why radiographs would be appropriate to rule out a potential differential, and if you communicate the risks of not performing that diagnostic, then your client will pick up on your sense

of urgency and recognize the value of those radiographs.

Demonstrate the Value: By the same token, if you go into the exam room and discuss the findings of the radiographs without actually demonstrating how you came to those conclusions, the client is less likely to see the value in your service. Showing *every* client *every* radiograph taken of their pet, while going through both the normal *and* abnormal findings will help them understand their value.

Compare to More Expensive Alternatives: If a client does not want to pay for recommended treatments now, convey to them what it could cost if they waited. For example, in the case of a gastric foreign body where the owner is reluctant to perform an endoscopy, explain to the owner the cost (and risk) of waiting, should their pet require an exploratory surgery.

" If a client does not want to pay for recommended treatments now, convey to them what it could cost if they waited. "

Communicate the Full Value Not the Discounted Price: If you decide to discount a service, whether it be as a professional courtesy, a training discount, or even a client-specific discount, you should ALWAYS show the full value of the service and then show the discount applied. For example, if you waive the exam fee as a professional courtesy to a veterinarian now working non-clinically,

the invoice should show the full amount of the exam fee charge, say \$95, and then a corresponding discount of \$95. This helps the client understand the true *value* of the service, regardless of the price they are paying. Using a practice management system that prohibits price changes from being made directly to an invoice will prevent the zeroing out of charges and will help grow the perceived value of your services to your client base.

Novel Revenue Streams

Passive income is income that requires minimal effort by the recipient to maintain it. This is essentially "making money while you sleep." By its very nature, veterinary medicine is not passive income. However, brainstorming novel revenue streams can lead to additional income without additional hours at the practice.

One option to generate passive income is to offer payment plans to clients. This may seem like a risky idea, but Care Credit is charging a 26.99% annual percentage interest rate (APR), excluding any late fees. Let's assume you see an average of 2,400 clients per year at an ATC of \$500. That's a total revenue of \$1,200,000 for the year. If you offered a payment plan charging 25% interest, you would need 20% or 480 of those 2,400 clients to default on their payments in order for you to make the same \$1,200,000. If fewer than 480 clients default, or even if some of them default after making payments for at least a few months, you will generate more income than if you did not offer payment plans. And think about how many more clients would agree to your

recommendations if they did not have to come up with the money upfront! Don't want the headache of having to bill and collect receivables? Just Google "third-party payment processors" for a list of companies that will do this for you (for a fee of course!).

CONCLUSION

Time is our most valuable commodity. When you are trading time for money, your income will always be limited. So, change your mindset and open yourself up to the possibility that you do not always have to give up more time to make more money. Time is finite. But your income as a veterinarian does not need to be. Reimagine success and the sky (not your income potential) is the limit!

Keywords: income, revenue, software, telemedicine, time

ABOUT THE AUTHOR



Originally from South Africa, Dr. Fuhrman has extensive experience in financial consulting and corporate accounting. As a CPA and a graduate of Colorado State University's combined MBA/DVM program, she offers a combination of veterinary practice ownership, financial, and management skills. Dr. Fuhrman is a veterinary consultant and nationwide industry speaker. She is also a practice owner and practitioner, as well as an adjunct faculty member at Midwestern University's College of Veterinary Medicine.

ASPCA PET HEALTH
INSURANCE



This is a restricted article sent to you for educational purposes only and may not be copied or disseminated without written consent from Joy Fuhrman & Associates, LLC.