

5 Common Mistakes in Practice Management:

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There is a fundamental structure that an organization must maintain for its growth. These non-negotiable elements of the structure may not change throughout the development of the practice. When these elements are missing, practice suffers by duplicating the mistakes year after year with or without the recognition by the management. Business Plan for long and short term, Job description and protocols, Employee training budget as well as manuals, Steps of preventive medicine, Value Chain formulation, these are all crucial elements that ties technical components with management progress. Participants are expected to have useful tools to apply immediately after they return back to their daily practice. 5 Ps of management has been used in my consulting with a great success. When these elements are missing, it may bring repeated mistakes and occasional disaster.

Missing a Plan

We hear enough about the missions or mission statements in many professional meetings. I have even seen over half page length mission statement preached by a speaker. The value and meaning of these words seems to diminish since "Mission" has been over-used as well as misused in many occasions in the management industry. Mission is a succinct principle that ties all activities of the organization from every corner of the business. It does not require complicated collection of sentences. Few words may be sufficient to symbolize the entity. Also what are missing may be goals and targets that are understood and pursued throughout the entire staff. This team action and togetherness give more sense of oneness. These goals and clear mission are road map that sets the tone of the organizational direction. Goals are not necessarily pertaining to only financial ones. It can be the number of new clients or employee incentives. These are symbolic statistics that may also include the growth of the business. Manuals and job protocols are much missing elements when I visited practices although these may be on the shelf collecting dusts. It is best to have the manuals to be read by each staff on their anniversaries after the initial hiring. This requires having the manuals and protocols updated occasionally and simplified to be read within half an hour. I have been in a practice with 250 pages manual that was proudly made by a law firm at a exorbitant amount of dollar only to be used as a display at a doctor's library. Both Manuals and Job Protocols has to be reader-friendly for frequent visit and referencing.

Missing People Management Skill

The most crucial item of the practice is the people. All activities and outcomes are originated and concluded revolving the people elements. Staff and workers are the most important tools that need constant care and encouragement. Modern business management has notice that Human Capital is of cardinal importance over beyond the Financial and Informational capitals. Knowledge and information are becoming extremely ubiquitous and inexpensive due to the development of Internet. There are so many banks that are willing to give funds to sound business at reasonable and affordable rate. I also found a financial entity that give 100% of practice value (sales price) and also allow operational fund for the same business. Younger generations have so many choices in the selection of jobs. I.T., fashion and garment industry, entertainment industry as well as beauty and health product industries are expanding at an alarming rate. I almost thank these technicians who walks into the veterinary hospitals still showing their interests in the compassion business know it is not a well paying job. Yet, many practitioners are not aware of the value of these staff. One of the vicious cycles that I have noticed in a veterinary industry is a lack of interest to invest in their staff, which causes the lower quality of the staff with less enthusiasm and motivation. Educated staff will be more motivated in their service for the clients and patients. This enthusiasm will be reflected in the quality of their work generating more satisfied clients. Regular staff training program as well as periodic in-house training schedule should be installed. Their education will be highly utilized in the inventory management, client education, initial phone consult before visit and product introduction.

One way to motivate the staff in learning is to select an education chairperson who is in charge of scheduling meetings and seminars. I have set up a system of chairperson system for a practice with Education and Meetings, Inventory, Client Service and Compliance, Medical Devise Maintenance and Sunshine Chairs. All these voluntary positions gave their distinctive identities to the practice and endowed resultant enthusiasm and the knowledge for themselves.

Missing Process Management Skill

Most of the successful places that I visited as a consultant showed that exists a certain system that drives the quality and efficiency of the organization. When system runs the show there are not much variables and the process is almost expected and routine. When this system is not in place, now you are depending on the mercy or wisdom of the particular staff de jour. This may be include the initial phone answer to the clients, presenting an estimate to a clients, informing back staff over the speaker to alert the arrival of clients to pick up their pets, asking for a deposit from a client who is not willing to agree to the amount. Every single quagmire

in the practice can be touched and experience by a willing staff for a relatively simple resolution. Break down of each segment of service can be analyzed from the initial phone call from clients to the service and departure of the clients after the service. Each segment should be safeguarded with preventive procedures for potential problems and unintentional mistakes. In the manufacturing industry, Michael Porter's Value chain has been used to divide the process into five segments. These are Inbound logistics, Operations, Outbound logistics Marketing and Service delivery. These 5 stages of input and output have been fully utilized for the maximum use of the system in an effort to achieve the best quality outcome and return. Habits are very hard to change although it is relatively easy to install at the beginning. So, early planning as I have mention at the first segment may be a plus to install a good habit. Dedicated People will make an efficient Process and this Process will run the system effortlessly.

Missing Product Management Skill

This may be partially redundant since Product is the extension of People and Process. Dedicated People and Efficient Process will make quality Products. Product is not only the tangible items but also service as well as the feelings and emotional satisfaction of the clients even after they leave the practice. To me the ultimate success is not only in the pet's well-being post-treatment but also in the mental stage and emotional satisfaction by the clients. The Product is manufactured as the third stage outcome according to Michael Porter and it is raw material at that point. Through the 4th stage of Marketing (educational process) the product become more valuable and eventually becomes a serviceable items with much higher value. In veterinary medicine same principle is also applied as the clients only better appreciate the raw product when staff puts efforts in the client education. Even routine otitis externa will be better understood when the technician or doctor explains the nature of the canine ear with much more complex anatomical structure compared to human. Once the clients understand the benefits of cleaning and flushing by the clinic staff followed by home care with preventive medical process, the value of the procedure performed at the clinic will be much higher than when it was not fully explained with client education in mind. This principle applied to all and every procedures that are performed at the clinic. Staff can participate and contribute in the value enhancement in the rendered service thorough close communication with clients. One way to enhance the value of the Product in veterinary practice has been published in many veterinary magazines and newsletters under the tiles " 5 Steps of Preventive Medicine". Each step is to educate the clients for their perceived value of preventive procedures that they can perform at home. Otherwise even an opportunity to recognize the disease may not exist at home resulting in the poor health of the pets affecting their longevity of life.

Missing Professional Alliance

The complexity of veterinary practice has been quadrupled compared to that of few decades ago. Now we face specialists in every corner in town and the clients expects the needs otherwise they may find out themselves. Also business is requiring more operational knowledge with finance, tax, OSHA, EPA and other legal liability matters. These professionals of different walks like accountants, management consultant, investment advisors, legal councils and bankers are essential for fluid operations of the business especially when immediate needs arise. Mutual professional understanding with close relationship will help to expedite the process when needed. It is like that you have an advisory board or the cabinet of business policies. Inviting them to take part in one of the staff meetings or open house will be a way to have them understand the nature of your business. This may also include Insurance agents, vendors and suppliers who can look for your interest in the business expansion. Be aware of what is new in the profession technically and socially. Didactic meetings as well as social meetings with other colleagues are for personal growth. Participate in the professional although it may take a small portion of your time so that the practice (or you) can become part of the contribution to the professional community. This may not look urgent nor of immediate importance although it will bring you a feeling of self-worth and contribution to the community.

Conclusion

It is extremely important to have well designed Plans, Management skills in People, Process and Product as well as Professional alliance and the network amongst them. These are 5 Ps of success tool. When those elements are missing, the practice may begin to loose the balance and begin to erode. Business plans and manuals need updated every year. Staff training and Process management are the core element of the production. Products are monitored for the quality and clients' satisfaction should be monitored through biannual questionnaire system unless it is given to all new clients upon their first visit.

End.

Author

Dr. Henry Yoo, a Healthcare Consultant, received Doctorate degree in 1971(DVM-SNU) and further expanded his professional career with post-doctoral degree in Preventive Medicine and Epidemiology from the Ohio State University in Columbus, Ohio as well as MBA(Case Western Reserve Univ). Dr. Yoo has extensive teaching experiences as teaching associate,

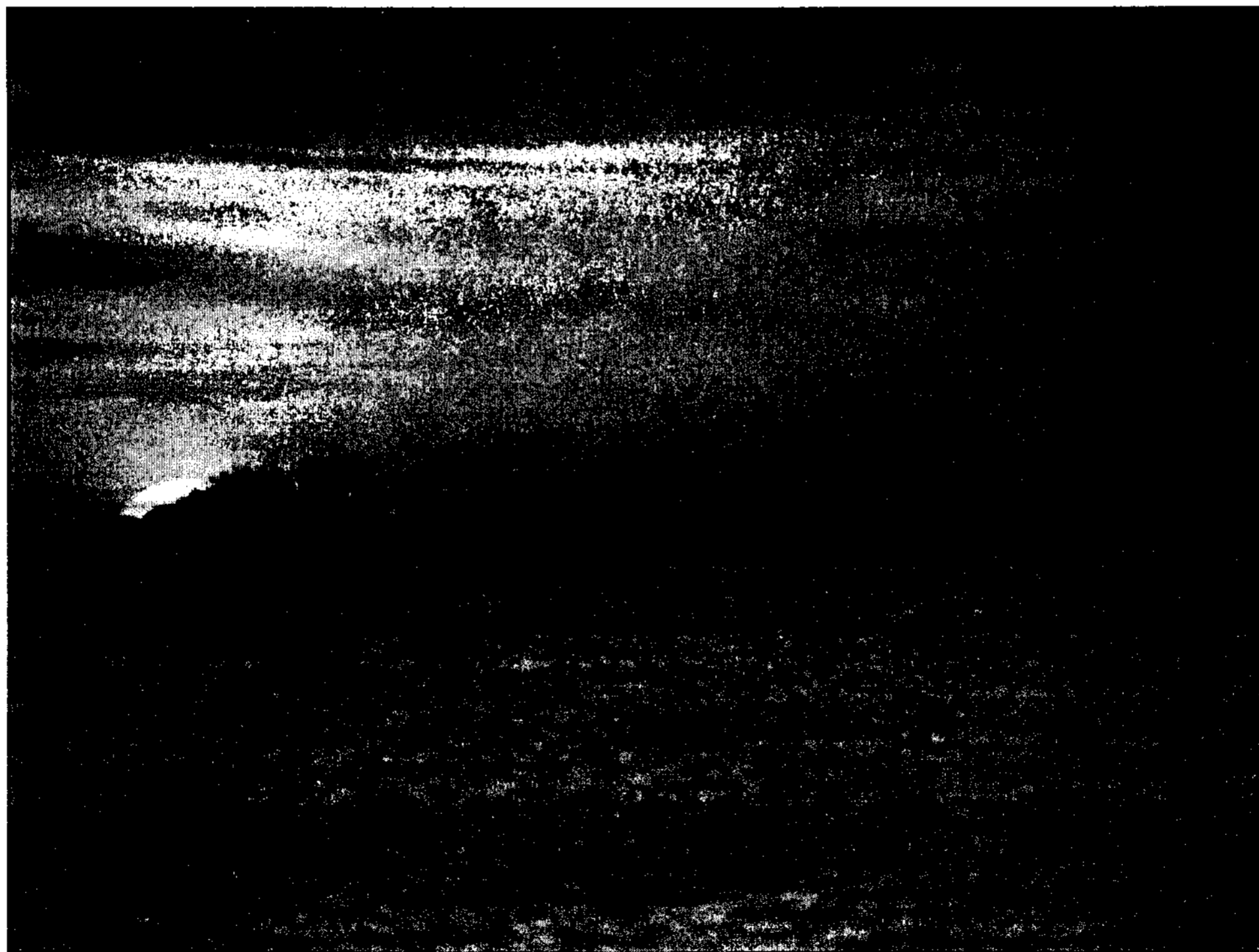
clinical faculty and professor at different institutions like the Ohio State Univ., Columbus State College and the Northeastern Ohio University, College of medicine and Seoul National University. As an executive consultant in Infinity Management Consulting in Santa Monica, CA he consults hospitals, healthcare organizations, insurance company as well as pharmaceutical companies.

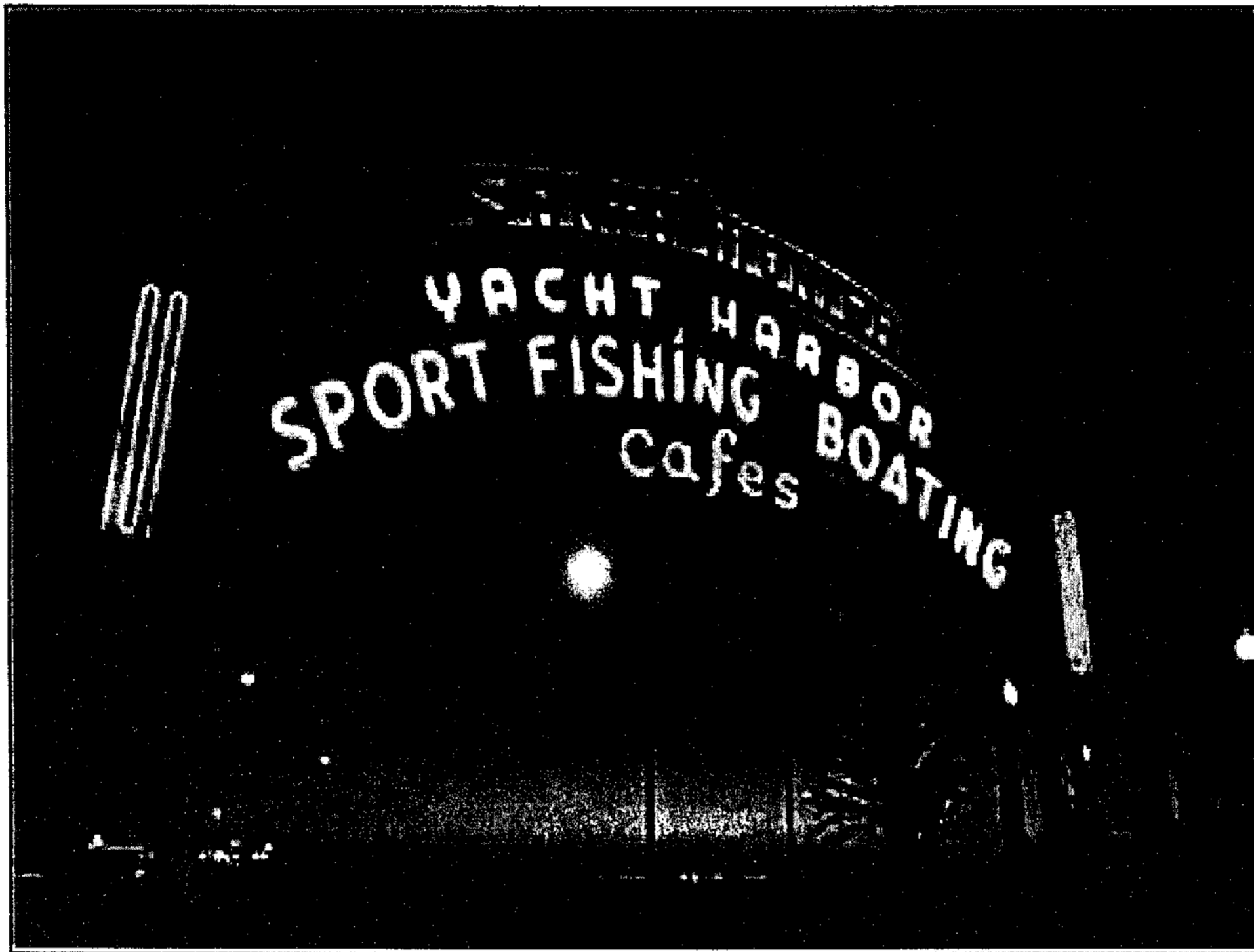
5 Management Mistakes in Private Practice

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infinity Management Consulting





Objectives



- ◆ Understand the Core Fabrics of Business
- ◆ Learn to import these element in Practice
- ◆ Learn to maintain these element in Practice
- ◆ Learn to make a Business Culture with them

Fundamental Elements in Business Success

- ◆ Employee
- ◆ Money
- ◆ Skill and Knowledge
- ◆ Premises
- ◆ Production Capability
- ◆ Marketing and Sales Ability
- ◆ So many other elements



Fabrics of Business

Negotiable

- ◆ Information
- ◆ Technology
- ◆ Money
- ◆ Manager
- ◆ Geog. Locality

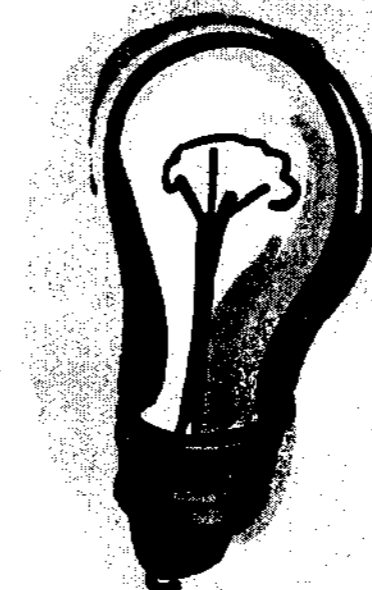
Non-negotiable

- ◆ Business Planning
- ◆ People Factors
- ◆ Process Factors
- ◆ Quality Product
- ◆ Professional Networking



No-MISS 5 -P Element in Practice

- ◆ Business Planning
- ◆ People Mgt Skill
- ◆ Process Mgt Skill
- ◆ Product Mgt Skill
- ◆ Professional Back-ups



Planning of Business & Structure

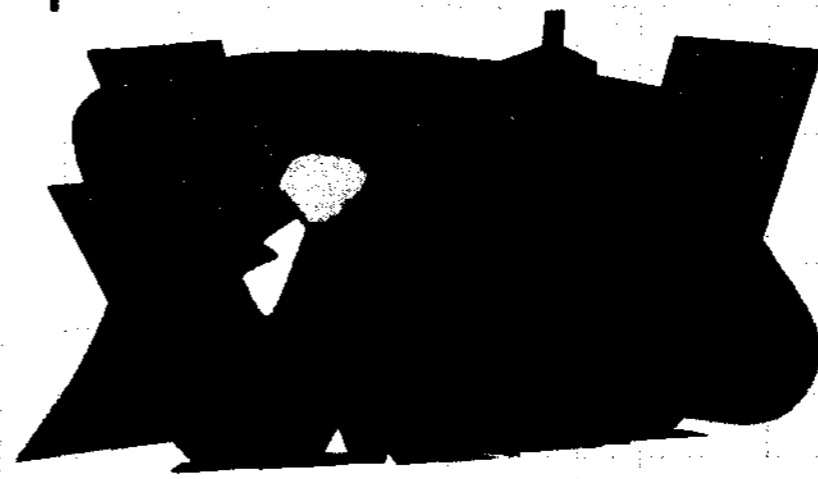
- ◆ Business Plan
- ◆ Staff Manual(Work Book)
- ◆ Job Protocols
 - Operational Protocols
 - Professional Job Protocols
- ◆ Job Description



Planning of Business & Structure

◆ **Business Plan:** Road Map for the Practice for Short Term and Long Term including Exit strategy and Crisis Management in advance. All financial institutions will require for a sound professional relationship.

- ◆ Staff Manual(Work Book)
- ◆ Job Protocols
 - Operational Protocols
 - Professional Job Protocols
- ◆ Job Description



Planning of Business & Structure

◆ Business Plan

◆ **Staff Manual(Work Book):** Not more than 20 pages and to be read and signed every 6 month by the staff. Not intended to be a contract but a guideline. It becomes a rules of general understanding and evaluation tools. Simple missions are included.

- ◆ Job Protocols
 - Operational Protocols
 - Professional Job Protocols
- ◆ Job Description

Example of Meaningful Missions

- ◆ We are here to give the best service to the clients and the best treatment for the patients.

- ◆ AMC strives to enhance the life of the clients through quality care of the pets. Pet is an important tool for our client satisfaction.

Planning of Business & Structure

- ◆ Business Plan
- ◆ Staff Manual(Work Book)

◆ Job Protocols

-Operational Protocols: Admin. Irregularities, Client Relationship, Trouble shooting, Incident Reports,

-Professional Job Protocols: Clinician's Treatment, Procedures, Client communication, choice of operational tools and materials.

- ◆ Job Description

Planning of Business & Structure

- ◆ Business Plan
- ◆ Staff Manual(Work Book)
- ◆ Job Protocols
 - Operational Protocols
 - Professional Job Protocols

◆ Job Description: Departmentalized function of each staff. Receptionists, Exam. Room Tech, Sx Tech, Kennel Tech, Managers. Etc. Checklist of each dept. for open and closing is also attached. Monthly or weekly maintenance log should be also departmentalized.

Poor People Mgt Skill

- ◆ Selection Process
- ◆ Exiting Process
- ◆ Motivation and Empowerment
- ◆ Maintenance of the momentum to Motivate
- ◆ Incentive System
- ◆ Trust and Integrity system

Poor People Mgt Skill

- ◆ Selection Process: Hiring with structured intention with screening tools by scores.
- 1. Spelling, mannerisms, simple mathematics and writing ability.
- 2. At-will-Contract with probationary clause.
- 3. Written Reference and Resume.
- ◆ Exiting Process
- ◆ Motivation and Empowerment
- ◆ Maintenance of the momentum to Motivate
- ◆ Incentive System
- ◆ Trust and Integrity system

Poor People Mgt Skill

- ◆ Selection Process
- ◆ Exiting Process
- ◆ **Motivation and Empowerment:**
 1. Structured and Paid Staff meetings
 2. Periodic Staff education paid by the business
 3. Team gathering sponsored by the business
 4. Rotating Team leaders in a flat organization
- ◆ Maintenance of the momentum to Motivate
- ◆ Incentive System
- ◆ Trust and Integrity system

Successful Staff Meeting structure

- ◆ Meaning of Staff meeting: It is run by the staff. Otherwise it is Manager's Meeting.
- ◆ Each Chairperson-ship
 - ◆ Supply/Order Chair
 - ◆ Meeting Chair
 - ◆ Sunshine Chair
 - ◆ Client Service Chair
 - ◆ Record Chair
 - ◆ Group Leader as a liaison between management and staff

Poor People Mgt Skill

- ◆ Selection Process
- ◆ Exiting Process
- ◆ Motivation and Empowerment
- ◆ Maintenance of the momentum to Motivate
- ◆ Incentive System: Extremely dangerous unless set up with a fairness to the whole staff in mind, different departments and different level of expertise. It may create a catastrophic result with a poor start and promise.
- ◆ Trust and Integrity system

Poor People Mgt Skill

- ◆ Selection Process
- ◆ Exiting Process
- ◆ Motivation and Empowerment
- ◆ Maintenance of the momentum to Motivate
- ◆ Incentive System

◆ Trust and Integrity system:

1. Broken trust:the recovery is going to suffer for a long time.
2. Open dialogue, channeling legitimate opinion along with a good suggestions.
3. Conflict resolution by the staff themselves may be part of the solution.

Investment to People Factor

- ◆ Booster in Self-confidence
- ◆ Motivation
- ◆ Empowerment
- ◆ Increased Client Service and Perceived Value
- ◆ Quality Service which goes back to the Staff self confidence

Educated Staff and Clients become more responsive and responsible to the clinical changes in the patients.

Most Excuses DVMs Portray.

- **1. Poor Economy**
- **2. Clients' ignorance(People don't pay.)**
- **3. No Time to Change(I am so busy.)**
- **4. Blame Competition(too many competition)**
- **5. Every thing is just fine now.**
- **6. Quality of the Staff is poor**
- **7.(I am perfect.)**

Value Chain in Medicine

- ◆ Basic technology of medicine
- ◆ Process of medical treatment and care
- ◆ Medical improvement of patients and Rx
- ◆ Education and Perceived Valuation
- ◆ Client's full satisfaction with complete cognition of the process and it's value

Process Management

- ◆ No pre-determined and structured work process every staff will make up their own method that satisfies their thoughts the best depending on their feelings of the day.
- ◆ Creation of different way of doing things obliterating the level of reasonable consistency in expectations and outcomes.

Process Management

- ◆ Input
- ◆ Operations
- ◆ Output(Ill defined Product
- ◆ Education(Marketing and Sales)
- ◆ Delivery of the final Product

Process Management

◆ **Input(inbound logistics)** All tangible and intangible resources used in the creation of service and products. Schooling, knowledge, funds, staff, building, communication lines and more.

Question is how to look for and how to maximize the resources to bring the best ROI through an efficient system.

- ◆ Operations
- ◆ Output(Ill defined Product)
- ◆ Education(Marketing and Sales)
- ◆ Delivery of the final Product

Process Management

- ◆ Input

◆ **Operations:** Business Ethics, Integrity, compliances, Communication with Clients and through a best quality/value perception.

- ◆ Output(Ill defined Product)
- ◆ Education(Marketing and Sales)
- ◆ Delivery of the final Product

Process Management

- ◆ Input
- ◆ Operations

◆ **Output(Ill defined Product):** Product that is not clearly defined nor distinctively valuable. May be as generic and ubiquitous as other products.

- ◆ Education(Marketing and Sales)
- ◆ Delivery of the final Product

Process Management

- ◆ Input
- ◆ Operations
- ◆ Output(Ill defined Product)

◆ **Education(Marketing and Sales):** True education and communication on the out put through compassionate and quality dialogue and body language.

I.E.: Show and Tell, Chart, Video, Brochures. Grading the degree of the problem.

- ◆ Delivery of the final Product

Process Management

- ◆ Input
- ◆ Operations
- ◆ Output(Ill defined Product)
- ◆ Education(Marketing and Sales)

◆ Delivery of the final Product: Value added outcome with distinction.

Ex. 1: OVH done to be picked up at 4:30PM

Ex. 2: OVH case discharged after Doctor 3 minutes consult with Pain Mgt Rx, Topical, E-Color with full explanation why these products are needed. Patient's condition was phoned by a tech. during and right after the Sx to the owner.

Professional Network to support the Practice

- ◆ Lawyer
- ◆ CPA
- ◆ Banker
- ◆ Insurance Backup
- ◆ Tax Professionals
- ◆ Technical Specialists
- ◆ Practice Mgt Consultant
- ◆ Group of Colleagues
- ◆ Board of Directors

Professional Network to support the Practice

- ◆ Lawyer
- ◆ CPA: M & A, Equip. Investing, Income Averaging
- ◆ Banker: Operating Fund, Adjustable Rate, Opportunity
- ◆ Insurance Backup
- ◆ Tax Professionals
- ◆ Technical Specialists
- ◆ Practice Mgt Consultant
- ◆ Group of Colleagues
- ◆ Board of Directors

Professional Network to support the Practice

- ◆ Lawyer
- ◆ CPA
- ◆ Banker
- ◆ Insurance Backup: Professional Insurance for an employee coverage, Disability & Buss. Over Head.
- ◆ Tax Professionals: Tax Strategy, Retirement, Annuity, Estate Planning
- ◆ Technical Specialists
- ◆ Practice Mgt Consultant
- ◆ Group of Colleagues
- ◆ Board of Directors

Professional Network to support the Practice

- ◆ Lawyer
- ◆ CPA
- ◆ Banker
- ◆ Insurance Backup
- ◆ Tax Professionals
- ◆ Technical Specialists: Legal Protection, Educational Opportunity, Expanding Professional Horizon
- ◆ Practice Mgt Consultant: ROI, Prevention of Burn Out
- ◆ Group of Colleagues
- ◆ Board of Directors

Professional Network to support the Practice

- ◆ Lawyer
- ◆ CPA
- ◆ Banker
- ◆ Insurance Backup
- ◆ Tax Professionals
- ◆ Technical Specialists
- ◆ Practice Mgt Consultant
- ◆ Group of Colleagues
- ◆ Board of Directors: 6 to 8 members with light commitment for general advisory functions. Good community service as well as PR.

Fabrics of Business

Negotiable

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- ◆ Manager
- ◆ Geog. Locality

Non-negotiable

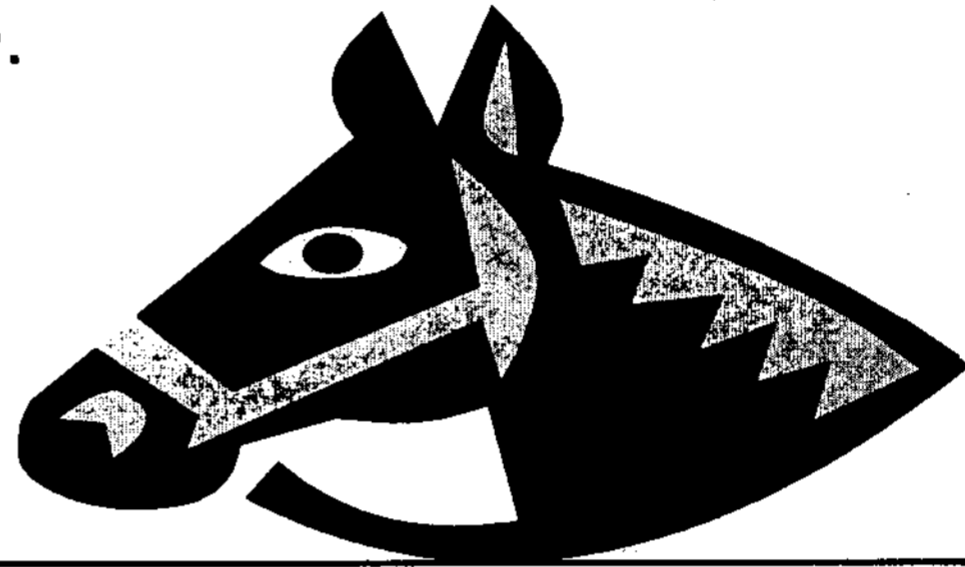
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Horse and Carriage

- Ye first Seek for the Quality and Compassion and the Financial blessing will be added on to you.
- Finance is only the result of Good Work. Not the purpose.



Thank you very much.

◆ Any questions?

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