

Showing Value in the Treatment Area

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It doesn't seem to matter what veterinary hospital I visit, every time I am in the treatment area, I am amazed by the amount of knowledge, love, expertise, and devotion that is dedicated to each of the pets being treated or cared for in the clinic. The issue lies in the fact that all that love, effort, and care is not translated to the client. In other words, we have so much that goes on behind the doors of the exam rooms called "the back" that the client doesn't interpret all of the value. It becomes harder for our value equation for appreciation by the client.

We are living in unique and interesting times. Many of us have a story or two to tell about how the economy has affected them or their businesses back in 2009. Jump ahead to 2018 and the economy is back on its feet but the needs and wants of our clients are changing and we have to be ready for those changes or we will perish of a slow and agonizing business death. Tough economic times will change the patterns and behaviors of our clients. If we go back to the early 2000's and the bust of the dot com era. We had a hit to the national economy, more so to many that were living in the silicone valley area but the entire country felt it. Buying patterns and behaviors changed temporarily but the country quickly bounced back over 6-18 months. Because of the rapid bounce back, our clients went back to their old purchasing and spending patterns. Go forward 10 years and our country was in a major recession. One that lasted nearly 5 years. The client of pre 2009 is not the same client as we are seeing today. It more important than ever to understand them and what it is they want or are willing to spend money on.

There is no doubt in my mind that we have pet owners out there that are more than happy to spend their hard earned money on veterinary services and products. It is a matter of us understanding how to create and communicate the value and urgency in our recommendations. I will argue that client loyalty is at an all time low. We all have what I refer to as platinum clients in our veterinary clinics. These clients make up our top 5-10% of our clientele. These are the clients that you could slap in the face 4-5 times and they continue to smile at you and say "I Love You Man"! It is the other sub-set of clients that are sitting on a fence just waiting for your clinic to give them a reason to leave the practice and try somewhere else. And let's not be fooled. The majority of the clients that walk-in our doors are predominately women. When their pet needs are not met, they simply pay the bill and never return. We have to know if we are making the veterinary experience rewarding and valuable. If the value is not there, then they will silently walk out the door and never be seen again. This is a recipe for disaster and we have to create systems in our hospitals to avoid this.

In 2018, we will see between 65-70 billion dollars spend in the veterinary industry. My concern is we have more and more businesses vying for those same dollars than ever before. Others that are offering products and services to your clients are stealing away dollars that you normally would count on. We have human pharmacies selling prescriptions for \$4, I was in a national chain grocery store the other day and they have created their own pet insurance, and I saw a commercial the other night for a pet toy line by Martha Stewart. Who ever would have thought we would be competing for pet dollars with Martha Stewart. It is reality and it is only going to get worse. It is more important than ever to hold on to those clients and those pet dollars. You can see why it will be so important to keep tabs on the satisfaction of your client base and keep that brand polished and in line with the needs and wants of your consumer.

It has been said to excel in business you must master one of the following. Operational Excellence, Product Leadership, or Customer Intimacy. Let me give you a better sense of each of the three and I will let you come to your own conclusion of which one you think your veterinary clinic will master.

Operational Excellence are going to be companies that run an extremely tight ship on expenses and profit due to economy of scale. Walmart would be a company that comes to mind. Have you ever seen their vast and intricate “backrooms” where they keep their entire extra set of inventory? I apologize because it is a trick question. There is minimal square footage used as a “back area” or “staging area”. Walmart stores most of their excess inventory on semi-truck trailers. The next time you go shopping, pay attention to how many trailers are in back of the store. It is far cheaper storage and it allows transportation of excess goods regionally to all of its other stores. So if a location 45 miles up the road is in need of a product, it becomes very simple and easy. Oh, and the best part, they don’t lose out on a sale by the consumer. In addition, it uses almost all of its square footage for you and me to shop in. We might be able to lump some of our corporate veterinary hospital groups under this category but for the rest of us it is going to be hard pressed to compete in this category.

Product Leadership – Product Leadership is extremely easy to explain. It is creating products or services that a customer, client, or consumer never knew they wanted. We all are of guilty of this. How many of us have an I-Phone or I-Pad. How many of us have an I-Phone 4S? How many of us 5 years ago said, “Gee, I wish someone would hurry up and invent the smart phone. Life is near unbearable without it.” I say that jokingly of course, but you get the point. Apple is a perfect example of Product Leadership. In fact, we just finished discussing branding. Did you know Apple has the most recognized brand in the world. And that brand it worth some 80 billion dollars. That’s right. Just the brand, that doesn’t include any other part of the company. Simply that apple with a bite taken out. I bet if I told you a brand could be worth that much money to begin with you all would spend a bit more time working on it. It becomes clear; most of us are not going to be inventing products or services for our clients on a routine basis. But you never know.

So that leaves us with our third and last category of **Customer Intimacy**. This is where the majority of our clinics will fall into. Customer Intimacy is the act of making each and every client that walks through our doors feel like they are the most important person in the world along with their pets. Whether we see 5 appointments in a day or 55, every client is made to feel like they are the only ones that exist. It is those special touches, that personalize the services and products we recommend to make the client feel like this was all done for them. We have to get away from the conveyor belt methods of doing business and running clients through like they are all the same. Our services cannot be seen like a commodity and a one size fits all categories. We have to tailor our visits to make the client and pet feel like everything done from nose to tail is for them and only them. You should be asking, how I can do this without taking an hour per patient? You should also be asking “How can I be profitable by taking so much time?”

For the answer, let’s take a look at the Starbucks corporation. They practice Customer Intimacy everyday by allowing their customers to order their coffee any way they want. Can you guess how many versions of coffee there are at Starbucks? Over 60,000 combinations. So to be profitable while using customer intimacy as your mastering technique in business you have to develop efficient systems. Can you imagine trying to teach a new hire how to create over 60,000 different types of coffees. So one thing they do is a specific sequence in ordering. The next time you order your Skinny Grande Mocha you will notice they repeat your order back to you in a different series of order. In fact, they have actually created a brochure on how to correctly order your coffee. It becomes somewhat of a game. By having a system in place for ordering allows Starbucks to offer personalized orders in an efficient and profitable manner. Take a look at the drive thru at the Golden Arches. Again, an act of customer intimacy by getting to personalize your order for you and only you. Yet in order to maintain a profitable and efficient system they created ordering by numbers, electronic screens to verify correct orders, multiple ordering lanes, a pay window and a service window, and automated soda stations. All of this is just for you. You wonder where A&W went wrong.

When creating this customer intimacy it is important that our team is trained and on board. But more importantly, it is our leadership teams number one goal to make sure our systems in place are consistent. There is no sense in offering a service or product if we can’t do it time and time again. Let me pick on our front-end staff for a moment. One thing we do is offer to carry out large bags of pet food out to the car for the client. If you re-call

client service was a large part of our branding at Meadow Hills. I love every time I hear our staff make the offer to our clients “May I carry that out to your car today”. But what will hurt us and get the client thinking we are slipping is if they come in 30 days later for another bag and they don’t get the same offer. When a client experiences an “Extra” they are going to expect it each time. And when it is not there, dissatisfaction is going to start to set in. So rule number one. Never implement a system for customer intimacy unless you know your team can perform it over and over consistently.

With that said, let’s evaluate 3 client touch points where we can practice our client intimacy:

Treatment/Surgical Plans – More commonly referred to as an estimate, this is our time to shine and explain to the client in a story book fashion what it is we are recommending on doing, how and when it will happen, and why we want to do the specific services and/or products. The treatment plan is tailored to their specific pet again demonstrating customer intimacy. This is a time not to judge, a time to be confident in what the clinic is offering and also a time to describe all of the hard work that will take place for their pet. This is the time to really let the client know all of the work that will be done by the doctor and technicians in the back. Let them experience it first hand and even offer a tour. The more the client realizes what is being done, the more likely they are and will see value in what it is they are paying for. We often fail by simply providing an “estimate” and then we fail more by simply listing a barrage of service list codes that a client has a hard time relating to. Work with your staff on re-creating how you present treatment and surgical plans and you will gain rewards by the simple fact of the client appreciating and accepting what it is we are recommending.

Admit Appointment – An admit appointment is a extremely beneficial tool to use in communicating to the client about their scheduled diagnostics or treatments/surgical procedures. In 10 minutes, we can further create value while at the same time assuring our veterinary team is on the same page as the client. To get started, set up 10-15 minute appointments with each client that is have a diagnostic or procedure. We usually call this our drop off time and can often be pure chaos as you have 3-5 clients dropping pets off all together. Instead, plan the morning out a bit. Take the individual time with each of your clients and have the technician review the day’s schedule. Have them review the procedures and expectations. Offer a tour so the client can see firsthand what is going to take place. This is the time to assure we have current phone numbers and also a time to discuss elective or optional additional services such as a microchip etc. This one on one time is invaluable in demonstrating the work that will be done and assuring the client is getting everything they are requesting. There is nothing worse than doing a lump removal of small growths only to find we didn’t remove the most important one to the client. It is during this admit appointment we can assure we are all on the same page. It is also here that we will indicate we wish to schedule a discharge appointment.

Discharge Appointment – Much like the admit appointment, we are wishing to control the end of day chaos, demonstrate value in what was done, and educate the client on all of the home care needs of their pet going forward. All of the work that was done behind closed doors can now be communicated to the client for them to gain a better understanding of what it is they are paying for but more importantly, giving them a greater understanding of the effort and expertise that was used on their pet today. This is a time to review the procedure and findings, review expectations, and review home care instructions to include medications. This appointment typically lasts 10-15 minutes. The majority of the appointment should be done without the patient. Once the patient is brought into the room, the client will have other focuses rather than on you as the presenter of information. In addition to review everything we have talked about today verbally, we should also have this in a written form. This will be useful for the client to review again at home. We forget how much information we are giving to the client at once and sometimes can be a bit overwhelming. I would further encourage you to charge the client for the invoice after the discharge appointment has taken place. We find that when the client gains an understanding of the value of what took place, the bill becomes less significant than it might have been without. Taking time to spend with your clients after during the discharge will be the cherry on top and leave the client feeling satisfied and wanting to return in the future.

The new and revised treatment/surgical presentation, the admit appointments and the discharge appointments are all 3 useful tools in further defining, communicating and demonstrating all of the incredible work that goes on behind the scenes. Consider making some modifications in your own hospital to further show this value to your clients. I guarantee you won't be disappointed and neither will the clients.