

## Tips for vets

In this current financial climate veterinary practices are facing the credit crunch like any other business. However, unlike other businesses, for example a shoe retailer, who can make redundancies to cope with less customers, a veterinary practice still needs to provide certain special services that requires a full staff, for example out of hours cover.

In this article I will provide some tips for vets, but unfortunately there is no magic formula that will work for everybody. We have to keep an open mind in changing times and ideas that in the past may not have worked could do well in these uncertain times.

The good news for us vets is that despite the crisis, people still have pets and lots of them! This means there are still plenty of potential clients out there but each clinic must be able to attract them through the door.

In any business management book you can find different classifications of clients, but we can make it very simple and divide them in happy customers and unhappy customers. The former have their expectations fulfilled and are more likely to come back. The latter are not happy with some part of the service (which is not necessarily the veterinary treatment, but it could be anything from the waiting time or parking facilities to the cost of treatment).

Remember that for each client that complains, there are 20 that do not, but will still not come back. Because of this, the practice has to ensure a method to retrieve feedback from every client, this gives an opportunity to improve the system and turn quietly unhappy clients into happy ones which will maximize the client retention by polishing the areas in which the practice has not fulfilled their expectations.

Like in any sports team, a veterinary practice has to have a strategy. If we know who we playing against we will be more likely to succeed. These business strategies can be divided into three main principles.

1. Strategy based on client service
2. Strategy based on price
3. Strategy based on advanced technical equipment and specialist qualifications

The third one is reserved for referral centers, in which their revenue is based on the fact that they provide superior clinical care for their patients.

The other two strategies can be found in most "average" veterinary practices and it

is vital that an appropriate balance is struck between the two. It is important to remember that there is nothing wrong with being cheap, provided you do not cut corners with animal, client or employee care.

Each clinic will find their own balance regarding strategy and for that they need to find their position in the market. It is important to know what the local competition is doing and find the gap in the market and use it to our advantage.

The “client service” strategy is based on exceeding the clients expectations. In short, client satisfaction equals their perception minus their expectations. Each client have their own expectations and perceptions of the service they receive so we must know our clients. For example, what an elderly, one dog owner expects from his or her vet is likely to be different to that of a professional breeder.

If a client feels satisfied this will provoke:

- Repetition
- Fidelity
- Advertisement
- ...

On average, a satisfied client will express this to 4 or 5 people, whilst a dissatisfied client will express this to 9 or 10 people (often in the middle of the waiting room!). For each of those dissatisfied clients that complain, there are 20 that do not complain but they still change vets for one reason or another.

At this moment in time, there are not many new clients entering the business, which makes it even more important to retain the ones we already have. It will also cost an average 5 to 7 times less to retain a client than to secure a new one.

Once we have found our potential clients and our place in the market, we need to maximize our revenue (of course without sacrificing our client and animal care). We must obtain this data and then its analysis is vital, investing time in this will always produce an increase in revenue.

There are 3 variables that determine the income of each clinic.

1. Number of active clients
2. Average spent per visit
3. Number of visits per year

We will talk about how to increase each of them later in this article, but first I would like to talk a bit more about data analysis.

I have worked at many practices and each has a computer based system in which they can separate the spending of each client. An informative way to study each client would be to separate how much is spent on preventive care, medical and surgical fees, drugs, food and miscellaneous.

In this way we would be able to monitor, for example, if they are coming to us for medical treatment, but getting the booster somewhere else or if they are buying the drugs over the Internet. We would be able to give a more personalized service and communicate with clients about their reasons for them not using us as their preventive care center for example. We need to increase the communication with the client to be able to fulfill their expectations. This must not be perceived as confrontational but as part of good customer services.

Now we will focus on how to increase each of the 3 variables of the revenue equation:

- Increasing the number of clients:

As we have mentioned before, the best policy is to retain your clients by working on their satisfaction, providing them a service that will fulfill and exceed their expectations.

We can also attempt to get new clients and for this we must make investments. This investment could be in marketing, with adverts in local papers, radio etc. We could increase our services and products, for example employing a specialist or purchasing a more advanced ultra sound machine. Finally, our clients are our best advertisement, so we should encourage them by offering them something if they recommend us to a friend, for instance.

- Increase the average spent per visit:

For this good client communication is key. We can not dictate the diagnostic procedures or treatment they must have but we must offer all the possible treatments for the best care of the pet to each owner although we can make recommendations. Once we have started the treatment it is important to follow up. A phone call after a couple of days will help the owners to feel that we care for their pets as individuals and they will also be more likely to comply with the treatment and attend the re checks.

In the practice, we can also offer new services, like golden age clinics, heart clinics, new

dog/cat checks etc

- Increase the number of visits per year:

The final option to increase the revenue can be based on two aspects:

1. Invite the clients to "open days". That will bring new and existing clients through the door and reduce the "fear of the unknown" when their animal is admitted for any length of time and is a great opportunity to demonstrate the facilities and equipment which they may not even realize we have and perhaps they decide to go for that echocardiography after all because they have a better concept what we are offering. We can also arrange once a month some educative talks for owners, creating the "diabetes afternoon" or the "heart morning". These activities will bring the owners through the door.

Perhaps it is time also to go for that refurbishment and improvement of the clinic to fit new services. Again, it implies an financial investment, but we need to invest because the clients that we make and fidelise will still be with us after the crisis .

2. Secondly we have to build bridges with the owner, increasing their fidelity. We have to send reminders, not only for the boosters, but also for worming or flea treatment. We need to update our database with the mobile numbers and email addresses of the clients because it will be cheaper for us to use these new technologies to remind them. We can also produce a monthly newsletter, in which we will include the special offers etc

We have to remember that in a recent study by Hill's, 75 % of owners consider their pets as a member of the family, so if they feel that the service that they receive when visiting the vets has exceeded their expectations, they will come back sooner rather than later.

Finally we can summarize ways to strengthen your business in these hard times in 5 steps:

1. Invest some time in measuring the three variables of the revenue equation:

Number of clients

Average spent per visit

Number of visits per year

2. Set a reasonable goal for each of the above

3. Develop a plan to achieve those goals

4. Share the goals and the plan with all the members of the team

5. Check the results monthly

