

Resurrecting the Dinosaur

(Revitalizing a rural practice)

In 1997 Cross Timbers Veterinary Hospital (CTVH) was, on paper, no longer solvent. For nearly forty years the practice had followed an unwritten set of rules defining a rural practice and its role in the community. Quality evidence based medicine had slowly eroded to convenient medicine with practitioners being dissatisfied, financially stressed, emotionally unhappy and looking for an exit strategy. The business model's success was measured against gross income, work load and the ability to conserve. Owners went without pay checks, drugs were compounded, improvements were do-it-yourself projects, and the hospital relied more on drug sales, pet boarding and dog food sales and less on medicine and surgery to survive. When uncollectable past due accounts receivable exceeded monthly income a financial critical mass was reached. Breaking out of the rut at this point was a simple decision. The other option was to sell the assets, pay the debt and find another job. CTVH was not alone, six other practices in a 75 mile radius were in the same situation.

The attempt to reboot the practice began with identifying where the practitioners wanted to be in their professional, private and community life. Each DVM identified what they would like to earn as a salary and each outlined what they enjoyed doing in the practice. Working backward from a desired salary and the number of clients seen in a day a new price schedule was developed. On average CTVH raised prices 20%. The basic concept of practice evolved from gross revenue and work load to net revenue and quality medicine. Services that were not profitable were removed. As a result an enormous in house pharmacy was closed. Vaccines, pharmaceuticals and materials were dropped shipped to clients or "scripted" out to distributors. Charge accounts were removed for most clients. Methods of payments were expanded and desired at the time of service. Large animal work was charged by the hour with an emphasis on professional service time and expertise. Income from Large Animal services would not be subsidized by Small Animal income. Dog food sales and other merchandizing was greatly reduced. The mantra of "we are a hospital" became the bar that each item in the practice was held to. After hours fees were increased 50%.

CTVH DVM's identified their interests and what it would take to expand those services. Plans and goals were established to include changes in personnel, equipment, CE and time to enhance these interests. The basic goal was to work toward and with our strengths. All practitioners needed to be competent in a wide range of species; CTVH was and is a truly mixed animal rural practice. Focusing on strengths within the practice and with the individual practitioners helped improve not only the quality of the practice but also the overall

professional satisfaction of the DVMs. Each DVM was asked to provide a new service a year. Each new service required time to develop and success of a new service was based on net income and potential ability to enhance and grow the practice.

With the DVM's goal established the clientele, large and small were surveyed. The questions revolved around the concept of did they want we were willing to provide. CTVH needed to know if we had the services the community needed, in the form they needed it, available when and where they wanted it. By cross matching clients' survey responses with DVMs goals the dynamics of the practice changed. Clients often had no concept of what quality veterinary medicine included or that CTVH could provide that level of care. CTVH did not understand what long time clients actually needed and in short were willing to pay for. The client survey revealed additional potential services and helped to market the strengths of the practice.

The re-focusing of the practice also led to a rebranding. Marketing, advertising and branding of the practice was recognized as a need but was slow to develop. Improvements on the clinic building and facilities started as well as developing a plan to increase public awareness. The practice demographics were changing and reaching a new population required advertising, changes in hours and increased availability. This was combined with a desire by the DVMs for more time off and an increase in their personal time. CTVH became aware of "work life balance". "Dying in the traces" behind a cow or while neutering a dog no longer was the measure of a successful practice life. Daily schedules were changed, flex scheduling was adapted and overall efficiency was improved. The goal remained to provide the clients with what they wanted in the fashion that the DVMs agreed with. In this pursuit of work life balance the wellbeing of the doctors and staff was addressed. Benefits were added, schedules adjusted and the training was developed to fully utilize staff ability and potential. Working smarter required rolling back egos and staying focused on the goal of professional and financial satisfaction while meeting the needs of the community.

During this revitalization not everything went well. Partners, staff and clients quit. The bottom 20% of CTVH's clientele walked away, usually without paying their bill. Old school DVMs were bought out and very talented young veterinarians were brought into the practice. Not all new services, management goals or even building improvements were successful. CTVH averaged a 20% success rate on new services added. We had to learn to fail. In an effort to work through each setback and to recognize new opportunities CTVH hired expert help. CPAs, practice consultants, lawyers, practice managers and even plumbers, carpenters and electricians were employed. Our strengths were in veterinary medicine, as was our ability to earn money and remain solvent. It was time to allow other people to help us maximize that potential. The DVMs focused on medicine, surgery, diagnosing and treatment. We allowed others to run the business, develop the contracts, hire the staff, take the radiographs and clean the kennels. With this help skills improved and services increased.

There several entities attempting to force rural mixed animal practice into extinction. Lay people provide more and more traditional veterinary services, distributors and on line services provide pharmaceuticals, industry provides free expertise and rural practices close or practitioners are slowly forced into selling dog food, writing prescriptions and giving away services. CTVH was called a dinosaur by a visiting Veterinarian. The business model of a rural mixed animal practitioner was supposed to be no longer relevant. To save our practice from extinction and to use what we went to school for CTVH was forced to make radical changes. The process continues, the successes continue as do the failures. The practice remains focused on providing our clients with what they want in a fashion that meets our goals.