TAKING CARE OF BUSINESS (TCB)

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Taking Care of Business (TCB) was made famous by Elvis Presley. As I was thinking of what to call this article about "not too smart" ownership practices, it came to mind.

SCENARIO #1 – I was called in because there was very little or no net income at the end of the month. It was a traditional doctor-centered companion animal practice, waiting for broken animals to come through the front door. But then as I was looking at the P&L, I noticed $1000 a month going to the local stable as advertising. I asked. Answer was, "If I advertise for a $1000 a month, my daughter's horse gets room and board for free". Then I asked about the three (3) Lexus cars on the books (when the IRS usually allows only 30% of one car). Answer was "mine, wife's and daughter's!" Then I asked about the payroll, where the wife and daughter were being paid very well, with little or no presence in the practice. Answer to the syndrome, "an alternative allowance system". This owner was happily taking the net "pre-tax", until the day he would be audited. A solution laid in staff empower well care programs, but unless the owner changed behavior, there still would not be any net.

SCENARIO #1a - I was called in because there was very little or no net income at the end of the month. I noticed on the financial reports that the owner's draw exceeded any production pay (he was not practicing), and in fact, sent the practice into negative numbers every month. He was living beyond his means, yet blamed his doctors for having low production. His staff and associate turnover rate was a major indicator of the stress level, but he blamed it on everything but himself.

SCENARIO #2 – I was called into the practice because the owner wanted to get out of the converted family farm house and into a new facility, to be built on the property, where the old barn burnt down a few years earlier. He had to amass the money and get a set of plans drawn. He had seen my text on facility design and thought I could do double duty. He had a draftsman to finalize his drawings, and get an architect to sign off on them for the town fathers. The draftsman saw the AAHA Text and said he could do the details from my draft plans (by the end of the build, he stated he could now design and built veterinary practices, just with the AAHA text). We set out to

develop a comprehensive well care program, utilizing his staff and new mind set for the owner. His wife was very supportive. At the end of the year-long consult, the new facility was done! I made a final visit, and the owner said he had no more money now than at the beginning of the consult, and did not know how he could fund the new facility. I had been tracking his numbers and had a strong hunch I knew the problem, so we went to the bookkeeper. I asked her if the owner took a draw each month. She said his habit was to come in and ask for the excess cash after bills were paid. When I asked him where the money went, he said he took it home and gave it his wife, never counting it. We investigated the cash flow and his wife said yes, she had invested the money in new $150k home expansion that year. That still did not cover the excess cash I knew the practice programs had driven, and with a little snooping, we found his "trusted" front desk person was taking money and receipts home every evening (yes, he was still on un-numbered paper receipts). We called the Sheriff and let him handle the details with the DA; the ex-employee confessed to the full amount (more than we had suspected) and made full restitution in the following year.
We built the new facility into the hillside (per his desires, we used open architecture on the main floor so the facility could have another use after his passing). The second floor had the staff lounge and lockers, designed so the second floor had a ground level entrance behind as well as the client entrance on ground level from the front (across the two story, four pillar porch, with a handicap access ramp at one end); ergo, no ADA elevator requirement. Building into the hillside also gave us a major energy savings for wards and the treatment room. By time we were done, his showcase facility was dedicated to his dad and his brothers, wife and kids were in the will to inherit the facility

SCENARIO #3 - This practice had a history of losing doctors and staff in major numbers. Otherwise, it was a normal doctor-centered companion animal practice, waiting for broken animals to come through the front door. Doctors were assigned to duty functions (e.g., surgery) and they did not stray, even if there was no case load; it was interesting to watch them shift from computer station to computer station to keep looking busy. Staff did the same thing, where it took three certified nurse technicians to change on foot bandage, so they could look busy. The leadership team and I discussed known wellcare programs and staff empowerment; I got "verbal buy-in". At the first staff meeting, I was the only one there – everyone had an excuse for not attending (4 doctors and 12 staff members). Following day, a second staff meeting, and most attended, although 15 minutes late); attention span was zero! Staff interviews showed "and this too shall pass" attitude, since the owner virtually never kept a promise made to staff. We tried a few things, and the owner would add, subtract or modify the program(s) within 30 days - "and this too shall pass" attitude was reinforced. At the quarterly revisit, we discussed the need for 90 days of consistency to establish new habits, as well as repeating the mission focus details 7 times in the first 21 days (adult education principle). Again, we started new programs, even used Zoetis to add some current audio-visual enhancements, and in 30 days, the owner was changing the emphasis again. This was a leadership disaster!
After six months, the manager finally got the non-practicing owner to look at the new program-based metrics (rather than his traditional dollar centered approach), and proactive vet and staff feedback started; "behavior rewarded is behavior repeated". As long as we kept the focus on program bookings per 100 transactions, we could track

the SOC compliance (internal function), client adherence (external function) and establish meaningful recognition systems for employed veterinarians and staff members. Harmony and pride had started to return, and since most clients perceive staff pride as quality, word of mouth referrals started to increase again.

SCENARIO #4 – It was a small store-front companion animal practice. It was never a high powered practice. The previous owner actually did vaccination and spay-neuter surgery, not much more. It was bought by a veterinarian who had done relief there, and wanted to be close to home. She had the opportunity to expand it slightly, added an actual surgery suite and better treatment room. She did okay for being in a depressed community, strong in welfare recipients; her manner was caring, and she knew she could not expect too much more from her clients. Her one-consult room practice rocked along, and the practice plateaued; she spent 18 months trying to move it forward, but to no avail. She had two part-time nurse technicians, so many a day, she was alone in her practice trying to make ends meet; she was getting frustrated, and even considered leaving the profession. Then she attended one of my day long seminars, hoping to grasp something to help, although she expected only a "marketing hype" from this consultant. During the seminar, she was a "spring butt", challenging most of the issues I was raising, but in the end, grasped the "***client-centered patient advocacy to extend and enhance the quality and duration of an animal's life*** " message I was sharing as a new practice paradigm. She decided she could really speak for the animal with her clients; she engaged me for consulting services. We slowly developed her staff, and added only one well-care program at a time; in the first year, added a second consult room (which she told me could not be done according to her previous mentors). The first year, we grew the practice by 46% gross, and by the end of the second year, had grown the practice to 100 % larger gross than the 18 months of plateaued year production. She came out of her shell, and the community and profession recognized her for her efforts.

SCENARIO #5 - My standard expectation with most every practice is shared before we start, "If you do not plan to change, don't invite me in; change will be essential on your part." The client needs to accept that, before I come in for a year-long consult.
The first 90-day self-training program (monograph, *Orientation & Training*), and in some cases takes 180+ days, then we go into zone and system training (monograph, *Systems & Schedules*) to get us to the point of identifying program managers.
In this case, during the latter part of the first year-long consult, the practice owner asked me about a practice expansion, and I gave him TWO potential floor plans, taking his 2 consult room facility and drafting a six consult rooms, plus a dental suite, better wards and improved work stations. He took my drawings to a local architect who quoted $1.5 mil for the project - I paid a site visit and discussed with the architects realistic estimates (front was renovation, about $1000 a square, and new back "new home" construction, again $1000 a square, and center surgery/treatment could be the $3000 a square they had used for the entire plan) . . . I also straightened out the roof line and added a pitched roof the entire length. By the time our meeting was over, new estimate was down to $750k. The facility is now a show case facility for team-based healthcare delivery.
They signed up for a second year-long as we worked through team-based healthcare for the new facility.

The practice manager (who had only been a “go-fer” before the consult) went through a major metamorphosis over the two years of the consult. The owner had his challenges breaking free from a doctor-centered mentality. One memorable epiphany came with an exercise we did in a tent he pitched in the back yard during renovation - I had program managers mind-map their programs then sent them to lunch - while at lunch, I posted them along the walls - upon their return, everyone went to their mind map and at the sound of the bell, move one mind map to the right. The task, was add ONE THING to the new mind map. The associate doctors were in the rotation. It was a method of sharing the programs so everyone had a stake in each program. As we watched, one thing became obvious, the associate doctors ran dry and could not add anything to the most of the program mind maps. The owner finally started to understand why "doctor-centered" was NOT better for his practice.

All of the above demonstrate practice leadership that has a questionable “tenacity of togetherness”, and the following article may shed some light on that subject:
http://www.inc.com/les-mckeown/cultivate-your-challenge-function.html

THE MESSAGE

"We'd be successful if it weren't for the depressed economy." "Let me tell you, I'd be making it if it weren't for the interest rates I'm paying." "I'd be on top of the world today if I could just find the right associate." "You know, I'd really be successful if it weren't for all those new graduates flooding the market." "We would really be expanding if it weren't for those zoning codes." This abridged list is attributable to externalists. They blame some external source, condition, or other people for their failures. This refusal to accept responsibility for their position in life removes the path to success from their grasp.

The inverse of the externalist is the internalist. They are performance oriented, accept personal accountability for their successes, failures, and actions. They know to look into a mirror for the cause of unhappy results. They do not cry over spilt milk, they just look for another cow to milk. They take the hand life deals and play it to the very best of their ability. They are the ones who are not afraid to say, *"I don't know,"* or as Harry Truman's Oval Office sign said, *"THE BUCK STOPS HERE."*

Essentially, there are only two paths of action in veterinary practice management, or life for that matter: performance and excuses. Each practice manager must make a decision as to which path he/she will accept as a personal direction of leadership, and apply it equally to his/her practice team. We may predict and calculate the amount of failure any individual or team will experience by a simple formula:

> *People fail in direct proportion to their willingness to accept socially acceptable excuses for failure.*

The problem with most veterinary practice management assessments are the traditional dictums, *"Well, my practice is different - your clients are different - my staff is different."* It ain't so, folks!! The person who makes this statement is kidding himself/herself and his/her team. It is only a reason for failure, never success. This attitude allows failure because the excuse is built into the philosophy of practice that the staff hears every day.

> *FACTOID: Those that play the "blame game" are only abdicating accountability for resolution.*

PHILOSOPHY OF SUCCESS

The philosophy of success lies in the philosophy of management, and the skills of leadership. We need to define management in terms that allow success to be achieved. For the purpose of veterinary practice, let me share a personal definition that works for me:

> *Management is the art of attaining measurable and predetermined goals and objectives with and through the voluntary cooperation, enthusiasm, and effort of other people.*

Many texts of the past decade have assessed the skills of management. Peters and Waterman portrayed the skills of the top companies in their best seller, *in Search of Excellence*, yet in the following ten years some of those paragons of excellence had actually gone astray. Times change and skills change, but the art of management continues. Mike Vance, of Disney fame, said it first: *"Mothering is Managing."* It is not the art of winning that is a cornerstone in management, but rather clearly communicating and diligently monitoring tasks and goals, then fairly rewarding the people who achieve them because they have made a commitment to them based on the organizational good and personal interest.

Management is not mothering, but mothering is management. No mother waits six months to give her kid a performance appraisal for trying to dry the cat in the clothes dryer. Mothers manage conflict, correct and guide behavior, motivate subordinate and peer social groups, set goals for others, get the dishes washed, diapers changed, garbage taken out, and are still loved.

If you have read my *Performance Planning* monograph (over 30 monographs are available from VIN Bookstore, www.vin.com, each with its own electronic tool kit), you already know I believe in 90-day performance planning (with self-evaluation for past performance), and the KIS (KEEP IT SIMPLE) forms are provided in the monograph (please keep them to a single sided piece of paper, although the leadership form takes two sides).

THE K-S-A-A APPROACH

One of the foremost leadership and management courses available today rates all performance by only three factors: KNOWLEDGE, SKILLS, APTITUDE and ATTITUDE. This is the KSA-A approach, and the elements are critical.

> **KNOWLEDGE** is the foundation upon which we build. It allows alternatives to be seen and explored. Enough knowledge can help overcome the bias and bigotry of the "school of hard knocks."
>
> **SKILLS** are simply the ability to share knowledge. The transformation of mental warehousing into action that achieves personal goals and objectives in a timely and effective manner.
>
> **APTITUDE** is the innate ability to understand the systems and accomplish what is started, to a standard of excellence that be recognized by others as competency
>
> **ATTITUDE** is the cornerstone upon which leadership and management rely to make knowledge and skills useful to the organization. The attitude is what builds the team and helps the team select the right path to success.

These are leadership concepts when shared, management concepts when used personally, and rewarding when used routinely. If we return to our poker hand, we can apply the Knowledge-Skills-Aptitude-Attitude (KSA) concept of management excellence. Knowledge of the deck and game rules does not provide the skill to play the game. That skill comes from repetition, mistakes, and disasters. The need to discover success carries with it the demand to experience failures. A skillful player adds knowledge with each failure, in cards or in life. Aptitude is the ability to understand the rules and odds, and make reasonable decisions about the specific procedural process; you cannot ever win at poker unless you learn how to play the hand that is dealt. But the real secret to a successful poker game is the attitude of the player. A good player bluffs occasionally, but that is only one of many skills brought to the table. The same rule applies in leadership and management. The tenacity to keep trying, the knowledge that the cards cannot be blamed, or the skill of reading the body language of others comes as a result of the attitude of self-accountability and personal responsibility for all actions or reactions.

ATTITUDE ADJUSTMENT EXERCISE

Most every problem has an opportunity side, and most every solution can be negative or positive. On the left are negative situations, and on the right are the opportunities to excel. Your task, is to complete the list.

SITUATION	OPPORTUNITY
Your house has been robbed, all the valuables are gone.	Call a friend and plan that dream vacation with the excess insurance money from the unneeded "stuff" that was stolen.
Mrs. Jones calls the practice and states that the treatment is not working at all.	_____ _____ _____ _____
First leash chain dent on the new front door.	Throw a party because you don't have to worry about the first dent anymore
The new animal caretaker is going to quit unless you can make the work more rewarding.	_____ _____ _____
Your stock dividend is delayed.	Tell a friend that your broker is saving your vacation money for you.
The accounts receivable are $13,000 for the last fiscal year.	_____ _____ _____

In veterinary practice, our education gave us the knowledge and the hours we've spent in the consult room, with clients, or in the surgery suite, have given us the skills. Your aptitude is the quest for continual learning and self-improvement. The attitude is what separates the successful practice from the average practice. In the last example above, the accounts receivable are actually less than one percent, which would be a real reason to celebrate in most practices. It speaks to excellent client bonding by the staff and practice. But now look back - What was your first response?

The attitude of the veterinarians and the hospital manager sets the tone for the implementation of the philosophy of the practice as well as the team's approach to meeting the goals and objectives. It is this attitude that keeps us in the game, that lets us see where we can make changes, and lets us lead our team to success.