



Veterinary Clinic Management Activation

Sustaina Consulting Co., Ltd.

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Introduction

In December 2010, to establish "Sustaina Consulting Co., Ltd." management consulting firm specializing in veterinary clinics in January 2011. Lehman's fall in August 2009 signaled the global recession that occurred in the economic environment which brought economic hardship surrounding veterinary clinics. Even worse, on March 11, 2011, an unprecedented disaster "Tohoku Kanto Earthquake," hit Japan.

Under such a situation, an element called "management" in veterinary clinic businesses has become very important.

Up until now, as the pet boom became larger, a natural increase in the number of pets meant an increased number of patients. Owners often spent for high medical cost for their small family members - pets. However, in the future, the difference between "pet owners who have financial leeway and spend for high medical cost for pets" and "pet owners who do not spend on pets" is going to be wider.

In addition, the difference between "Veterinary clinics who

are supported by pet owners and produce a good profit" and other clinics who don't receive as much support will be more apparent based on the clinic's effort toward veterinary medical services and management. I feel the flow of the world creates the separation, which will eventually create "obvious polarization". We would like you to realize your dream as a primary goal, then build veterinary clinics that last forever using "correct navigation of management".

Therefore, I came up with the idea to send out information to help with this "correct navigation of management."

In order to implement this idea, I decided to publish this free booklet, "Veterinary Clinic Management Activation," as an information media source for management, based on factors accumulated in my own 10 year of experience as a Veterinary clinic management consultant. This booklet does not contain large amounts of information, so as to be simple and to the point.

I am proud to say that at least, this booklet contains



important points worth around 5000yen.

I would be pleased if you would read this through and use it for your own veterinary clinic management.

I hope you set out toward being a "veterinary clinic which develops and lasts forever" while you feel the great excitement of running your business.

CEO Shinichiro Fujiwara Sustaina Consulting Co., Ltd

1 . **Significance of Veterinary clinic management**

A management body is one element of society. Therefore, it manages while having relationships with various other elements.

In these relationships, it is most important "not to disappear". On the assumption to last forever, ① profitability ②education and ③sociality are needed.

2 . **Image for management**

"Management" is a concept consisting of many elements.

For veterinary clinics, the easiest one to think of on this topic is "staff" related problems.

"People" are important elements that make up businesses.

In addition, medium to disseminate information such as websites and posters can be very important elements for running a business in other aspects.

Money is also a very significant element in management.

As you can see, there are many elements involved in management.

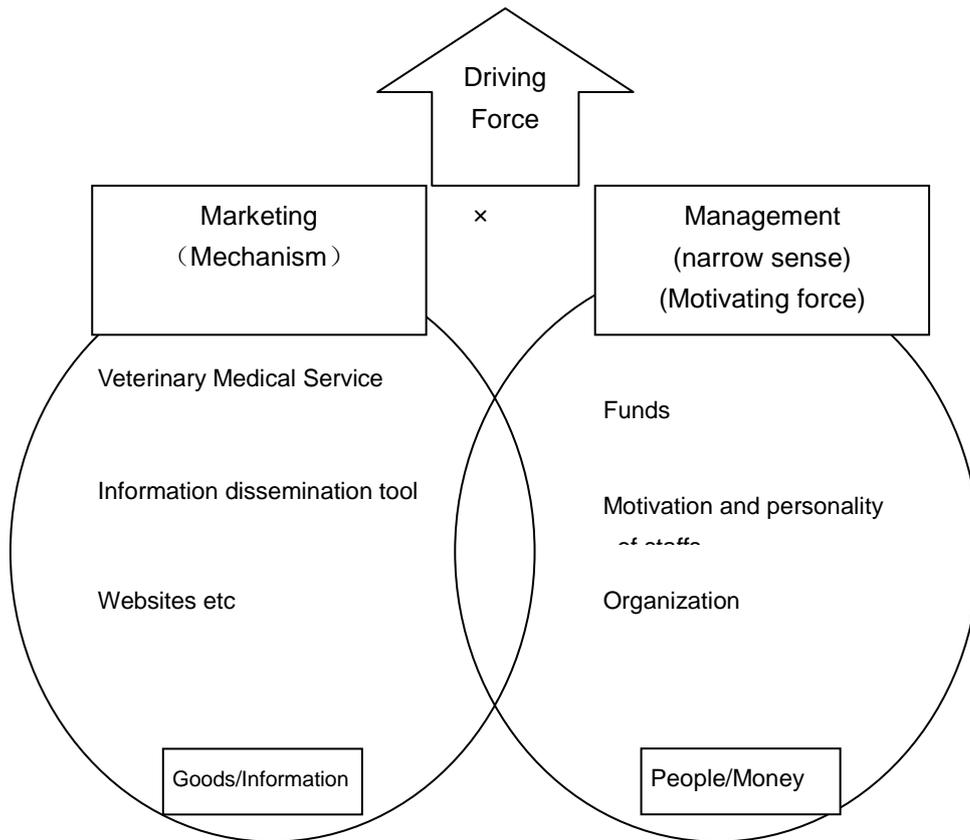
Resources used for management are called "management resources".

You could simply refer them as "people" "goods" "money" and "information".

This group called "people and money" can be categorized under "management" and the other group called "goods and information" can be categorized under Marketing.

Marketing can be considered as a "mechanism to produce profit by providing information and better satisfaction to pet owners", while management can be imaged as an "engine" to power the mechanism called marketing.

The balance of these factors creates the driving force.



3. The importance of knowing the "good points"

Going about management blindly is somewhat risky. It may be a matter of degree, yet it is important to "know" the condition of your own clinic. I think you all know the importance of "examination" from a medical standpoint.

The same is true for management. However, there is a little difference.

It is important to know what the "good points" are first.

Both good and bad points exist in various management bodies. Many clinic directors would try to "find out the bad points and improve them". Of course, that is not a bad idea. However, the approach to "improve the bad points" has a tendency to consume management resources which I referred to above, rather quickly, but often the results are not that fruitful. This approach also lowers motivation as well.

In my opinion, I feel it is more important to find out the "good points" first, then emphasize and improve these points.

These good points are already strong, therefore they are much easier to improve and since this is a positive activity, the motivation is high and easier to maintain.

However, in actuality, many veterinary clinics are not aware of their own "good points".

There are a variety of ways to find out what the good points

are. For example, you might be able to find out by interviewing staff. Numerical analysis and demographics can be a way to find them out as well.

The most familiar and simple way is to conduct surveys of pet owners. I have posted a sample in my book "Veterinary clinic management practice manual". This sample could be a tool for you to find out the "good points" from various aspects.

I recommend trying to find the good points objectively at first, then work on making them even greater.



Thank you for letting us provide your pet with medical and health-related services. We are always striving to "improve our clinic quality" and "provide superior medical care most suitable for you and your precious pet".

In order for us to improve our clinic and service, we would love to hear your honest opinion by conducting this survey. We would truly appreciate it if you could answer the following questions to help us on our endeavor.

Q1: How did you first find out about us?

- 1. I live in the neighborhood
- 2. Sign
- 3. Referral
- 4. Yellow Page
- 5. Internet
- 6. Other ()

Q2: If you answered "Referral" on the above Q1, how were we described to you?

(Example: Cheerful environment, Detailed etc.)

Q3. What is the reason you chose Cookie Veterinary Clinic? Please let us know.

Q4. Please tell us what you like about us. (This keeps us going!)

Q5. Please tell us what you dislike about us. (Please don't hesitate, be honest.)

Q6. What would you like us to do? Please let us know.

(Example: Publish Clinic newsletter etc.)

Q7. What would you like veterinary clinics to be like in the future ?

4. Marketing = Mechanism to increase sales

In the previous section, I described the two concepts, marketing and management. First, let's look into the concept of marketing; the mechanism to produce profit by providing information and better satisfaction to pet owners - more specifically.

The word "sales" must be familiar to many of you. What does this "sales" consist of?

In fact, sales of a veterinary clinic can be represented by the formula listed below.

Sales = (first exam + number of follow up exams) x number of visits x unit cost per pet owner

In order to increase sales, each element in this formula should be increased.

There are some variations:

- ① Increase various elements evenly
- ② While maintaining some elements, increase specific elements
- ③ While decreasing some elements, increase other elements more than the decrease.

In addition, techniques and ideas to increase elements depend on the elements that make up each formula.

In the following section, I am going to describe the concept of each element.

First, in the formula of, $\text{Sales} = (\text{first exam} + \text{number of follow up exams}) \times \text{number of visits} \times \text{unit cost per pet owner}$,

let's think about increasing the number of first exams.

(1) Increasing the number of first exams

In a pure sense, a first exam is defined as a pet owner who has never visited the clinic before. When a pet owner lost his/her pet, and now has a new pet, comes back with the new pet to receive a first exam, this customer is essentially more likely to receive a follow up exam. In order to increase the number of new first exams, dissemination of information becomes mandatory. Information dissemination can be roughly broken into two categories;

① Information dissemination for "many unspecified recipients"

② Information dissemination for "many specified recipients"

"Unspecified recipients" means pet owners who are not looking for information on veterinary clinics. They are like anyone walking by on the street. Information dissemination directed toward unspecified recipients is an infringement of the advertising regulations of the Veterinary Practice Act,

Article 17.

Billboards and fliers are considered as examples of these types of medium. However, in order to acquire new clients, other than spreading information word of mouth, it is necessary to disseminate information to unspecified recipients through some medium.

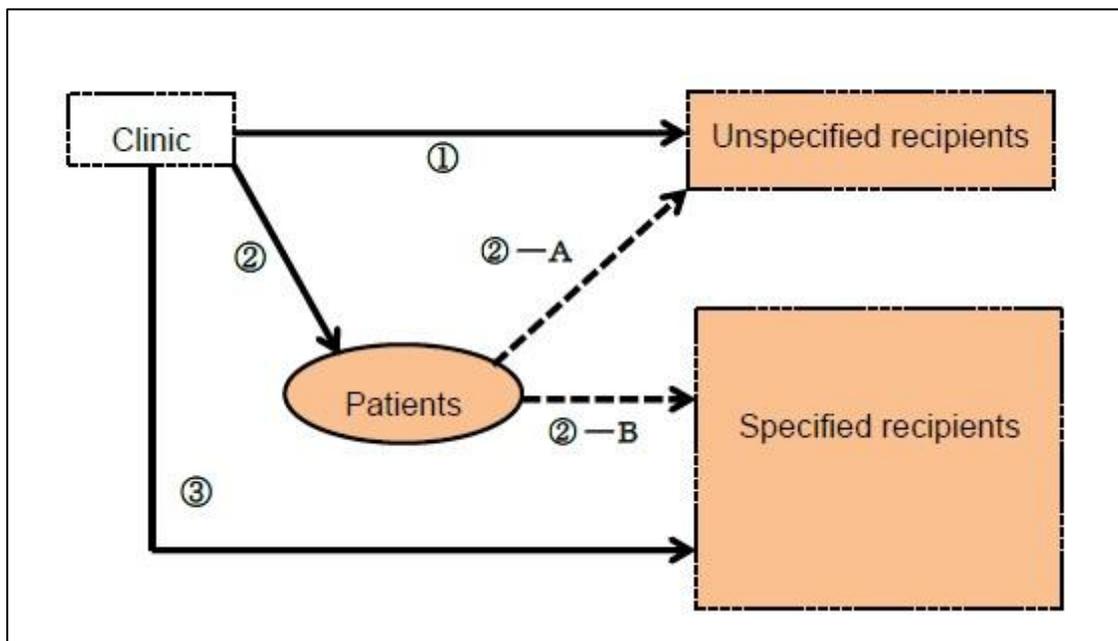
Recently, websites have become an important media. However, a website is not a media for unspecified recipients.

Websites are considered as a medium which are directed toward specified recipients.

Pet owners run searches using various keywords and people who want information from a particular website input its URL address to reach the website. Therefore, websites are considered as medium directed toward specified recipients who want information, and this does not infringe with the advertising regulation.

Because of this, we can incorporate a lot of information on the website.

In recent years, websites have become a very important medium in order to acquire brand new clients.



(2) Increasing the number of re-examinations and the number of visits

Next

In the formula of Sales = (first exam + number of follow up exams) x number of visits x unit cost per pet owner,

Let's think about increasing the number of visits and the number of re-examinations.

First, increasing the number of re-exams means ① increasing retention rate.

In order to increase the retention rate, it is important to deliver a proper first exam. In addition, creating a distinctive element from other clinics by enhancing the good points of the clinic is also important. To do so, it becomes imperative to carry out and exercise proper dealings with pet owners. Not only describing in words, but also giving description by referencing documentation. This can be an easy but effective way to increase the retention

rate.

② Increasing the number of visits may be considered the same as increasing the number of re-exams. The bottom line is that both lead to an increase in the total number of patients.

The simplest way to practice this is to specify the next appointment date clearly rather than using a vague statement such as "a week after". Of course, you also need to send information about the timeframe for the next heartworm prevention treatment or dental checkup by direct mail. In addition, as a promotional idea, a gift may be given based on the number of clinic visits.

However, there is a relationship between the number of visits and prevention/treatments in any case.

It is important to take this relationship in consideration, when you disseminate information and/or implement programs in your efforts to increase patient visits.

(3) Increasing the unit price of each pet owner

First of all, if you are not supported by pet owners, you cannot be paid by them properly either. Average unit price per pet owner varies based on the area standard and/or medical services offered by clinics.

Keeping that in consideration, we will think about a case to increase the unit price rather than the current price. In order to increase the unit price, thinking in the long term, veterinary medical services such as "being able to offer medical services currently not offered" or "being able to perform surgery not currently offered" need to be linked in this consideration. Again, a major factor in unit price will take place in big price items such as hospitalization and/or surgery.

However, in the short term, the concept of "upgraded choice" plays an important role. An example of this can be an idea like "How about setting an upgrade service with a price that is higher than regular routine check-ups?" This

means, by adding extra value, clients could purchase a little higher priced service. Another idea is "Plus One Choice". This is like suggesting a urine test to people who are taking a blood test.

By doing so, an income from a urine test is added to an income from a blood test, resulting in increased profit. This was a simple example of the concept of increasing unit price.

By adding more tests, more problems may be revealed in the test results, and this might work well for the clinic directors who would like to enhance veterinary medical services.

5. Management is an "engine" to move the mechanism called marketing

(1) Staff are the most important factor in the engine

"Human resources" are the most important element that makes up the veterinary clinic. If you care and polish

"human resources," they will be "human treasures" in the clinic. Some clinic directors say, ultimately, everything depends on quality of staff.

Then what should we do to care and polish "human resources" to the height of "human treasure"? This is not easy. It takes a long time. In fact, this "human treasure plan" starts at the time of the recruitment.

The cycle of this "human treasure plan" progresses as a series like this: ①Recruitment/Hiring → ②Education → ③Evaluation.

①Recruitment/Hiring

However, at veterinary clinics, recruitment and hiring don't seem to have much significance.

Even for hiring doctors, it is common to see classified ads only referring to salaries, rather than letting the possible

candidates know about the clinic's concepts and ideas.

As a proper approach, you should create a policy as to what kind of veterinary clinic you aspire to be.

Then, make a series of procedures such as "The highest priority in hiring is to have people who are interested in our values."

However, veterinary clinics using this kind of language in ads for hiring are quite rare.

Also, due to the lack of standards in hiring, some clinics hire staff without much good reason. Of course the impression you get from the person is important.

However,

If you have specific standards for hiring and are aware of them, such as

"I would like to work with these types of people." and "I

don't want to work with these types of staff members", then it will be much more likely you will be able to hire the staff you have been looking for.

I have listed a few points here. The foundation is to have a vision of "the veterinary clinic you want to have."

② Education

Regarding education, there are two directions for veterinary clinics.

1) Education as veterinary health care workers

2) Education as a member of society and a team member.

These two directions of education are based on the differences in the types of talent desired as a member of a veterinary medical service facility and a member of a management body.

1) Education of veterinary health care workers will be

learning skills in veterinary medical service technology, trying to eliminate errors and improving claims handling ability, etc.

This is the education to enhance the skills necessary in the actual veterinary medical sites. This type of education is provided in daily medical practice, conferences and study groups.

2) Education to be a member of society and a team member can often be more difficult.

Because in many cases, even the director himself/herself has not been properly educated on this.

This is about business skills such as keeping promises, executing reports, contacting, and consulting properly and precisely. This also refers to a basic mental attitude that desires to help one another as a member of the team.

This type of education is essential.

Basics need to be taught through books and study groups.

Education in these two directions will be very important.

③ Evaluation

For staff members, receiving an evaluation means "being recognized."

Because of this, even when scolded, evaluation still produces assurance of being "watched over."

For a human, being ignored is the hardest thing to take and it feels very lonely.

Therefore, evaluation in any form, will be extremely beneficial. There are two distinctive and important parts of evaluation.

They are 1)Evaluation of the results and 2)Evaluation for the process.

1) Evaluation of the results are evaluated on the result of "Can he/she do that now?" Based on the evaluation, salaries and/or positions may change.

If the result is not satisfactory, some measures such as reduced pay, can take place.

Because of this nature, this type of evaluation needs to be done after some long term experience.

Example of this would be to see if he/she can now perform neuter/spay surgery alone.

<Examples of evaluation for Result Evaluation>

				Overall Ratio
General Ability (Ratio to total 50%)	Company awareness	1 Understanding of the clinic's philosophy	Takes actions along with the clinic's practice policy and philosophy with understanding	4.0
		2 Activity policy	Acts on understanding of the clinic's practice principle (take client's viewpoint)	4.0
	Manners/Common sense	3 Greetings	Pleasantly greets everybody around him/her and returns the same when being greeted.	1.0
		4 Keeping promises and time	Always keeps the time promised/due date for work. No tardiness nor missed days.	1.0
		5 Cleanliness and organization	Always keeps practice area and his/her surroundings clean and organized by being attentive to clean up any dirty area and odor.	1.0
	Manners/Common sense	6 Kindness and politeness	Wears proper clothes that are considered pleasant and reliable to clients, grooms well, has pleasant attitude and choice of words.	1.0
		7 Usage of language	Be able to pay attention of proper and classy conduct and use polite language.	1.5

2) Evaluation for process is the evaluation standard for how a process was carried out regardless of results.

Important factor in this evaluation is "Has he/she tried it?"

Some of the simpler evaluation items are "He/she can greet now." "He/she made a suggestion." etc.

"Suggested to create a waiting room and executed it."
"Designed a program to promote income" can be a little more advanced example but they are still easier than Evaluation for the results.

Therefore, outcome (reward) from this type of evaluation is smaller, and the evaluation period is shorter as well.

Since this evaluation doesn't track the result, negative factors such as reduced pay do not apply, instead, only adding points to the evaluation.

This evaluation for process seems to be created for the "more relaxed education" generation. Because in general, this generation "doesn't like to compete much" and "is very weak at handling stress".

An increasing number of member veterinary clinics are starting to use these 2 types of evaluations in combination for evaluations.

Examples of evaluation for Process Evaluation

General handling	a	Completed a meeting precisely and promptly.	Had awareness of pet owners who have unpaid fees.	b	Noticed something to be improved within the clinic and made a suggestion.
		Gave attentive and detailed explanation to a client.			Followed a staff member
		Handled 2 patients concurrently.			Wrote on Noah today
		Changed a bed.			Cleaned the drain
		Took care of the treatment of own client till completion.			Cleaned the drain next to the paddock
		Talked to own client about unpaid fees			Was able to keep appropriate inventory
	b	Neutered out patient cat by himself/herself.	Performed isolation cleaning.	Cleaned the air conditioner	
		Noticed an issue by himself/herself and corrected it.	Relayed the pathology test result, then organized it for clarification.	Instructed interns nicely	
		Noticed his/her own deficiencies.	Used deadstock medications and cooperated with other vets.	Kept meeting minutes	
		Was able to report, communicate and consult.	Clarified take over work from Dr. Watanabe and Dr. Hara, and then relayed the information.	Completed placing 100 direct mail labels	
		Was able to get his/her own job.	Was able to give clear direction when asked by a staff member.	Completed morning inpatient treatment before the meeting	
		Performed good will.	Was told "thank you" by a staff member.	Handled 3 outpatients concurrently.	
Technical	b	Said "thank you" to more than 3 people	Was asked to perform a task specifically by a staff member from another department.	c	Prepared a treatment plan and explained it to the pet owner
		Helped even if was out of work hours.			Performed Neuter surgery on an outpatient dog by himself/herself.
		Helped other's work.			Performed spay surgery on an outpatient cat by himself/herself.
		Recommended Puppy Party.			Performed Spay surgery on an outpatient dog by himself/herself.
		Took a reservation at Puppy Party			Performed surgery other than neuter/spay.
		Recommended trimming.			Submitted report and assignment by the due date.
	a	Sold promotional goods pro-actively.	Cleaned voluntarily.	Came up with an idea to work more effectively.	
		Checked on current situation for inventory management.	Made better arrangement for inventory management.	Worked entire day happily without feeling stressed out.	

5. Conclusion

Directors of growing veterinary clinics have few points in common. It may be difficult to obtain all of them for yourself, but if you find points that you feel you may be able to adapt to, I encourage you to try! Here's the list.

① Attitude of Director

- Ask questions
 - Positive thinker
 - Avid learner
 - Thorough delegation of authority or Top Down approach
 - Takes challenges
 - Doesn't depend on people < takes full responsibility
- etc.

② Personality of Director

- Cheerful
- Kind but strict
- Polite
- Playful
- Trusts others

Not very argumentative

- Curious about new things

etc.

③ Clinic

- High energy
- Environment that is easy to join in
- People are smiley

Some staff members are interested in management

You can feel your growth since you are always challenging something

Hold social occasions to promote communications periodically

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Born in Hyogo Prefecture in 1971. After graduating from Kansei Gakuin University, he worked for a major trading company and a consulting company before he joined

Funai Research Institute Co., Ltd. In 2001, he launched a project team from scratch for Veterinary Clinic Management at Funai. Thereafter, he worked on Veterinary Clinic Management Activation consultation for 10 years. After working as a group manager and a senior consultant, he left Funai in 2010.

In 2011, he established Sustaina Consulting Co., Ltd., a management consulting company specializing in Veterinary clinics.

He has provided information and consultation, including individual support, study groups and seminars to over 2000 veterinary clinics.

With the basic concept of "Create veterinary clinics that lasts forever", his consulting activity has expanded throughout Japan. His policy for the consultation is "executable and practical for actual use, not a desktop theory". His emphasis is on building practical know-how.

- 3,451 clinic subscribers to our management e-mail/fax magazine <our publication for veterinary clinic management magazine>
- 2,398 attendees to the management seminar in 2011<Royal Canaan Symposium, Internal Medicine Conference, JBVP, our company seminar combined>
- 2,467 books sold

Main coverage and writing:

- Latest veterinary clinic management guidelines <Chikusan Publishing>
- Practical Manual for Veterinary clinic management <Chikusan Publishing>
- Practical Manual for Veterinary clinic management VOL2 <Chikusan Publishing>

Other, CAP, PAV, President Family, etc.

Main lectures conducted

- JBVP Japan Clinical Veterinary Medicine Forum

- Annual Meeting of Animal Clinical Medicine

- Allianz Pet Academy

- Royal Canaan Veterinary Symposium

etc.