Veterinary Practice

Management

Marketing
Human Resources
Process Improvement
Financial Analyses

2nd EDITION



Ignacio Mérida Isla

SERVET

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Veterinary practice management

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Warning:

Veterinary science is constantly evolving, as are pharmacology and the other sciences. Inevitably, it is therefore the responsibility of the veterinary surgeon to determine and verify the dosage, the method of administration, the duration of treatment and any possible contraindications to the treatments given to each individual patient, based on his or her professional experience. Neither the publisher nor the author can be held liable for any damage or harm caused to people, animals or properties resulting from the correct or incorrect application of the information contained in this book.

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To the veterinary profession,
for enabling me to travel and get to
know wonderful people and places.

Come on RRRafa! Don't touch the cactus.

"Never accept an inferior position to anyone.
It is the strongest spirit that wins,
not the most expensive sword."

Miyamoto Musashi

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Author

Ignacio Mérida Isla

He graduated in Veterinary Medicine from the University of Zaragoza, Spain, in 2000. Upon earning his degree, he began a year of research at the Faculty of Veterinary Medicine of Utrecht University (Netherlands). In 2002 he moved to the UK where he worked as a small animal emergency veterinarian for 3 years, before starting to work as a locum veterinarian in first-opinion practices across the country. In 2009 he completed a Master's Degree in Business Administration and Management at the Centro de estudios Villanueva, associated with the Complutense University of Madrid. In 2015 he completed the Certificate in Advanced Veterinary Practice (CertAVP) from the University of Liverpool (UK).

For the last 10 years, with his company Assis Veterinary Business Advisor (*www.assisvba.es*), he has been dedicated to helping veterinarians improve their businesses and achieve a healthier work–life balance. He has published several books on veterinary management and is the author of the blog *Diario de un Veterinario Gestor* and the visible face of the veterinary management blog on its YouTube channel, *Nachomerida77* .

He has published numerous articles in Spanish and English, and has given talks and seminars both in Spain and in Latin America. Among his most outstanding contributions is the development of a parameter to measure the impact of advertising campaigns for veterinary practices on social media or the adaptation of the values of the different KPIs for practices to the reality of different Latin American countries.

When he is not working, his hobbies include cycling, kitesurf and tending his garden.

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Foreword

In business, the primary difference between success and failure is strategic planning. Even when the most unpredictable and unexpected events occur, a business can still succeed if there is a plan to deal with unforeseen challenges. Strategy plus planning equals success.

In veterinary practice, success and failure is also determined by strategic planning. In surgery, you have a clear objective, have undergone extensive education and preparations, evaluated contingencies and anticipated deviations in anatomy and physiology, and enlisted assistance. In medicine, you thoroughly examine the patient, perform extensive diagnostics, create a list of differential diagnoses, and conduct follow-up evaluations to adjust and define your treatment.

In veterinary practice management, too few clinic owners give consideration to developing a business strategy and implementing plans. As you have seen, this is contrary to the fact that we are immersed in strategic planning when it comes to patient care. Too often, the primary metric for economic success in many veterinary practices is remaining open, being able to pay their bills on time, occasionally purchasing equipment, and earning a living wage. While that may be an adequate measure for maintaining a job or even a meaningful career, it leaves much to be desired in terms of a business enterprise. Successful practice ownership and management is much more than simply not going bankrupt. A successful business is an investment vehicle for its owners, a reliable source of income for employees, and a positive contributor to its community. The most successful veterinary practices provide outstanding patient care and client service, inspire and educate team members, and innovate medicine and surgery.

Veterinarians often speak of the painful personal sacrifices they make to maintain their clinics and serve their clients. Despite this considerable, and real, suffering, many practice owners fail to achieve financial independence, are unable to pay adequate salaries and benefits to their employees, and often fail short in their goal of providing optimum patient care due to a lack of resources and equipment. A successful veterinary clinic providing the best patient care requires adequate revenue, systems, vision, and strategy.

Veterinary professionals have one universal objective: to provide the best care for the animals they serve. I personally believe anything less is “un-veterinary.” Despite being united behind the goal of patient care, many are divided when it comes to paying for it. The concepts of profit, revenue, pricing, and marketing are considered “unprofessional” or somehow separate from their responsibilities as veterinary professionals. This attitude is largely responsible for the global veterinary practice consolidation trend we are currently witnessing. Generational, gender, and demographic shifts are leading many veterinarians to abandon entrepreneurship and self-employment for the safety and simplicity of a corporate employer that makes all these “business” decisions for them. However disheartening that may seem, this shift offers tremendous business opportunities for those brave enough, willing to learn, and committed to working toward a goal of vocational excellence. Strategy plus planning equals success.

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The book you are reading is one of the tools you will need on this entrepreneurial journey. You will learn tactics for marketing your services, pricing advice, financial policies, and helping your employees succeed. Think of it as a roadmap that allows you to create the ideal path to your desired goal. Of course, a map is only good if you actually embark on a journey. Many will tell you the hardest part of any endeavour is taking the first step. I agree, but with a caveat: the hardest part is knowing where to take that first step and then boldly taking it. This book will help you confidently take that first step.

When missteps occur (and they most certainly will), this book will help you get back on track. Perhaps the most valuable element of business and leadership books is to help correct your course when unplanned obstacles appear (again, they will). Refer back to this book when you have questions, encounter challenges, or experience failures. No one runs a business without a healthy quotient of disappointments and mistakes. When things don't go as planned, it is how you respond and what steps you take next that matter most. Helping you recover from failure is also what makes this book special.

In my experience, all of the hard work, time, energy, and personal sacrifice required to own and manage your clinic is worth it. There are few things more rewarding than having an idea and seeing it manifest in reality. Your own business offers you endless opportunities to iterate and enhance existing medical and professional practices, something I think you will find immensely enjoyable and stimulating throughout your career. Being able to express your creativity, make progress in a profession, and positively impact your community are truly some of life's greatest gifts.

Study this book, challenge your beliefs, and strive to leave the world a little better than you found it. The future belongs to those committed to learning, iterating, and evaluating everything in their domain, including their profession. This book will accelerate you on that voyage to a better practice, and help you avoid the pitfalls of travelling without a guide or advice from those who have trekked this path before you.

I wish you fair skies and flat roads as you embark on this wonderful entrepreneurial expedition. May this book serve you well and wisely for years to come.

Ernie Ward, DVM, CVFT
Ocean Isle Beach, North Carolina USA

When you used to write a manual, the goal was to have a permanent representation of the systems and solutions that could be applied by those who purchased it. Today, in a society that changes from one day to the next and without warning, books have a much shorter life span. Therefore, it is a pleasant surprise when the publisher asks you to review a book to publish a second edition. Reviewing something that I wrote more than 10 years ago, when I was just starting in the field of management, has made me question many things that I took for granted and that one would expect to be solved now. However, I see that the challenges are very similar to those that occurred a decade ago. Therefore, the original preface is still valid, because this edition has the same objective now as it did then.

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Preface

This is not a veterinary practice management book. This is a book about change. If you are ready to change, this book will help you; if not, better stop reading now and put this book back on the shelf.

There are people who like change and others who like routine, that is a personal matter. However, dinosaurs became extinct because they were unable to evolve and adapt to changing environments.

Veterinary medicine in Spain is living in turbulent times, and is beset by an identity problem. Currently we have more means at our disposal, diagnostic and therapeutic advances put us in a privileged position and, nevertheless, an economic crisis and a reputational problem (backed by years of abusive practices by many "professionals") mean that many practices face closure.

The market for veterinary practices is saturated or, rather, the market for traditional veterinary practices is saturated. The supply of places that give vaccines and antibiotics and steroids for everything, exceeds the demand. However, the number of practices that have understood the true nature of the veterinary profession is scarce. Practices where the client comes first and where animal welfare is another priority have a much brighter future.

New professionals come out technically better prepared than ever, but they forget that their salaries are financed by the bills paid by clients who come in for consultations with their patients. The pursuit of diagnoses above anything else makes clients feel used and they give it a lot of thought before visiting the practice again. In addition, there is an increase in expectations, due to television programmes, the Internet, etc., which imply a price increase that we cannot apply or make the owners understand.

The lack of work organisation in practices means that many professionals have schedules that are incompatible with an acceptable personal life.

In this book, I have tried to give some ideas about the changes required. Personally, I have spent many years changing to adapt to the new direction our profession is taking. Veterinary medicine, especially small animal practice, is a service, and as such a convenience. If I go to a restaurant and I do not like the service, no matter how good the food is, that is what I will remember and what I will bear in mind before going back to have dinner there again.

Therefore, if you have read this far, good luck, the change comes from within and if you need help, I hope this book will orient and guide you.

Ignacio Mérida Isla

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Introduction

The veterinarians who decide to open or manage a practice are heroes. They are heroes because they enter an unknown world in which they do not know if they will succeed or not. They begin a journey for which they are not always prepared, full of enthusiasm and eagerness, but probably with less knowledge of management and economics than would be necessary and recommended.

Concepts

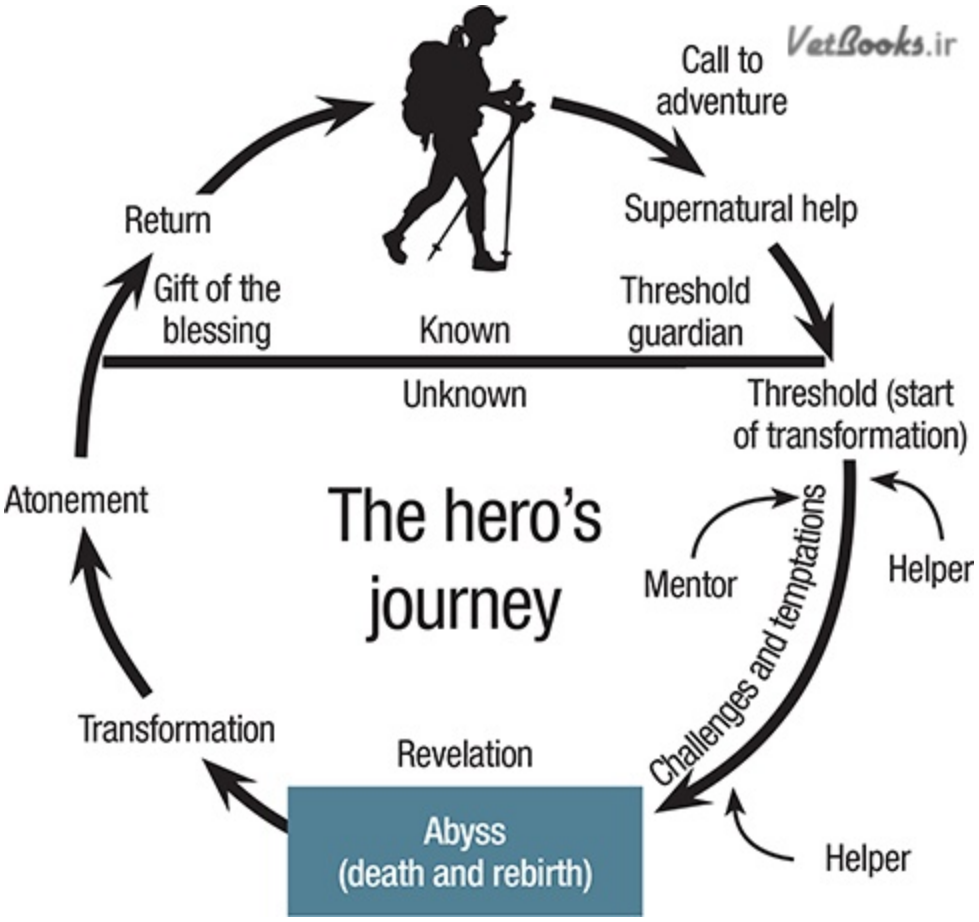
The hero's journey

The hero's journey (or *monomyth*) is a general outline that defines the basic pattern of many epic tales. This was first explained by Joseph Campbell in 1942 in his novel *The hero with a thousand faces* . However, this same narrative model was used much earlier and is still used today in films and books.

The monomyth explains the different stages that occur in an adventure. They are actually quite similar to the steps that a veterinarian who is starting out, a veterinary hero, takes when starting up a business. From the denial of the call, to taking a step of faith, that, on many occasions has to be done to transform themselves finally into a veterinary entrepreneur who begins the path of atonement.

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For this reason, the decision of a veterinarian to start up a business should be applauded and supported. In the hero's journey, a teacher or mentor appears only at the beginning, in order to introduce the mission. To embark on the adventure of veterinary practice management, it is necessary to rely on experienced "teachers" depending on the needs, and not only at the beginning.

These needs are defined by Larry Greiner in his book *Evolution and revolution as organisations grow* , in which he describes five phases in the growth of an organisation, regardless of what type of organisation it is. Each of these phases comprises a period of evolution followed by one of revolution, since growth always brings a crisis, as systems, people and objectives become obsolete over time. The periods of evolution are always times of growth, with hardly any problems, and they are the longest. However, they are balanced out by periods of crisis (a word from ancient Greek that refers to "change", among other meanings), which imply important structural transformations.

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Greiner's model of organisational growth

One of the main obligations of entrepreneurial veterinarians is to recognise what phase their organisation is in. This is in order to provide the necessary means to prevent crises from ending the objective of the adventure: to have a veterinary practice.

Phase 1: Creative expansion

- Growth by means of creative expansion. During the evolutionary period of this phase, the veterinarian's effort, the desire to learn and the ability to adapt are the impulses that drive the practice forward. Practice management is less important, because everything is compensated with more effort. It is enough to manage the centre (perform the routine tasks inherent to a company, from paying salaries regularly to negotiating with suppliers). Many practices do not ever leave this phase, since in order to do so, the first crisis has to be overcome.
- Crisis of leadership. Enterprising veterinarians should assume that their work goes beyond clinical veterinary medicine. A management structure that improves productivity and avoids inefficiencies should be provided. The practice's founder should decide whether to take on this role or rather to find someone else to take it on.

Phase 2: Directed expansion

- Growth by means of directed expansion. The veterinary practice has a direction, a business objective and a strategy to achieve it. To do so, it requires a structure and some systems. It may require having a marketing plan or an investment plan. The team begins to recognise the identity of the practice and what is expected of them. Following clear guidelines makes them gain freedom in their daily work. However, this leads to a new crisis.

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- Crisis of autonomy. The leader or manager begins to lose authority by increasingly delegating functions to trusted employees. This can create a conflict between what is good for the company and what its founder would like.

Phase 3: Expansion based on delegating

- Growth by means of delegating. As a result of the development of work manuals in the centres, with the consequent division of tasks, the company grows thanks to the autonomous decisions of team leaders and the like. The original managers have less and less control in day-to-day decisions and can focus on strategic decisions. This leads to less communication between those who make decisions and those who have to carry them out, which inevitably leads to another crisis.
- Crisis of control. The original entrepreneurs feel that the organisation is decreasingly their own. They feel that they are part of something that they no longer control, since an increasing number of decisions are made by a greater number of participants.

Phase 4: Expansion based on coordination

- Growth by means of coordination. At this level, companies and their managers begin to generate large levels of bureaucracy to control decisions and receive information that allows them to make new decisions. The objective is to improve coordination and communication. To do so, a bureaucratic system is designed that organises decision-making, who is in charge of planning what, etc.
- Crisis of bureaucracy. Bureaucracy, according to Parkinson's law, grows to occupy more time than it saves, affecting efficiency and reducing the ability to innovate.

Phase 5: Expansion based on collaboration

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- Growth by means of collaboration. This is the time to change company structures. Bureaucracy that is not useful should be reduced. To do so, staff should be re-trained and learn to work as a team and within a flexible and versatile matrix. Communication between departments is sought in order to solve problems with more simple, adaptable systems.
- Crisis of exhaustion. Although Greiner never managed to determine the last crisis in practice, as when he developed his theory the teams were still in the collaboration phase, he did speculate that the problem would come from the exhaustion of the leaders due to the need for constant innovation and teamwork [1] . Greiner also identified a sixth phase in which growth came about by means of alliances, mergers and acquisitions, which can occur in companies that have not yet reached phase 5.



How can it be applied?

Greiner's model in veterinary practices

Veterinary practice managers should pay attention to three fundamental implications of the Greiner model applied to veterinary practices:

- Know in what phase each practice is to prepare for the subsequent crisis and be able to apply solutions before the crisis becomes manifest. In addition, growth should be natural and logical, phases cannot be skipped.
- Acknowledge the limited number of solutions. Each phase requires a type of solution and trying to apply it to different stages will lead to stagnation in the crisis. In addition, the solutions should be durable over time. A certain management tool that has been used to resolve a crisis will be worthless if changes are not introduced at the same time that will also last into the next phase.

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- Assume that solutions always end up being the cause of new crises. It should be understood that the bureaucracy needed to grow in the coordination phase will inevitably be the cause of the crisis that precedes the collaboration phase.

In this journey in search of the dragon, veterinary heroes should not feel alone or despair over the challenge. Rather they should accept the different crises as natural and seek help to overcome them. The final reward is well deserved: knowing that everything possible has been done in pursuit of the welfare of pets.

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[1] This coincides with the last phase of Bruce Tuckman's team building theory, which is explained later in the book.

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01

What is marketing and where should investments be made?

Introduction

What is marketing for?

Everybody has heard of marketing. In most cases we know that it is used to sell more. However, there is a big difference between knowing that and understanding how we can use it in the veterinary practice. The questions that come to mind are: Why are we speaking about marketing? What do we have to sell in a veterinary practice? Why is marketing not just selling food or flea treatments?

The common perception is that what veterinary practices sell are the pet food, antiparasitic treatments and some toys or collars that can be found in the reception area.

In veterinary medicine, the only thing we sell is peace of mind.

Modern practices have intensive competition for everything that is not a professional service. This comes from pet shops, supermarkets, etc., which are all able to sell at a better price. However, the veterinary services are what get clients to come through the door.

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Here is where the first misunderstanding between veterinarians and their clients begins. According to a study by Ross Tiffin (1997), 9 out of 10 professionals believe that their job is to practice good veterinary medicine. However, 9 out of 10 pet owners, and therefore clients, believe that the job of the practice is to ensure the health and welfare of their animals, as well as to be available when needed.

At this point, marketing takes on a key role in the veterinary practice. We have to ensure that clients appreciate that our technical skill ensures the health and welfare of their pet. In addition, marketing will differentiate our centre from other possible options.



It is easier to sell what people want to buy from us

I would like to start by defining marketing as it is explained in specialised books:

“Marketing is the ability to create relationships, based on trust with different sectors of the public.”

As we can see, the definition does not mention selling or advertising, which is what is usually associated with this term. To understand what it refers to, it is important to know the difference between traditional and modern companies (yes, a veterinary practice is a company).

A traditional company (the one prior to the information society) is understood as:

“A company that produces something; it looks for employees to produce it and for buyers to sell it to.”

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This system was perfect at the time when competition was local and information was limited. However, today information travels freely and customers have more knowledge and are better informed before making a purchase.

Therefore, the new company (veterinary practice) should revolve around its clients and present itself in a different way.

“The company has an intellectual ability that generates an offer and identifies some needs.”

How do we apply this to a veterinary practice?

As professionals, we can and should educate our clients and, therefore, create an offer. It is beneficial to design plans for health prevention, for checkups for geriatric patients, for preventive surgeries, etc. We have to explain to the owners, from the moment they visit our practice for the first time, that if we perform an ovariohysterectomy on a cat, she will live 40% longer. We should not try to convince them that surgery is necessary (we should not forget that for clients it is something serious and dangerous), rather only mention that the animal will live longer and be happier (in addition to saving money and avoiding “accidents”). In this way, it will be the owner who requests the operation and not us who have to sell it. It is much easier to sell something that people want to buy from us.

In countries where preventive surgery is more customary, owners make an appointment with the veterinarian for sterilisation when puppy vaccinations are complete. It should be our goal that the clients of our practice act in such a way and this is achieved by marketing.

A message needs to be repeated five times to get the client to agree to do something. However, it needs to be told up to 12 times when they do not intend to do it or do not appreciate its importance.

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Furthermore, it is important to remember that selling is synonymous with educating. Educated customers buy services. Marketing is responsible for transmitting that message and for getting pet owners to set aside some of the money that is left over after paying unavoidable expenses (housing, food, etc.) for the veterinarian and not for other services that generate more satisfaction.

When trying to sell something to the public, it is essential that the entire team gets involved and everyone repeats the same message. It is useless for the veterinarian to try to convince a client of the need for sterilisation during a consultation if the receptionist explains that it is optional.



The SMART objectives

The marketing of a practice should be planned, like everything related to management. Otherwise, paradoxical situations could occur, such as the following:

- The posters in the practice advertise products that are no longer sold or are not the ones of choice.
- Brochures that contain information on services that are no longer performed or are unknown to the team.
- Shelves with products that have expired.
- Reminders that are sent for deceased animals.
- Inconsistencies: practices that promote sterilisation but only have a very basic operating room.

A marketing plan, and any other plan, should follow the SMART objectives:

- **S** pecific. It is essential to clearly define what you want to achieve with advertising right from the start.
- **M** easurable. All objectives must be measurable. For example, it is not enough to decide that we want to increase the number of preventive

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surgeries. Rather, we should aim for 50% of our clients' animals to be sterilised.

- **A** ction oriented. For the plan to work, it should be targeted towards specific actions. For example, we could think of carrying out information campaigns, offering a discount to all puppies, etc.
- **R** ealistic. The objectives should be achievable or else the team will become demotivated. For example, we cannot expect 50% of our clients to sterilise their pets in one quarter, but it might be possible to reach this goal over an entire year. Also, if we reach a goal early, we can always set a new one.
- **T** imed. We have to decide when we are going to reach the goal. Increasing the number of sterilisations to cover 50% of the patients has no meaning if we do not establish when we want the increase to happen. If not, we may get it when we only have two patients and one of them is sterilised.



Areas of interest of veterinary marketing

In the corresponding chapter, I will talk about how to design a specific campaign, but now we will focus on how much and where to invest in marketing.

Marketing has five main levels:

1. **Objectives.** They are about deciding what you intend to achieve.
2. **Strategy.** It indicates what the brand needs at all times.
   - Market penetration refers to selling existing products and services to known customers.
   - Development of products and services is about selling new products and services to known customers.
   - Market development consists in offering existing products and services to potential customers.

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- Diversification refers to creating new products and services for potential customers.

According to a survey by CMO (2018), 75% of the investment in marketing of large companies was directed towards existing customers. As veterinarians, we should understand that we need to satisfy more needs of the clients that we already have before going out to find new ones.

3. **Planning.** It consists in deciding who is the target customer, choosing the products or services to promote, preparing a business strategy and training and providing incentives to the team for the campaign to be successful.
4. **Tools.** There are hundreds of marketing tools (solutions) available, either offline or online: network marketing, guerrilla marketing, WOM (word of mouth), inbound marketing, marketing of emotions, etc. It is customary for the tools to be adapted to the needs. In the same way that each surgical tool has its use, marketing tools should be tailored to the needs. This is why marketing solutions sometimes fail, because the right tool is not used.
5. **Review.** Once we have the results of the campaigns, we should check with figures whether the desired objective has been achieved. To do so, we will use parameters that are known as Key Performance Indicators (KPIs).

The endeavours of traditional marketing used to be divided into three areas:

6. **Advertising** . The entrance sign, the website and any other advertising channel (radio, specialised magazines, forums, etc.).
7. **Public relations.** Customer recommendations, activities with nearby shelters or protective societies, social media, etc.
8. **Information for the clients** . Posters in the waiting room, brochures, practice newsletter, blog and videoblog, website, etc.

One of the key requirements for success is maintaining the database up to date. As we will see in the chapter dedicated to customer stratification, a database allows us to perform personalised marketing, with the consequent economic savings and increased chances of success.

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Advertising

In August 2020, approximately 50% of the advertising investment of large companies corresponded to conventional media (known as Above The Line advertising, ATL) and the other 50% to network advertising (Below The Line advertising, BTL). There is a third type of advertising called Through The Line (TTL), which combines activities on networks with conventional advertising. Not all types of advertising are good at achieving the four objectives of marketing. Therefore, depending on the objective sought, one type of advertising or another will be chosen:

- **ABL advertising** . ABL media (local press, radio or television, placing billboards in the street, etc.) are very useful to publicise the brand quickly, as well as the products and services. The objective is to enter the consumer's mind and plant the seed of a future purchase. We can save part of the cost if we collaborate with the media, especially local ones, sharing stories of animals, which are usually very popular. When placing a sign outside the practice, you have to justify the investment made. To do so, it has to be visible from far off during the day and at night, and the sign should be arranged perpendicular to the street so that it can be seen at a greater distance.
- **BTL advertising.** It uses social media and the Internet world to develop brands, products and services, generating an emotional bond with consumers. Loyalty to the brand is sought, so that the client repeats and also recommends us. The aim is not so much to attract new clients, but rather that those who are already become part of a community.

Public relations

An owner who brings their pet on recommendation is more likely to forgive a somewhat lacking first impression. Therefore, it is important that our clients become our best advertisement, in addition to being the cheapest. To promote this, we can use thank you cards, offers or simply saying thank you the next time our "ambassadors" return to the practice (see Chapter 9).

60% of clients choose their veterinarian after asking their neighbours or the nearest pet shop.

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There is also the possibility of carrying out collaborative projects with local shelters or charities, performing low-cost sterilisations in exchange for being the official veterinarian (and therefore, to which all adoptions will go for the first vaccination) or using this relationship as part of our advertising. You could make a donation on behalf of the clients of "Practice X", to "Shelter Y", for each patient receiving a dental cleaning during a "Dental Health Campaign", for example. The relationship with this type of charity is always complicated because no clear limits are established. If everyone understands the terms from the start, it will be a win–win situation for both sides.

Information for clients

It is evident that what is not explained, is not sold. All the information provided to the clients is part of the educational process. The more options there are (on the web, on social media, in videos, in brochures, on posters in the waiting room, etc.), the greater the chances of success. It is essential that your practice presents its services to users: stating that they are available, their ease of use, the benefits they entail, etc. On numerous occasions clients have told me, surprised, "I didn't know that this could be done here", when we were discussing the possibility of performing a certain diagnostic test.

In conclusion

No money, no honey

As we can see, marketing is based on a relationship of trust between people. As a result of this, a single marketing element cannot improve sales, rather we have to make a common effort together with the whole team and use various means. Finally, remember that investing more does not necessarily guarantee better results. However, if you do not spend anything, do not expect to make any progress. Large companies usually allocate around 9% of their gross income to

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marketing. Historically this was not necessary in veterinary medicine due to the low level of competition and the lack of a need for differentiation. Today, with the increase in services that compete for the money that people dedicate to nonessential expenses, it is vital that practices increase their marketing budget. It is no longer enough to do the same as always, now you need to have a clear idea of what you are looking for.

The objective of marketing is not to sell more but rather to make your clients want to buy your services.

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02

Positioning of a practice
How to choose it

Definition

Establishing the company's principles

"Positioning is the place that a brand (in this case, a practice) has in the mental perception of a client or consumer, which constitutes the main difference between it and its competition."

A veterinary practice, like any company, should have an effective approach that will affect all the strategies and decisions that are made.

The perceived position is the first thing that comes to the client's mind when they hear the name of a brand. In our case, it is as important as in any other company. The different brands of cars and their potential audiences are a good example (Mercedes and BMW in comparison to Seat and Renault).

To define the position of a business we should start by talking about its values. In a profession like veterinary medicine, where ethics intervene in daily decisions, we should clearly define our principles and share them with all team members.

Marketing culture understood this more than 50 years ago and large business empires (fast food restaurants, for example) were based on premises as simple as those described by the concept **QPSC** : quality, price,

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service and cleanliness. All actions were based (and are still based) on it; procedure manuals have four QPSC parts; the salary increase is based on the four QPSC propositions, etc.

In human medicine, some hospitals follow the precepts of the acronym **CARE** . As a reference for our veterinary practice's values, we can use the following:

- CARE (Communication, Accountability, Response, and Empathy; sometimes a S for Solution is added) or **PRIDE** (defined as Purpose, Reputation, Integrity, Direction and Energy).
- An acronym that I recommend is to be a **CREAM** team (Communication, Responsibility, Effort, Attention and iMprovement).



Specifying the positioning of our practice

With these concepts in mind, four factors have to be evaluated regarding our positioning.

1. **Primary objective** : **Who is our client?**

   The fundamental thing in customer service is to know what the client wants, although it is also important to know what they do not want. Therefore, having a quality survey is essential (see Chapter 8). Not only for specific cases, but for constructive advice in general, to know if the waiting time is very long, the prices are high, the waiting room is too small, etc. Today there are simple solutions (from totems in the waiting room to surveys that are sent online).

   Once this is ascertained, we should analyse what our position is. It is obvious to state that residents of the same area have similar lifestyles and, therefore, similar consumer habits. Having a practice in the city centre is different than being in a suburban town or in a rural area.

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We also need to remember that owners who walk their dogs in the same park share the experiences they have had at the vet's!

If we know our clients well, we will know their needs and adapt our offer accordingly. The better adapted this is, the greater the possibility of a sale. Therefore, we should look for our reference market and the needs to be satisfied, because only then will we find the right clientele.

2. Competition : **Who are our rivals? What do they sell?**

Our competition is not necessarily other veterinary practices, where a colleague offers services similar to ours. In that case, we would have to try to get pet owners to choose us because our value for money is better. Clients rarely choose based on diagnoses or treatment, but rather on waiting times and communication. If the rest of the veterinarians are not our main competition, who are then? We should differentiate between services and products. We can define four large groups of competitors relating to **products** :

- **Pet shops.** They have a wide variety of products because they do not have to accommodate the X-ray machine, the operating theatre, etc. They have different brands and prices to suit the largest number of consumers possible. They seek to sell large volumes, which allows them to reduce costs and, therefore, prices.
- **Large shopping centres.** Their purchasing power is so great that the prices at which they buy are lower. However, they sell at the same price or higher than us. Why? Animal food is usually bought in supermarkets for convenience and that is why the price does not influence the decision so much. The marketing strategy of supermarkets dictates that certain products (especially basic necessities: food, cleaning ...) attract customers because of their price and others will be bought for convenience once there (20 kg bags of pet food, for example).
- **Pharmacy.** They do not only sell, they also sometimes provide advice. We should make it clear that a client does not buy an antiparasitic product in our practice, but rather takes it as part of the consultation on parasite control.

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- **Internet.** Sometimes we spend two hours with a patient for which we take four X-rays and only charge two. After we spend another half an hour explaining the findings to its owner, we recommend certain medications for diagnosed arthritis, and we prescribe our NSAID of choice. The owner returns home, googles the medication, and discovers various Irish or US websites that sell the exact same product and can have it sent to their house for 30% less than what we would have charged. The same can be applied to food or other products.

With regard to **services** , the competition is more varied. The veterinarian is not yet perceived as an essential expense (such as food, housing, etc.). Therefore, we have to compete with other services that are nourished by disposable income and that generate more positive emotions. To be honest, nobody takes their pet to the vet because it is healthy, as a pastime, just like nobody goes to the dentist's to have a good time. If we are given a choice, we prefer to spend our money on leisure (restaurants, theatres, etc.), rather than on services such as the veterinarian, car insurance or the dentist. Therefore, as veterinarians we should begin to use positive emotions (pride, happiness, tranquillity, etc.) to promote the preventive medicine that we perform and avoid messages of doom and gloom.

3. Differentiating and common elements .

While differentiating elements will make us more attractive to clients (ease of parking, hours suited to their needs, etc.), common ones will only have an influence if they are absent (punctuality, cleanliness, etc.). A veterinary practice needs to adapt to the demands of its clients. It is essential not to assume that, since they have already been bringing their animals to our practice for a long time, they do not require any attention.

To do so, as I have already mentioned, we should identify our base clientele.

- **What advantages are clients looking for?** Price, opening hours, services… If a practice is in a suburban town, it may be beneficial to organise the hours so that it opens more hours in the afternoon, when the pet owners return home.

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- **Social demography.** Age, purchasing power… A practice in a big city should perhaps dedicate one afternoon a week exclusively to attend feline patients. These become stressed in the presence of dogs and owners will appreciate not having to share the waiting room with them.
- **Lifestyle.** Retirees, couples without children… This aspect influences the type of pet, the purchasing power, the hours at which people can go to the practice, etc.
- **Shopping habits.** There are those who prefer to go to the vet often and make a large outlay or who, on the contrary, choose to pay in instalments.

4. **Reasons why.**

We should decide for what reasons we want users to remember us, the value proposition (see Chapter 13). They should always value us for the quality of service and excellence in customer service. Still, we can choose if we want to compete with others in volume, with the risks that this entails (see Chapter 3), in customer service, etc.

In conclusion

What can we do?

As veterinarians, we can change our clients by convincing them that they need to visit us from time to time to carry out checkups, monitor their pet's diet, receive different advice, etc.

We have to show that we care about them, get them to perceive our empathy for their pets and, above all, we have to listen to their requests.

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03

Strategy

Principles

Management from the “client’s perspective”

“The client’s perspective is the orientation of the veterinary practice towards the satisfaction of the client’s needs, using marketing to give better service to the consumer ”.

Once we know what our positioning is, we have to find a strategy to get closer to potential customers.

The services that veterinary practices offer today are nothing like what was offered in the past. A few years ago they were dedicated to all kinds of animals and tasks. At present this is not possible. We should design a strategy and decide in what area we are specialised and, above all, in what aspect we differentiate ourselves. It is essential to know what we sell, in order to know how to sell it. The hardest question for a veterinarian to answer is: what do you sell?

Also, with increasing competition, you need to focus on the clients (those who pay, pet owners). To satisfy them we will use what we will call “the client’s perspective”.

The “client’s perspective” is based on knowing what the client needs, what they value and what we would have to do in our practice to please them. Communication is the key to achieving all of this.

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At present, the veterinary sector is saturated and the situation is not going to improve, so it is necessary to identify our potential clients, know what they want and be the first to offer it.

We have to find out why someone chooses us instead of the practice on the next street. It could be for reasons that we did not imagine, such as the ease of parking, the fact that the receptionist is friendly, etc. They may choose us because we help the municipal shelter or because our practice is more environmentally friendly.

On the other hand, waiting for clients to come forward with a complaint is a big mistake, as it is easier just to change vets. We have to ask them what worries them; a complaint is nothing more than an opportunity to improve our service. We all make mistakes, but if the problem is treated as a priority, clients will appreciate it and will return to our practice.

Logically, all this entails some challenges:

- Involving the entire team in the "client's perspective". Employees should be educated in its importance and reminded that pet owners look for prognoses and not diagnoses.
- Developing tools to know our clients' opinions and keep the practice up to date regarding their needs.
- Working together with suppliers to achieve an efficient and consistent relationship that ends up benefiting customers.

Implementation

Specialisation to reduce competition

Now that we have understood why the practice should be oriented towards excellent customer service, let us consider how to achieve it. No matter what strategy we follow, we should always aspire to exceed our clients' expectations.

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All practices have internal and external factors that make them more competitive. The external factors differentiate us from the rest and lead us, in some cases, to specialisation. This specialisation is not related to veterinary medicine, but rather to the offer. We have to understand what services our clients need and offer them these in the best possible conditions.

The internal factors are based on our processes; how we organise time in our team, who is part of it, etc. Remember that a well-oiled machine works better and, more importantly, saves money.

In any market, the positioning of a company is a well-thought decision and once it has been made there is no turning back. You can choose to be a market leader, a follower, or a specialist.

- A **market leader** is the one who dares to open up new horizons. They offer innovative services and, to do so, investments have to be made and risks have to be taken. If everything goes well, it will be different, the first in something and the one with most experience in that field later. If the market does not accept this novelty, the investment will be lost. An innovative service could be to invest in a hydrotherapy pool and launch a physiotherapy service.
- **Followers** take a model that works and try to adapt it to their practice. This has the advantage of being less risky, but the disadvantage is that someone else is already working with it, more efficiently.
- **Specialists** choose a limited field of work and base all their decisions on it. This is the case of a veterinary practice specialised in exotic animals, for example.

Also, it is important to remember the following:

“If your company is not different, the second best option is to be the cheapest.”

There is no downside to being cheap, as it means that you are efficient, that your stock allows you to have the necessary medications on hand or to prevent them from expiring (see Chapter 35). It also means that you reach better agreements with your suppliers (negotiating based on the previous

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year's orders) and that you have only the necessary staff, paid according to their capabilities and productivity.

If you try to be the cheapest veterinarian by cutting employee salaries or looking for less reliable suppliers that do not bring products on time, the strategy will fail as both decisions affect customer service. That way you get short-term results; the cut in costs is seen quickly and the impact on the service to pet owners is not seen so quickly. Also, it takes a long time to regain the reputation that is lost due to poor customer care.

There is no downside to being the cheapest vet, because that means you are efficient.

Requirements

What is each strategy based on?

Let us consider three strategies that can be applied in a veterinary practice and the needs of each of them.

1. **Leader in prices** . The difference is in being the cheapest.
   - **Large volume** . You have to have an effective appointment-taking system and efficient consulting service, without being detrimental to customer service.
   - **Reduction of costs** . Wastefulness should be avoided, not only by hiring the right staff, but also with a stock system that avoids duplication of medicines, monitors the expiry dates of perishable products, etc.
   - **Indirect expense control** . Indirect expenses are those that are not related to business volume (electricity, rent, taxes, etc.). You can start by asking different energy or telephone providers to reduce the monthly bill.
   - **Minimise the cost of services, research and development, etc.** In a veterinary practice this means that no investments are made in new equipment and the payback periods are lengthened.

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- **Simplify the range of services** . Having fewer services implies less investment. In addition, more simple services allow a less qualified workforce.

Practices of this type are mainly dedicated to preventive medicine.

2. **Differentiation** is based on customer service as the cornerstone of all practice decisions.
   - **Cost control** . Although it is not the main objective, in a modern company expenses have to be controlled. Without being a priority, the same guidelines can be followed as in the case of wanting to be a price leader: process effectiveness, reduction in indirect expenses, etc.
   - **Customer loyalty** . This is the main concern. The entire team is involved in offering exceptional service and clients thank them with their trust. In contrast to the previous case, in this model the processes are aimed at loyalty and therefore require investing in customer service. For example, the annual checkup may include a second free checkup with a veterinary nurse after six months.
   - **Improving profit margins** . Customer service has a higher cost but it also allows higher margins.

3. **Specialisation** provides acceptable profit despite decreasing sales volumes.
   - **Specialised service** . It is aimed at certain pet owners with specific needs. Clients look for these types of practices and not the other way around. Customer service is essential, but the service offered is the key to success. If your practice is a reference in ophthalmology, you should make sure that the cases are resolved properly. As this type of business relies on patients referred by other veterinarians, avoid recruiting clients for other services.
   - **Profit margin** . It is higher; it is needed to pay for the sophisticated equipment that specialisation entails (for example, special machines for anaesthetising birds).

Drawbacks

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Combine strategies to reduce risks

These three strategies are compatible with each other, it is not necessary to choose only one of them as the positioning of the practice. They can be combined to avoid individual risks.

Some of these risks are as follows.

1. **Price leader**
   - **Inability to see the need for change** . In times of crisis, customers are more hesitant to spend. This does not mean that they always want lower prices, but rather that this expense should also be justified with extra services.
   - **Cost increase** . Logically, if it is necessary to hire staff due to the increase in the volume of visits, it may not be feasible to maintain the same prices.
   - **Price competition** . If a practice manages to optimise its processes and offers similar or lower prices, the only competitive edge will disappear. It is important to remember that in a price war (as in all wars) both parties always lose.

2. **Differentiation**
   - **Customer chooses price versus service** . For the mandatory vaccine, for example, many are only looking for the lowest price.
   - The differentiation is not usually apparent unless **customer service** and **extra services** justify the higher cost.

3. **Specialisation**
   - **Cost increase.** As in any practice, an increase in costs can affect viability, although in this case perhaps more so due to the reduced volume of sales.
   - **Insufficient demand.** If there are not enough cases of exotic animals to generate the income required, we will not be able to specialise and we will have to look for alternatives.

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We should decide which strategy to follow in the practice taking into account their pros and cons and considering the possibility of combining several of these strategies. For example, we can be the ophthalmology specialist in the area because we have adequate equipment and personnel, but also offer very competitive prices on preventive vaccines.

The strategies should be adapted to the market for each of the business areas. The market for vaccines may be saturated and represent an oligopoly of demand, but the market for ophthalmology may allow a quasimonopoly of supply. According to Stackelberg's supply and demand classification, we should decide the strategy of each business area, depending on which stage each of them is in.

Stackelberg's supply and demand classification.

Demand	Supply		
	Sole seller	Few sellers	Many sellers
Sole buyer	Bilateral monopoly	Quasi-monopoly of demand	Monopoly of demand
Few buyers	Quasi-monopoly of supply	Bilateral oligopoly	Oligopoly of demand
Many buyers	Monopoly	Oligopoly of supply	Open competition

Evaluation

An adequate strategy guarantees quality service

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Sometimes we will make mistakes and have to rectify them. In order to discover whether we need a change in strategy, we should consider sales percentages rather than total sales (see Chapter 33). In times of crisis, sales percentages may be maintained with the problem being that customers do not spend as much as at other times. So maybe we do not need to change strategies, but rather to invest in advertising and continue with what we were doing.

In conclusion

As in any sport, a good strategy allows us to win matches, while a bad strategy leads to losing them.

In a veterinary practice, a good strategy will produce a quality veterinary service and a bad one will make the business fail.

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04

Brand design

The competitive edge

What make us different from the others?

The main idea of Charles Darwin's theory of the evolution of species can be applied to any modern company:

"As more individuals are produced than can possibly survive, there must in every case be a struggle for existence, either one individual with another of the same species, with the individuals of different species, or with the physical conditions of life."

The traditional market has changed. Capital is not the main factor of production, cost reduction is not the main competitive edge, and customers, although they buy more, also seek specialised services. New technologies have transformed consumerism. Users have greater access to information, especially on the Internet, and they come to us with a preconceived idea of the treatments. It is important that practices embrace change and use it to their advantage.

If we all close our eyes and think of car brands, surely we are quick to associate them with a logo or an image. However, when we talk about a brand, we are not referring to it, but rather to the idea behind the image. To understand what a competitive edge and brand personality are, the best example are cola soft drinks. The difference between Coca-Cola and Pepsi

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is very clear: while the former is always politically correct, the latter projects a more rebellious image.

It is essential that customers know what sets us apart and, consequently, why they choose us. To do so, in this chapter we will talk about how to create a brand image for our practice and what advantages we should seek or promote, which is usually known as the **competitive edge** .

The competitive edge will not only increase revenue, it is also a loyalty tool. It establishes ways to respond to the needs of pet owners and gives them the impression of receiving a better service than expected.

The advantage sought should be based on four aspects:

1. **Priority in the selection criteria** .

   It depends on the clients, so we should ask them (see Chapter 5).

2. **Analysis of the competition** .

   We should know what the practice next door is doing. If they have an exotic animals expert, it may not be the best thing for us to hire one because there are not enough pets to recover the investment (salary, equipment, advertising, etc.).

3. **Search for gaps in the market** .

   With regard to the above, if the closest orthopaedic specialist is 50 kilometres away, it may be a good idea to hire one.

4. **Competitive edge assessment** .

   For this we have to know our strengths and weaknesses, which is known as the SWOT analysis (also known as SWOT matrix). The objective is to know what external and internal factors affect our practice and to determine what our competitive edge is.



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A tool to identify our capabilities

A SWOT analysis involves the study of the competitive situation of a practice in its environment and its internal characteristics. It should be used every time we make a strategic decision in the company; from hiring another vet to acquiring new equipment. It is used to plan a strategy and should help us to answer these questions.

- How can each strength be exploited?
- How can you take advantage of every opportunity?
- How can a weakness be corrected?
- How can each threat be avoided?

> *"An empire does not fall from external forces, but rather from internal weaknesses."* Carlos Escartín.

The SWOT analysis can be represented with a table.

SWOT analysis		
	Strengths	**Weaknesses**
Internal analysis	Different capabilities Natural advantages Superior resources	Scarce resources and capabilities Resistance to change Staff motivation issues
	Opportunities	**Threats**
External analysis	New technologies Weakening of competitors Strategic positioning	High risks Changes in the environment

In a veterinary practice it is essential to use the talents and abilities of the team to your own benefit. For example, if one of your veterinarians is interested in surgery, send them to courses to offer more variety of surgical

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operations. If a nurse enjoys dealing with clients, give them the opportunity to create weight clinics or special consultations for geriatric patients.

A list of the areas that should be included in the SWOT analysis of a practice can be like the one shown below (these are some, but not all, of the most important areas; include everything you consider important).

Areas to include in the SWOT analysis of a practice.

Building
- Location
- Appearance
- Parking
- Opening hours

Financial area
- Economic climate
- Interest rate
- Fees
- Mortgages
- Investments

Computer equipment

Company structure

Competition

Management systems

Services
- Abilities of the team
- Clinical skills
- Equipment
- Specialists
- Diversification

Sales and marketing

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Clients

Client base

Customer loyalty

Customer service

Population of pets

Public relations

Legislation

Let us see below an example of a SWOT analysis for a typical practice.

STRENGTHS	
Location	Near a park in an area of growth of the city.
	Easy parking.
	Easy access.
Team	Well-trained team.
	Nurses eager to learn.
	Good team spirit.
	Dedicated and vocational staff.
	Veterinarians with good clinical skills.
Public relations	Good relationship with the public.
	Volunteer work with the pets of the shelter in the area.
Clients	25% loyal clients.
	Good quality survey results.
	Medium-high purchasing power area.
Services	Grooming service.
	Opening hours:

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	09:00 AM-9:00 PM Monday to Friday, 10:00 AM -2:00 PM Saturday
	Daily surgeries.
	Emergencies in the same practice.
Company	Two shareholding partners who have been together for 20 years.
Stock control	Synchronised with practice management system.
	Stock for at least two weeks.
	Control of discounts on medicines.

SWOT analysis example: weaknesses.

WEAKNESSES	
Marketing	Lack of a marketing plan. Team not trained in customer service. Veterinarians show no interest.
Computer equipment	Nobody to resolve problems. Issues when saving computer data. Difficulties to obtain data from the system.
Planning	There is no written business plan.
Financial area	Mortgage still to be paid. Poor non-payment control.

SWOT analysis example: opportunities and threats.

OPPORTUNITIES	**THREATS**
New buildings being built. Possibility of opening a nearby practice.	A new practice has opened in the expansion area. Current economic crisis.

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The new vet has an interest in exotic animals. Veterinary nurse wants to obtain a certified diploma. Business premises next door for sale to expand shop and grooming service.	Lower number of pets. Increased occupational health and safety costs. A pet shop may start selling the same pet food as we do. Change in rabies vaccine policy.

It is tempting to focus on external and negative factors (crisis of some kind, too many veterinary schools, high taxes, etc.) as a justification for not doing the exercise.

Ideally, we take advantage of our strengths (internal and positive) based on opportunities (external and positive), because it is thanks to these strengths that we have the ability to do things, while external factors by definition do not depend on us.

→ Results

What do we want to offer clients?

Once we have defined our practice's values and what our positioning is (see Chapter 2), once we have understood the importance of the client's perspective and chosen a strategy (see Chapter 3), and once we have carried out a SWOT analysis of the practice, which has allowed us to identify our competitive edge, we are then prepared to establish a brand image. It is time to consider what is the best that we can offer our clients and work in that direction. We can be a neighbourhood practice with very approachable staff where it is easy to obtain an appointment due to its average volume of work or be a hospital with a professional image, state-of-the-art diagnostic tools and a wide variety of specialised professionals.

→ In conclusion

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No matter what our competitive edge is, what really matters is that it lasts over time and that it does not only develop in a specific moment.

It takes much longer to build customer loyalty than to lose it.

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05

Market study and practice viability

Definition

What is a market study?

A market study can be defined as the method or series of techniques that allow the identification, visualisation and analysis of the commercial potential that your practice has.

From a practical point of view, a market study will include information about the companies with which we will have to compete as well as about the potential clients we have in our area of influence and, in some cases, the prices they are paying for the services offered to them.

The reason many practices have problems and end up failing is because they started badly. A market study has to be simple and inexpensive, since veterinarians have many things to worry about. However, doing it wisely is a worthwhile job that will have a significant impact on the success of our business. On many occasions, the feasibility study has made it possible to change decisions that would have cost veterinarians starting out thousands of euros.

Objectives

Objectives of a market study

A market study should provide a clear idea about certain aspects:

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- How many potential clients will use our veterinary services (not just the professionals).
- How much they will be willing to pay for services and what area of influence can we reach.
- What services our potential clients will request (preventive medicine, boarding services, etc.).
- What prices we can establish for our services taking into account what we offer. It is not the same to charge for a simple vaccination than for the performance of an additional stool analysis at the time of the annual checkup.

This study can guide us in the decision of whether to open a new practice. It may help us understand that a 24-hour hospital is not as good an idea as we think because our potential clients are not willing to pay the extra cost of having a practice open all day. In addition, it can help us when looking for investors, since this market study will be part of the business plan that we present to them.



How should the market study be carried out?

Our study can be as simple or as complicated as we want. For example, Spain has 46 million inhabitants and we can say that there is approximately one pet (dog or cat) for every 3.5 people, which results in a total of 12.9 million pets. Knowing that there are about 6,000 veterinary practices in Spain, we would have about 2,150 potential clients per practice. Or stated in a different way, there is a practice for every 7,666 inhabitants approximately.

If the town where I want to open the practice has 25,000 inhabitants and there is another practice already established, it is assumed that I would have about 12,500 inhabitants, which is about 3,570 potential clients. If the

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average expenditure in Spain per customer is € 180 per year, that represents an estimated income of € 642,600.

In this way we already have a very basic and totally incorrect market study, simply put.

On paper and with the data we have, this would make all the sense in the world; however, in reality it is not that simple (but not as complicated as it seems).

Once we know what we want to know, that is, what we are looking for when conducting this study, the question of how to obtain that information arises. We can ask questions, observe and experiment.

Obtaining data

- **Ask.** We will not only ask questions to potential clients, but also to experts (who, in our case, could be suppliers of veterinary products) and members of professional associations. We should ask several questions for each objective we have. It is important to remember that the number of interviewees should be representative of the number of clients that we could obtain. Furthermore, the questions we ask should be open; let them tell us freely what they think.

- **Observe.** After asking, it is time to observe. We should first observe our direct competitors (other practices, pet shops, etc.) to know what image they project, what prices they have, what services they offer (if they have an ultrasound scanner, a cardiology specialist, etc.), what products they sell, what brands of pet food, where these businesses are located (easy parking area, near a shopping centre, etc.), etc.

- **Experience.** Finally, there is the option of experimenting. This part involves gathering a group of potential clients (pet owners) and asking them directly about services they would be interested in (veterinary specialists, home delivery of pet food, hotel for pets, etc.). This last part can be done in the local park with a standard survey.

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In addition, some companies also have average price data for veterinary services to help us know what customers are paying.

Data analysis

Once we have the right information, we have to analyse it. To do so, we will identify whether the available data are from surveys, observation or experiments. In the case of surveys, it would be ideal to prepare graphics and add relevant comments (for example, the respondents complained about having to go to the next town at weekends in case of an emergency). Observation data are presented as is, using comparative tables (e.g. competitor's price list). The data from the experiments should be presented as a summary that includes the conclusions drawn.

Practical advice

To do a market study

Before opening a practice, take a walk around the area

The first thing to do in a market study is to visit the area where you plan to locate the practice. This walk can be done accompanied by someone you trust to help you look at the important details.

During the walk, it is important to identify businesses that can compete with you (other practices or pet shops) or that offer complementary services (grooming, pet boarding service, etc.). Their location and opening hours should always be analysed (if they offer a 24-hour service, for example). In addition, we can see how many clients they have in the waiting room to get an idea of the volume of clients, and also call and make an appointment for a sterilisation to find out the average waiting time for surgery.

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As we explore the area, we will also get to know our potential clients by observing the existing businesses. We will be able to see the breeds of the dogs in the parks, if the area has houses or apartments, if it is an area with working people or pensioners, etc. Additionally, we will also be able to see when the streets are busier or when nurseries open and close, which will give us an idea of the working hours of the residents of the neighbourhood. **As you walk around the area, you will gather very important information that can give you ideas for the practice that you had not previously considered.**

Conduct opinion polls in your practice

Your survey should be simple and quick (it should be completed in 2 minutes maximum), since no one wants to waste a lot of time if they do not perceive a clear benefit.

Questions should be posed in a way that reveals the interest of potential customers. For example, if you are thinking of opening a satellite office of your practice, you can ask your current clients the area in which they would be interested in having it located.

Avoid compromising questions that, for example, ask for a negative opinion of the competition; nor should private data be requested (surveys should be anonymous).

Use a “mystery customer”

You can convince an acquaintance or coworker to help you carry out the research by posing as a potential client of another practice, discovering prices or services, for example. You will also be able to know the opening hours, the quality of the service, the products sold in the shop and any other element that you consider necessary to know. This strategy is known as mystery shopping. In other countries there are companies that do this for you. The objective is to improve your team’s efficiency since they will

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inform you, for example, if the reception staff is friendly when answering the phone, if the veterinarian reports the diagnostic tests adequately and their cost, etc.

Make calls to gather information

Call other veterinary practices and ask for services and prices. This way you will get more information, but you will also find out the importance they give to cross-selling by the way they offer their services.

We have to remember that the way in which our reception staff answers the phone is the first impression that a client receives of the practice's team. Therefore, we want this to be better than that of our competitors.

Analyse the advertising resources of your potential competitors

Collect all the advertising material produced by other practices to know what services they use to promote themselves, as well as what differentiating fact they use (price, convenience, etc.)

This information will allow you to know what their business strategy is and, therefore, how to compete with it.

This basic study of the competition will allow you to collect a lot of information that will help determine your business strategy and be able to adapt it accordingly (I want to be cheaper, I want to provide more services, I want to provide more quality, etc.). In addition, it will be helpful to find out the level of acceptance of your business and its services.
The conclusions of the analysis should be included in the business plan, because they will form part of the company's positioning strategy or image.

In conclusion

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The best thing about such a simple study is that you do not need to invest a large amount of financial or physical resources and you can do it yourself. However, the obvious recommendation is that you seek the help of an expert to do it faster and with much more reliable results.

Think before you act, study before you do anything.

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06

Marketing in the waiting room

Good image

How does my waiting room feel?

Have you ever sat in your practice's waiting room? What does it feel like? Claustrophobia, supermarket aisle... Look at the walls, where is the poster for that marketing campaign that you paid so much for? Why do you have a poster of your old pet food provider?

Veterinarians want to be considered professionals, but being a good professional is not based solely on what we are capable of doing, but rather on the image we project. On many occasions, our waiting room, which is the client's first physical contact after having visited the website (see Chapter 14), does not give a good impression.

If you think about the waiting rooms of your dentist, podiatrist, etc., the feeling they transmit is different from that of a veterinary practice. Yes, I know that the circumstances are different because our patients suffer "accidents", but I am not referring to cleaning only, rather to the arrangement of the products, the decoration, the lighting, etc. The waiting room has to be a welcoming and relaxing place, both for the owners and their pets. Furthermore, as an entry point, it should constitute the first impact of our corporate image.

A common mistake is to delegate this work of representation of our business to third parties. Our suppliers arrive with their corporate image and will try to place it in your practice. Is this the waiting room of your practice or of their company?

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I know that on many occasions space is limited, so it is best to use it to our advantage. We should remember that in marketing it is often said that "less is more". This means that little information that is well placed and easy to assimilate is better than a lot that overwhelms us.



What do I want to advertise or sell?

The first thing we have to do is to choose what we are going to advertise, what we want to sell. To do so we have created a corporate image, with colours that we will use throughout the room.

- We should decide if we want to place certain products to sell, in addition to presenting our services. If we have space, we can install a stand with collars and toys. However, it is just as important that people know that we have an X-ray machine, an ultrasound machine or a behavioural expert. We should remember that what people do not know exists is not bought. Everyone knows they can buy antiparasitic products at your practice, but perhaps not everyone knows that a veterinarian on your team can help with their pet's behavioural problems.

- A common complaint from clients is the constant change of people in the practice, or staff turnover. Logically, this is due to fear of the unknown, of anything new. A simple way to solve this problem is to place, near the entrance, a poster with the photos of all the team members, with their name and their job at the practice. Also, we can use that area to introduce any new member of the team. You can also add a little personal history to be more approachable.



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How do I distribute the space in the waiting room?

We have already introduced ourselves to customers, now let's move on to making them feel more comfortable. In addition to studying who is going to use the waiting room, we should try to achieve a clear separation between dogs and cats.

Dogs do not like cats and cats get stressed in the presence of dogs. A physical separation, in the form of a small fence, is enough so that they do not have to look into each other's eyes. In larger practices you can have different areas and even consulting rooms for each species.

With this division we ensure that customers feel more comfortable and, in addition, we can focus the products on the customers they are intended for (the owner of a German Shepherd is not interested in scratchers, just as the owner of a Persian cat will not pay much attention to muzzles).

→ Capturing the customer's attention

Resources in the waiting room

Now that the client is in our practice, we should provide them with some entertainment. Take the example of children. If we have the opportunity, we should give them something to do so that they do not spend the time putting their fingers in the cat carriers. An activity table (if there is room) or a simple pet drawing contest are options to keep our younger visitors under control. This will reassure the owners, who will not need to dedicate their full attention to the children, thus allowing us to present what we want to them.

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- In many practices, television screens with marketing programmes are increasingly used. Apart from informational topics, we can include photos of our clients' pets; this will keep people entertained during their wait. It is important that the length of the video is adapted to the usual waiting time.

- In principle we should install an information area, a kind of notice board on a wall. This will be used to communicate news and for owners to find a partner for their pets or a home for their puppies and kittens.

- The use of campaigns that regularly change the image of the practice is advisable, although it takes time (unless we have a company do it for us).

- Regarding the rest of the decoration, while it is something personal, it should be in harmony with the image we want to convey. Informational posters of endemic problems, prescription diets, etc. can be included. It is not a matter of giving a lot of information, but rather of creating interest so that the clients ask the veterinarians. In any case, they should awaken positive emotions.

- In addition, we can have informative brochures on different topics available at the reception. This is especially useful when clients go out from seeing the veterinarian and have to tell someone at home what their pet has. It is easier to remember something that we have in writing.



How should I provide information about nutrition?

Pet food is an important part of the income of a veterinary practice (around 10% of the total income and up to 25% in some centres), but it also implies a need for advertising, storage, expenses, etc.

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In many practices, the waiting rooms look more like the pet food aisle of a supermarket than like the reception area of a veterinary practice. Suppliers know that what is not seen is not sold and that is why they will want you to put as many of their products in your waiting room as possible. That is why it is better to have a selection of high-value diets that allow you more margin with less sales.

- We do not need to place, for example, three versions of the same dry food for neutered cats in addition to the wet presentation on the shelves in our reception area. It is enough to show one and inform customers, either with photos or with a poster, that there are other formats of the product and that they can ask at reception for them. This will allow us to accommodate a greater variety of items in a smaller space. The same is true of specific diets for each species; it is not necessary to show each type, but rather to inform customers that they are available. This will help us avoid using a lot of space and having a large amount of stock that can expire, with the corresponding economic savings.

- When presenting the products, it is important that the prices are clearly visible. Many customers want to know the price before making a purchase decision, but do not want to interact with other people. We can show our price versus that of the competitors (if ours is better) or indicate the cost per day depending on the size of the pet. It is not the same to pay €30 for a bag of food for a cat than to feed it with a high quality brand, recommended by the veterinarian, for only 80 cents a day.

- This would also have to apply to the prices of services, which should be visible. It is not necessary to display a complete price list that includes every single procedure. However, at least all those that are for preventive medicine, such as checkups, consultations and preventive surgery should be displayed.

In summary, nutrition is important, but it cannot occupy all the space in our reception. We should remember that the veterinarian does not sell pet food, rather it sells nutrition and that nutrition is not only the product, but also the necessary information and advice. This is something that the entire team should know, everyone should be

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prepared to fulfil their obligation to recommend a better diet when a client tells them that they feed their pet with leftovers, without this compromising our professionalism.

Tips for a good first impression

From the marketing point of view it is advisable to make some type of change in the decoration of the waiting room every 3 years (even if it is only to paint the walls or change the arrangement of the chairs). This will ensure that customers do not get tired of our image and continue to come. Similarly, a total change is advised every 5–7 years. The reason for this is that apart from the wear and tear of the waiting room material and the need for its renovation, our clients need to perceive that the practice is dynamic and alive.

Finally, on a side note, we should not forget the customer toilets. Celebrating a friend's birthday in Bratislava, he invited me to a restaurant located on the entrance bridge to the city at about 80 metres high and from where you have an exceptional view of the entire city. Apart from the food, my fondest memory of that restaurant were the toilets, which were worth a second trip to take a photo of them. When we are customers of any establishment, the toilets give us an idea of the general cleanliness of the business. Therefore, the fact that we as workers do not use them does not mean that we have to forget about them. After all, all the details of the visit to our practice are part of the overall image that the client will perceive (see Chapter 14).

In conclusion

The marketing of the waiting room is our responsibility, we should remember that it is the first impression that customers perceive of us and

there is only one first impression!

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07

Design of a marketing campaign

Increasing sales

Guidelines for launching a successful campaign

A marketing campaign (or an informative one) is the ultimate expression of practice advertising, but just one more tool within all those needed to increase sales. Furthermore, we should differentiate between merely informative campaigns (such as the dangers of chocolate for dogs or poinsettias for cats around Christmas time), from those promotional campaigns that seek action from the client, such as dental cleaning or cardiac screening month.

We have already cited a couple of the basic premises of marketing: “less is more” and “what is not explained, is not sold.” Both fully apply when developing an informative campaign. Having many (and very expensive) posters in the waiting room does not mean that more will be sold, unless the whole team is involved in it.

Next we will see 10 tips to design a successful campaign.

Set a goal

As in any aspect of life, we have to know what we want to achieve in order to achieve it. This means that we should choose what we are going to promote in our practice: from antiparasitic treatments or preventive

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vaccinations, to special services such as ultrasound scans, behaviour consultations, etc.

Our goal has to be quantifiable. In other words, it is not enough to decide to do more ultrasound scans, we should specify, for example, that the goal is to perform five abdominal ultrasound scans a week.

As we will see later, if in the campaign we are going to offer a discount, it has to be justified with an increase in sales, our **minimum sales target** , otherwise we will end up losing money.

Sales target based on the discount applied.

Discount	Current margin			
	15%	20%	30%	40%
	How much more do I have to sell?			
5%	50%	33.3%	20%	14%
10%	200%	100%	50%	33.3%
15%	-	300%	100%	60%

The objective is shared with the team members, we should explain not only what is expected of them, but also why. It is not enough to ask them to sell more prescription diets for patients with kidney disease. It should be justified from a medical and economic point of view.

Plan

Now that we know what we want to achieve, we have to see how to achieve it. To start with, we have to answer several questions.

- **Who?**

  There should be a responsible employee, who will be in charge of coordinating and resolving the doubts of the rest of the team, as well as

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responding to customer questions. Their mission will also consist in monitoring that the objectives are met.

This position should be filled on a voluntary basis, although it can also be presented as a test to someone who has asked for more responsibilities or a pay rise.

- **Where?**

  If the campaign includes the presentation of a seminar or the creation of consultations run by veterinary nurses, there has to be a suitable place to carry them out. You also have to decide where to place your advertising or information brochures.

- **When?**

  In order to quantify the objectives, it is necessary to set a deadline for their achievement. For example, if we create an informative spay and neuter campaign, we should make a decision on the time frame in which we want to achieve that 20% of our patients are sterilised.

- **What?**

  What materials are needed? From posters, brochures or events on social media, to stock of specialised medicine or equipment. For example, if we want to increase the number of dental cleanings, we need to have adequate equipment.

  It is very tempting to try to do everything. However, we have to think that if we want to convey a professional image it is important that our communication projects it. So we should evaluate whether to ask for help.

Identify the target market

To identify the target market, we should use the practice's computer system and differentiate clients between those who may be interested in the offer and those who are not. This will reduce advertising costs and increase the chances of success. It does not make sense to run a spay and neuter campaign and contact the owners of pets that have already been sterilised.

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What is not explained, is not sold

A very common mistake is to place the campaign posters in the reception or upload the campaigns to social media and wait for clients to enter the practice asking us for the products or services on offer. The whole team has to remind them what those posters are and how they in particular can benefit from the offer. This starts with the reception staff, who can say, when registering the arrival of a patient: "Remember that it is our dental health month, here is an explanatory brochure with offers; if you have any questions, please just ask us." Even the veterinarian, during any checkup, can comment: "... these teeth need (or may need) attention." This ensures no one is to blame for the problem and the customer will be more receptive to possible offers.

Involve and reward the team

These promotional campaigns work if the whole team makes them their own and does not consider them as extra work without remuneration. If at the end of the month they earn the same, regardless of how much is sold, employees will follow the principle of least effort.

Call a meeting to explain to all staff the intentions of the campaign: what is being sought, why it is being done, how it is going to be carried out, etc. This is also the time to listen to the team's ideas, as well as to any doubts they may have.

If we want them to work more, we should explain the goals to be achieved and the reward they will receive for achieving them. This can be inexpensive, but we can also consider spending a day together at a theme park. If an objective is met it is because all the team members have worked and deserve a reward together.

Invite clients to the practice

Sending advertising to our clients' homes does not guarantee success, since they receive a large amount of offers in their letterbox every day and in their

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social media feed. The offer, therefore, has to be action oriented, and they should know that they will receive a benefit before making their purchase.

However, in the same way that if you do not think you need a new sofa, you throw the advertising from the sofa shop away, if you do not think your pet needs a senior checkup, you will get rid of the advertising from the practice without paying attention to it.

One way to attract customers is to give a seminar that presents the subject of the campaign so that they can come and get information for free. A client educated in your practice will spend money, preferably with you, unlike the one who has the advertising brochure on the sofa at home.

The seminar should explain the medical benefits of the campaign and why it is being carried out, as well as the advantages of benefiting from it now and not in a year's time.

Reward loyalty

Clients trust you and that is why they do what you advise them, and why they deserve a reward.

Clients who accept an offer do so because they trust you as a veterinarian and think that it is the best for their pet. We have to reward that trust with discounts, offers or prizes.

When establishing discounts, we must take into account the current profit margin and the discount we offer to know how much more we need to sell (see table p. 43). The objectives will be characterised by this increase in sales (however, interactions on social media, followers, positive comments, active customers, etc. can also be sought). If not, the paradox may arise that we sell more and end up earning less than the previous month.

Special offers are often the most effective way to work. What is sought is cross-selling and up-selling, more than a direct discount. They can be applied both to products (buy a prescription diet and get the second bag half

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price) and to services (a biochemistry panel that includes 12 tests for the price of one that includes 6 tests).

The rewards can be given by volume of expenditure (for every €5 spent on dental products this month, receive a participation for the draw for a year's subscription to a television platform; in this way, each time they use the service at home they will remember the vet) or by means of a system of exchangeable points (similar to the loyalty programmes of supermarkets).

Communicate

This is the only case in which less is not more. We should communicate, and the more the better: by email, on our website, in person, through social media, etc. What is not explained is not sold and we have to try to give as many clarifications as possible of our message.

Depending on the system used, we will include some information or others, but all communication methods should be coordinated. Text messages help us to inform about the promotional campaign that is currently running, while we can use our website to give more details about it, and the email to notify clients of discounts and offers, for example.

Put yourself in the client's shoes

A big mistake we veterinarians make is to think like veterinarians. We should put ourselves in the client's shoes: the client is going to spend money and will want to know why we are now promoting something that we had not talked about before. The client will enter the waiting room and may not notice that sign that we put up, which looks great from the reception, but not while you are sitting waiting.

Owners worry about the risks to their pet, the cost of what is being done, etc. In short, we should convey that a certain service or product is good for the animal's welfare. Many people are afraid of anaesthetising their pet, maybe because they had another one who died in surgery in the past, and if their dog eats perfectly well, why should they have their teeth cleaned?

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Control the achievement of objectives

All the planning we have done is useless if, when the time comes, we do not verify that the objectives set at the beginning are being achieved (and if we do not undertake measures to ensure that they are achieved). If our campaign lasts for a month, we should check whether our partial objectives have been met at the end of each week and share the results with the rest of the team.

In addition, it is essential to ask customers their opinion about the offer so as not to make the same mistakes twice.

Example of a campaign to improve prescription diet sales.	
Objective	Increase sales of prescription diets.
Identify current sales levels	Obtain information on current sales from the computer system or the supplier.
Estimate potential sales	Number of patients (heart, kidney, liver, etc.) × annual use of each diet per patient × price per bag.
Decide on the objectives	Realistic increase from current figure.
Analyse objectives that affect current sales	SWOT analysis: Team not motivated. Unawareness on the part of the clients. Lack of purchasing control.
Find solutions for the weaknesses described in the previous point	SWOT analysis: Choice of incentives. Educate clients with talks and brochures. Review the stock system.
Control of results	Use the computer system and regular meetings with the team to review sales.
Review the plan	If necessary.

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Example of dental campaign.	
Primary objective	Increase monthly dental cleanings by 60%.
Secondary objective	Increase sales of dental products by 50%.
Name of the plan	Dental health campaign.
Define the product	Dental cleaning under anaesthesia with or without extractions.
Logistic plan	Intended for cats and dogs (potentially, 75% suffer from dental problems to a greater or lesser extent). Cleanings performed in the treatment room after clean surgical operations. Increase in cleanings in a period of 6 months. Standardise the action protocol. The junior vet will take care of the coordination.
Identify the target market	Use the system to select potential clients, those with 1+ dental disease in their records.
Cost and price	20% discounts on the procedure, as well as offers on dental products.
Advertising	Design of information brochures, posters at reception. Team meeting. Mailing campaign, email, website, events on social media.
Control	Customer satisfaction sheets. Control of team compliance. Information from the computer system.

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08

Quality survey: what to ask and what for

Objectives

Know your customers' opinion

In all the practices I have visited, all the veterinarians I have met have told me how special their clients are and how happy they are with their service. After spending time in those same practices, I have not seen anyone say that they are happy; most pay, smile and leave. Sometimes a client makes a positive comment to the receptionist, but from there to affirming that everyone is satisfied, there is a long way.

In addition, many veterinarians think that service begins when the client walks through the practice door and ends when they leave. In my opinion, that is where part of the mistake lies; we believe that our work is the only important thing. However, the visit begins long before the client enters the consultation room, and even before they arrive at the practice and greet the receptionist. It does not even start when they try to park or to find the practice. The veterinary consultation begins when the client, at home, picks up the telephone and decides to call for advice for their pet. This is known as the "customer journey" and is part of the customer experience (see Chapter 14).

Our service begins the moment an owner considers whether or not their pet needs treatment. Therefore, it is very important that when the reception staff answers the phone they are prepared with an action protocol. That is the

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first impression and it has to be a good one. How many times have we called somewhere to have a question answered and the way they treat us has made us not use that service?

It is therefore important to have a quality survey that allows us to know how we can improve. It not only serves to confirm that our clients regard us highly, but also to tell us in which areas we can make progress. People rarely congratulate others on a job well done. But they do complain about what they do not like. We may pay too much attention to those who angrily protest that the surgery did not turn out as intended and ignore those who criticise minor issues, such as waiting times or space for parking. Again, we tend to focus the client's experience of visiting the vet on ourselves.

The reality is that clients usually complain about the lack of consistency of the staff, the lack of communication and the lack of empathy . They like to feel important and that we care about their case. As is logical, they only have one pet and we attend 30 a day, so we have to make an effort. In addition, owners do not protest about how expensive a treatment is, but rather that they were not warned that it would be so expensive. That subtle detail can be clarified by providing various treatment options and talking openly about the cost of each one. Regarding staff turnover, we will talk about that in the chapter on team building and employee retention. Even so, we should consider preparing a quality survey to find out exactly what our customers are complaining about.



What should we ask?

Once we have decided that we should have a quality survey, we should think about which areas of our work it should cover and how we are going to deal with them.

To measure customer satisfaction, we can define three areas with regard to customer service in the practice:

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- **Satisfaction related to people** : presence, contact, language used, etc.
- **Satisfaction related to services:** waiting time, answering all questions, etc.
- **Practice-related satisfaction** : hygiene, tidiness, comfort, etc.

Another option is to make a list of all the steps involved in conducting a veterinary consultation:

1. **Making an appointment** : speed when answering the phone, friendliness, availability, waiting time, etc.
2. **Getting to the practice** : ease of locating, signs, etc.
3. **Parking** . It depends on where the practice is located, but it is always an option to bear in mind.
4. **Reception** : feeling of cleanliness, reception staff, waiting room, toilets, waiting time.
5. **The consultation** . This part is not about evaluating the treatment or diagnosis; remember that it is a survey on customer service quality and not on the staff's technical knowledge. This section should be about whether clients consider that the veterinarian paid them enough attention, whether the explanations were adequate and their questions were answered, etc.
6. **After the consultation** . We should ask if the bill was explained correctly, if the checkup was scheduled easily, etc.

Questions related to service and overall experience can be included at the end. These should be indirect questions such as "would you recommend us to a friend?", "would you consider using our services again?" or even "how would you rate the service today from 1 to 10?"

The surveys should be structured in relation to the different areas of our service, so that we can easily identify the gaps.

Duration

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How do we get customers to participate?

On several occasions we have talked about how important time is for everyone, both for veterinarians and for clients, and yet we are going to ask the clients to fill out a quality survey. Therefore, the criteria to bear in mind when designing the questions are the speed and ease of answering them. From my point of view, it is recommendable to elaborate multiple choice questions ("very good", "good", "fair" or "bad") or assessments (score from 1 to 10 or from 1 to 5). In addition, this will allow us to quantify the results and therefore to compare them. These results should never ever be used against someone in the practice; they should be used to improve service. For example, if a veterinarian receives low scores in communication, they should be asked to do a training course to improve it. Another fundamental requirement is that the questionnaire should be anonymous so that the client feels less influenced when filling it out.

In my opinion, the best time to have them fill out the quality survey is before paying the invoice. The client has already left the consultation and has to wait a few minutes while the veterinarian completes the medical record or prepares the treatment medication. That waiting time can be used to complete the survey. Of course, they can also take it home and bring it back or fill it out online, but frankly, this does not happen often. It is the reception staff's responsibility to encourage customers to participate in the quality survey.

There are alternatives such as satisfaction totems; these can be placed by external companies in the waiting room and allow surveys to be completed easily and will compile the results for us.

If participation levels are low, we can try to increase them by having a raffle among all respondents, without compromising anonymity (this can be done by assigning a number to each client) or offering a product with the practice's logo (mug, T-shirt or similar).



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Advantages of an objective evaluation

The data we collect should be shared during the monthly team meeting and, why not, published on our website or in the practice's newsletter. Would it not be a great advertising slogan to know that 90% of our clients value their visit to the vet in a positive or very positive way? What better advertisement than one that is true? In addition, during the meeting we should place special emphasis on analysing those areas with room for improvement. It is positive to tell our clients, for example, that since waiting times have been a matter of concern, the duration of the consultation will change from 15 to 20 minutes. This will show that we care about their opinion, that we take it into account when making decisions and, most importantly, that we do what customers ask us to.

With the survey we will find out what they really think of us and we will have the opportunity to improve. It is a daunting experience to be judged for your work. However, an objective and quantifiable test is not like a letter of complaint which is subjective and not comparable. Normally, we rush to pass on such a letter to the rest of the team, but we just ignore the other 99 customers who came in, who were served and did not protest, but did not sit down to write a thank you note either. If we find it difficult to write to complain, hoping to get something out of it, why should we congratulate someone for a routine act like a checkup in which everything has gone well, if we are not going to get anything out of it? Good survey results will help motivate the team and assess claims accordingly.

In conclusion

A quality survey is as important a tool in the practice as the vaccine refrigerator or the X-ray machine. It helps us to know what clients really think of us and our entire team, and guides us in the path of constant improvement (*Kaizen*), by revealing to us the areas where we can improve.

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The results of the quality survey help us to improve customer service.

"*Do what you do so well that they will want to see it again and bring their friends.* " Walt Disney.

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09

Client retention

Introduction

How to become a trusted veterinarian

Client retention is essential in any business and especially in a veterinary practice. Any person who uses a service or a product in it is a consumer. Therefore, we should introduce mechanisms so that these consumers of our services (preventive or reactive medicine) become clients.

Customers are consumers who have a relationship with their service provider, in such a way that when they consider consuming, they do so in their usual establishment (which should be yours).

The first thing we have to do, when we talk about client retention, is to differentiate them from each other. They can be classified in many ways, depending on the volume of purchases, the frequency, etc. However, considering the subject at hand, the best ranking is based on two factors.

- **Loyalty** . It is the choice of our practice instead of others or instead of other companies that compete with our services (the supermarket that sells pet food also competes with us).

- **Satisfaction** . It is the feeling with which the client leaves after visiting our practice (regardless of the reason).

Satisfaction

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Tips to improve the perception of quality

Let's now look at the following relationship:
Perceived quality = Service – Expectations

- **Perceived quality.** It refers to customer satisfaction in relation to the service or product that we offer.

- **Service (or product).** What we offer, which can range from a diagnosis or treatment, to a product from the shop or the grooming service.

- **Expectations.** It is what clients expect when they open the door of the practice. We should broaden our horizons and think that not only our professional ability is judged, but also other factors such as the cleanliness of the practice, the team's friendliness, etc.

Obviously, the main problem is that the service is offered by us, but the expectations are generated by the client. To avoid problems of perceived quality we can try the following:

1. **Do not create expectations that you cannot fulfil** . Be honest and if you are not sure of the prognosis, share your doubts with the client. For example, develop an action plan (differential diagnosis, tests, treatments, etc.) that is agreed upon.

2. **Maintain active communication** . Always set aside time to talk to your clients (the owners of your patients), to inform them or ask them about the progress of their pet's treatment. Use new technologies (text messages, emails, etc.) and prepare your equipment and your computer system to perform these functions automatically.

3. **Provide options** . Do not decide for the client or provide only a single alternative. Always present all the possibilities of diagnosis and treatment, with their advantages and disadvantages (as well as their cost).

   For example, if before surgery we tell the client that we can do a biochemistry panel that includes 12 tests or not do any analysis, in

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50% of cases they will decide to do it. Meanwhile, if we propose a biochemistry panel that includes 6 tests, another that includes 12 or none, they will choose a panel of 12 tests 75% of the time.

> Clients who are given more than two options choose the right one 75% of the time, while those who are only offered the option of doing one thing or not will make the right decision only 50% of the time.

4. **Prepare cost estimates** . Whatever the procedure, make sure the client knows how much it will cost and that they receive the information in writing. When an owner complains about the price of something, it is because they had not been informed that it would be so high and not about the price itself. The difference is in communication! A client who has been informed beforehand can choose the option that best suits their possibilities and will not complain about the price. If during the process we discover that the cost will be higher than expected, the team (on the manager's behalf) should contact the owner and notify them. To do so, it is essential to prepare the computer system and have estimates for different procedures (X-rays with sedation, fluid therapy and daily hospitalisation, etc.).

5. **Include a protective margin when your service depends on third parties** . If a certain blood test is done outside the practice and the lab claims it takes 3 days to send the results, tell the owner that they will be delivered in 4–5 days. If, for any problem the laboratory is delayed, you will still fulfil the expectations you created and your service will not be affected by external problems. In addition, if the result comes on time, you will be able to contact the client ahead of time, increasing the perceived quality and, therefore, their satisfaction. The same applies to food products and the like; give yourself a margin and communicate their arrival as soon as you receive them.

6. **Keep good records** . You should not only write down everything related to clinical aspects in the records, but also every time a team member communicates with the client. This is the best way to protect yourself if

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a procedure does not attain the expected standard and therefore a conflict or complaint arises.

A dissatisfied client may not change veterinarian, but it is very likely that they will delay their visit, thus reducing the average customer spend.

Loyalty

Not all clients are the same

Types of clients.

Satisfaction	Loyalty/Retention	
	No	**Yes**
No	Terrorist	Hostage
Yes	Mercenary	Disciple

Logically, we all want satisfied and loyal clients (disciples), but really, the vast majority will be hostages or mercenaries.

- **Disciples** . They are our favourite clients, we should not neglect them, although they will be more flexible and will also forgive our mistakes more readily.

- **Hostages** . We have to increase their level of satisfaction, since they are loyal to us. To do so, we should ask their opinion using the quality survey (see Chapter 8). If we fail to please them, we may lose their loyalty and they may decide to change practice.

- **Mercenaries** . These clients remain in our practice because the service meets their expectations, but as soon as it does not, nothing will keep them coming. It is important to create specific programmes (loyalty club,

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prevention plans, vouchers for grooming services, etc.) to try to increase loyalty.

- **Terrorists.** If they are neither satisfied nor faithful, it is best to wait for them to change veterinarian; in fact, we should motivate them to do so at the first opportunity and facilitate the transition by offering them a list of practices in the area and explaining how you will send their pet's medical record as soon as they tell you which practice they have chosen.

Pet owners are our best advertisement, so the more satisfied they leave our practice, the more likely it is that they will recommend us. Up to 60% of pet owners ask their neighbour or the local pet shop staff for recommendations of veterinarians so it is essential to give a good image to our customers and to create relationships with these establishments.

We can even establish incentives for pet owners who recommend us and, therefore, generate business. To do so, we ask newcomers if someone they know recommended our services. Incentives can be participations in a raffle for a weekend at a spa or a gift voucher for a shopping centre. These can be promoted in the waiting room or on social media.

In addition to producing business, these recommendations will make customers more forgiving when it comes to the first impression. If this impression is deficient, those owners who have come on recommendation may excuse the failure to meet their expectations. However, those who come to our practice chasing a discount will react negatively to a bad first impression and this will affect our reputation.

It can take up to 10 years to improve a bad reputation, so it is important always to project a good image.

Guidelines for patient follow-up

Patient follow-up in the veterinary practice can be summarised as the three Rs of the post-purchase customer journey experience.

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- **Recheck** . The whole team should be involved, but it is essential that the veterinarian gets things moving by scheduling an appointment for the follow-up, even if it is 3 months into the future for chronic patients or 4 months after the last initial vaccination for sterilisation. It should be noted in the medical record and the client (each and every client!) should be asked about the next visit at the reception. In case they answer that they have not been told anything, the reception staff can check the patient's medical record or directly ask the veterinarian to make the appointment. If the owner does not wish to schedule an appointment at that moment, the receptionist can make a note in the appointment book on a day close to the indicated date to call the client and schedule a follow-up visit.

- **Recall** . This has to be institutionalised in the team and included in the daily tasks. It is as simple as having a veterinary nurse call, in times of small workload, all the clients with an appointment for the next day (depending on the number, it can be limited to those due to diseases or surgeries). As the client does not expect it, we will exceed their expectations, thereby increasing satisfaction.

- **Remind** . Reminders are used by everyone today for vaccinations, but they should also be used for antiparasitic treatments, and blood or urine tests in chronic patients. This generates a large number of communications that should be automated to the greatest extent possible. The cost of reminders can be reduced by using new technologies (see Chapter 27), both for text messages and emails. Likewise, we can remind all the clients scheduled for the day of the time of their appointment by sending them a text message early in the morning, since the appointment may have been given three months before.



It pays to invest in customer recovery

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In marketing it is established that from a cost point of view, it is 5 times cheaper to keep a customer than to get a new one. Recovering a customer that we lost can cost up to 10 times more. If getting a customer back is so costly, why do we recommend recovery?

Recovery is as important as retention and follow-up. Recovering one client a day, 6 days a week (yes, Saturdays also count in veterinary management), 48 weeks a year, considering that each one has 1.2 pets and makes about 3 visits a year with an average expenditure of €55, would mean an increase in net income of almost €47,520, a figure that would justify hiring an nurse just for the task.

To recover clients, we can implement incentive plans for the staff. Different members of the team (receptionists or nurses) contact (via text messages, email or telephone) the clients in our database who have not visited the practice in a certain period of time (at least one year), with the excuse of updating the database (requesting their email address) or to present special offers (a discount on the annual checkup). Each client recovered (one with a confirmed appointment or who has provided their email address) will have an impact on the remuneration of the team member who has gained the client back (see Chapter 32).

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10

How to and why sell food products

Purpose

Offering professionalism

We as veterinarians find it difficult to sell products, because it seems to commodify our profession. However, in reality they provide a useful extra income that complements the income provided by medical and surgical treatments, which allows us to offer excellent services.

Veterinary services should be sold in a professional manner, keeping in mind that the goal is customer satisfaction and complying with the company's principles. If customers choose us over our competitors, it is because they are more satisfied than in other establishments.

When considering product sales, our potential competitors are even more; they include pet shops, supermarkets, pharmacies, etc. If they use marketing techniques, why should veterinarians be an exception?

However, the pet food market accounts for half of the spending on pets worldwide. In addition, with the increasing range of products offered, it is a challenge for owners to choose a good diet that favours welfare. Veterinarians are the only professionals who know what the best option is for each pet.

Despite the changes in buying habits and the increasing importance of the online channel, 10% of customers still shop at their veterinary practice. This, added to the changes in pet diets, humanisation, premium products, reduction in the size of pets (lower sales but higher revenue), etc., makes it

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possible to achieve a revenue from pet food sales that justifies its own strategy.

Strategy

Five steps necessary to sell a product

In a veterinary practice, as in any other company, every sale should follow five basic steps.

Sales process.
1. Making yourself known.
2. Attracting attention.
3. Selling.
4. Meeting needs.
5. Achieving customer loyalty.

This outline demonstrates that the end objective is not the transaction, but rather to build customer loyalty to encourage repeat sales.

Making yourself known

Making the product known is not just about placing the display shelf for pet food in the waiting room; the team has to get involved in the sales.

A good strategy is to prepare a “welcome package” with a pet food sample for the puppies and kittens that come to the practice for the first time. In addition, it is essential to talk to the client and explain that after sterilisation, the energy needs of a pet change and that we have different suitable diet options. In the same way, when an animal is diagnosed with kidney disease, we will discuss the benefits of a diet low in phosphorus.

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To make it a success we should educate the team on the importance of nutrition as part of a veterinarian's work, so that in turn they may educate our clients.

These three examples have something in common: spending time with the client and understanding the importance of special diets for the welfare and health of pets.

Attracting attention

Placing a display shelf with pet food in the waiting room helps to attract our customers' attention, but it is not the only thing we can do. One of the positive aspects of commercial food is the wide variety of presentations. More and more specific diets are being designed, not only for diseases, but also geared towards different breeds and energy needs. This is a breakthrough for pets; however, it is a significant problem for owners. When presented with at least 20 different packages, which one should they choose?

Our job is to get owners to know what they need and, to achieve this, working with suppliers is essential. We should create explanatory brochures, available to customers, so that they can make a well thought out decision. The general public seeks simplicity and is opposed to change. So, we have to provide information on the reasons why it is best to choose from our wide range of products instead of going to the supermarket and buying the bag that seems to offer the best value for money.

On the other hand, it is advisable to train a member of the team to be our nutrition expert and perhaps adjust the veterinary practice's timetable to be able to offer free nutrition consultations.

If we want customers to choose us and not the pet shop, we have to make use of our differentiating fact: **we are the professionals in charge of ensuring animal health** .

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Selling

According to the dictionary definition, selling is “transferring to someone else the property that you own for the agreed price.” However, a second definition states “to present or offer to the public the goods or merchandise for whoever wants to buy them.”

As can be seen, selling is not only a commercial exchange, but also exhibiting or offering a product to the public. What I mean is that it is not enough to take the customers’ money and give them the pet food bag. We should explain when and how much they should feed their dog or cat, how they can substitute the old diet for the current one to avoid intestinal problems and the benefits this particular diet has compared to other similar ones. In short, the sale should have a clear added value, which is related to education and the pet’s welfare.

Meeting needs

In general, we take the sale for granted (we sell the pet food, the customers buy it; end of the transaction) and we do not worry about satisfying the user’s needs. The first consequence is that if one day we do not have the product they are looking for, the customer can change and go and buy it at the shop next door because they are not faithful to our establishment. We should get them to ask us for the bag of pet food well in advance to be able to request it from the supplier and receive it before they come for it. For example, when the customer picks up their product, we can explain that next time they can order it in advance to make sure it will be in stock when they stop by the practice. We should adapt our social media and website to allow this to be feasible.

Achieving customer loyalty

The objective is for customers to decide to buy pet food from us. This is a job in which the entire team should be involved and that goes beyond handing over the bag of pet food when the customer asks for it. If the immediate needs of the owner cannot be met, our history will make them

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prefer to wait to buy at the practice instead of going to the supermarket. We can create loyalty programmes that encourage repeat purchases.

Developing customer orientation

Now that we have seen how to improve the sales process, let us consider how customer satisfaction can be improved to increase their loyalty and therefore repeat purchases.

In principle, having all the possible presentations of a pet food brand not only requires a large physical space to store them, but also involves worrying about sell-by dates, product costs, etc. In general, it is advisable to have as little stock as possible and a management system that allows the necessary products to be delivered to the practice the next day. All this implies that clients should be informed that they must contact us before coming to collect a pet food bag and that we must provide the necessary means to receive orders. At the time they place their order, we should provide an estimate of when the pet food will be available to pick it up.

Each new client of the practice should receive a welcome brochure with information about the practice (opening hours, emergency telephone number, equipment, etc.), which will include the means by which pet food can be requested. We can create a specific email address or mobile phone number for this purpose. This ensures orders can be placed even when the practice is closed (how many clients realise that their cat's food has run out at 9 o'clock at night?).

When we receive the product we should contact the customers to inform them that they can come to the practice to pick it up. We can also create a home delivery system for pet food bags, considering the acquisition of a vehicle that would be used to deliver the products, transport patients, pick up pets for professional grooming if we offer this service, etc. In addition, it will be advertising because it will move around the city with our logo and contact information. This system is viable if it is possible to concentrate the days and times of pet food delivery and if we manage to work together with the clients.

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Involving the team in the sales process

We have already seen what selling means and what we can do to ensure clients can buy from our shop 24 hours a day. Now the only thing left is to motivate the team.

If we want our employees to get involved in pet food sales, it is essential that they understand their importance, both from an economic point of view and in relation to pet health.

Regarding the first point, we should give them information on the importance of the revenue it provides as a percentage of the total business volume. We should have a clear objective for pet food sales: 10% of the total practice revenue, 15%... We can study our history of sales and set an achievable goal. Regarding the second point, we can ask our provider for help and regularly organise seminars during working hours in which the benefits of the different diets are presented.

Finally, it is essential to reward hard work and encourage the achievement of sales objectives. We will talk about this in Chapter 19 .

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11

Inbound marketing for veterinary practices

As we have seen, marketing has several functions in the veterinary practice: deciding the strategy, planning services and, finally, using different types of tools to reach the client.

Currently, a little over 50% of the investment of the companies in marketing still uses traditional advertising channels (CMO Survey, 2018). This is expected to change in the coming years, thereby converting digital marketing into the main advertising tool for most companies.

Digital marketing encompasses all the tools that belong to the world of the Internet. It involves the use of websites, email, social media etc. to increase visibility. The great advantage it presents over traditional methods is that it evens out the market considerably, since any company can go viral thanks to a good strategy, while traditional media tends to have higher costs.

Definition

What is inbound marketing?

One of the best known concepts of digital marketing is inbound marketing (IM), which is defined as a strategy of nonintensive multichannel marketing whose objective is to attract potential consumers to a website (or in some cases social media) and convert them into a lead. This allows us to send tailored offers in order to increase the chances of a sale.

It is important to remember that large companies spend most of their investments in marketing (about 75%, CMO Survey, 2018), on offering

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products or services available to potential new customers or customers who have already consumed previously. Therefore, IM should be adapted, depending on whether the target is potential consumers or existing customers.

In veterinary practices, management systems can store the data of all clients, which allows the creation of offers that are tailored to their needs.

Inbound marketing in five steps

- Increasing traffic to the website or social media.
- Turning the visit into a lead.
- Using automated marketing to continue generating interest.
- Membership or sale
- Analysis of the results.



Characteristics

Why is inbound marketing the most common method of marketing?

IM, either to attract customers or to generate more sales among existing ones, has seven key characteristics that make it the most common method of marketing today:

- **Innovative.** This is something relatively new in the world of advertising.
- **Natural.** The objective varies, it is no longer sought to present the product or service, but rather to start a conversation that generates trust and with it the sale.
- **Brand.** The brand, in all its scope and meaning, aims to reach a greater number of potential customers.
- **Generates opportunities.** By broadening the audience, great opportunities for the sale of products and services are generated.

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- **Universal.** It enables smaller businesses to have a greater impact thanks to the Internet.
- **Ground-breaking.** It is a new form of advertising and therefore the public is very receptive to it.
- **Causes delight.** The ultimate goal is to impress the consumer so that they end up acquiring the product or service.

Stages

Methodology of inbound marketing

IM is made up of three distinct phases, each with its objectives and techniques. While it begins in the online world, the ultimate goal is the acquisition of a product or service at the veterinary practice.

The concept is to find consumers who respond positively to the first phase, so that, using the tools of the next phase, reliable and quality information about the services and products of the practice is transmitted, as well as offers that are tailored to their needs.

> Veterinary practices have a large database with very specific information about their clients, so the process is relatively simple.

Therefore, the strategy for attracting new customers should be differentiated from that designed for existing customers.

Attract

The potential consumer receives a lot of information on a daily basis, so the practice has to stand out from the rest. Traditionally, advertising sought to attract any type of customer, but in this case, the aim is to select the audience before offering something. Rather than promoting what is sold,

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your strategy is to engage potential customers with interesting and educational content.

To achieve this, different tools should be used:

- **Website.** It has to become the flagship of your marketing. In addition to the usual information, it should be the first place customers go to when they have questions about their pets.
- **Blog and vlog.** The educational content can be presented in written or audiovisual form (it will depend on what you want to say, the target audience, etc.) and it should be updated regularly.
- **Social media.** The conversation becomes bidirectional in them. They can be used to promote quality content, as well as to answer questions from current or potential customers.
- **Success stories.** There is nothing more powerful than when your clients speak well of your practice, so you should look to get testimonials, in addition to the classic evaluations on social media and search engines.
- **Offers or discounts.** Getting customer data or information comes at a price, so there should be an incentive to join the mailing list after visiting the website, such as discount vouchers or trial products, depending on what you want to present.

Engage

Of all the consumers who visit the website, only a percentage will subscribe to the channel, join the social media or want to receive the monthly magazine. These consumers are known as leads. However, they will be more receptive if they receive calls to action. For example, if an owner signs up to receive the practice's cat magazine, they should receive an email with information on the cat-friendly status of the practice, information on the range of cat food available at the centre, or other products and services designed for cat owners.

At this stage, customer stratification (see Chapter 12) plays a fundamental role, because what is sought is personalised marketing that reduces the unnecessary information each lead receives. In addition, the system should

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make it possible to check what phase the potential consumer is in and how they respond to each proposal.

It is at this moment when the need has to be generated. We already know that the potential customer is interested but it is not yet clear if they need it. A food sample or free checkup can be the trigger for the buying process.

In summary

In this phase you should act in three ways:

- Emails and messages on social media with calls to action.
- Proper use of the management system to nurture the relationship with clients.
- Take care of the relationship with consumers.

Delight

Finally, the whole strategy would not make sense if, when the customer visits the practice, the experience is not the best. To avoid this, all conflict areas of the customer journey should be recognised (see Chapter 14), and measures should be established to reduce the risk of a negative experience.

Success in delighting customers is based on three pillars:

- Clinical resolution
- Excellence in the customer experience
- Products in line with the company's brand

The expectations that are generated have to be met, otherwise all the work done previously will be useless.

> In veterinary medicine, the shortest path to a delighted customer is to provide excellent care.

Loyalty

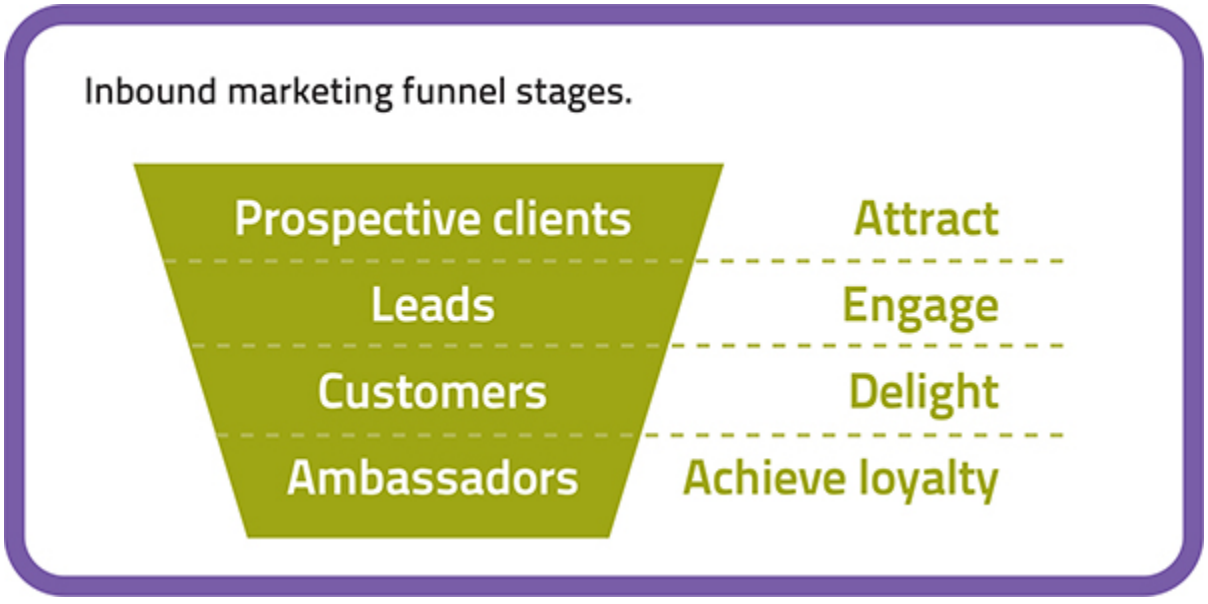
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Some experts acknowledge a fourth phase: customer loyalty. This is about getting the client who consumes to repeat and recommend the service; in short, making them become our ambassadors. Actually, those actions (recheck, recall, reminder), and others, are part of the customer journey and can be included as part of the process of creating enthusiasm.

Advantage

Profitability analysis

One of the great advantages of IM is that it allows a very accurate analysis of the profitability of investments. For example, it is possible to know the number of consumers who have been interested in a campaign carried out on social media and, of all of them, how many specifically have shown their interest by clicking on the suitable banner (leads). And, finally, of those leads, how many have purchased a product or a service and how many have repeated.



All these are indicators of success that can be measured, both in number, in percentage, and in return on investment. It is possible to know how much

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has been paid for the campaign on social media and how much revenue the clients captured in this way have generated; this is called the return on investment. If it is higher than one, the campaign has been a success, if it is lower, it has served to improve the brand image and increase the base of leads.

A parameter that should be measured and controlled regularly is the percentage of consumers that go from one level to the next. This allows us to know which actions are the most positive so as to repeat them in the future. For example, if a live event is carried out on social media and it is sent to 1,000 potential consumers and 50 come and leave their details to receive information, it can be said that there has been a conversion rate of 5%. If, on the other hand, a mailing campaign is sent to 1,000 people and only 25 of them show interest, the conversion rate is 2.5%. The event will have had double the impact than the mailing campaign.

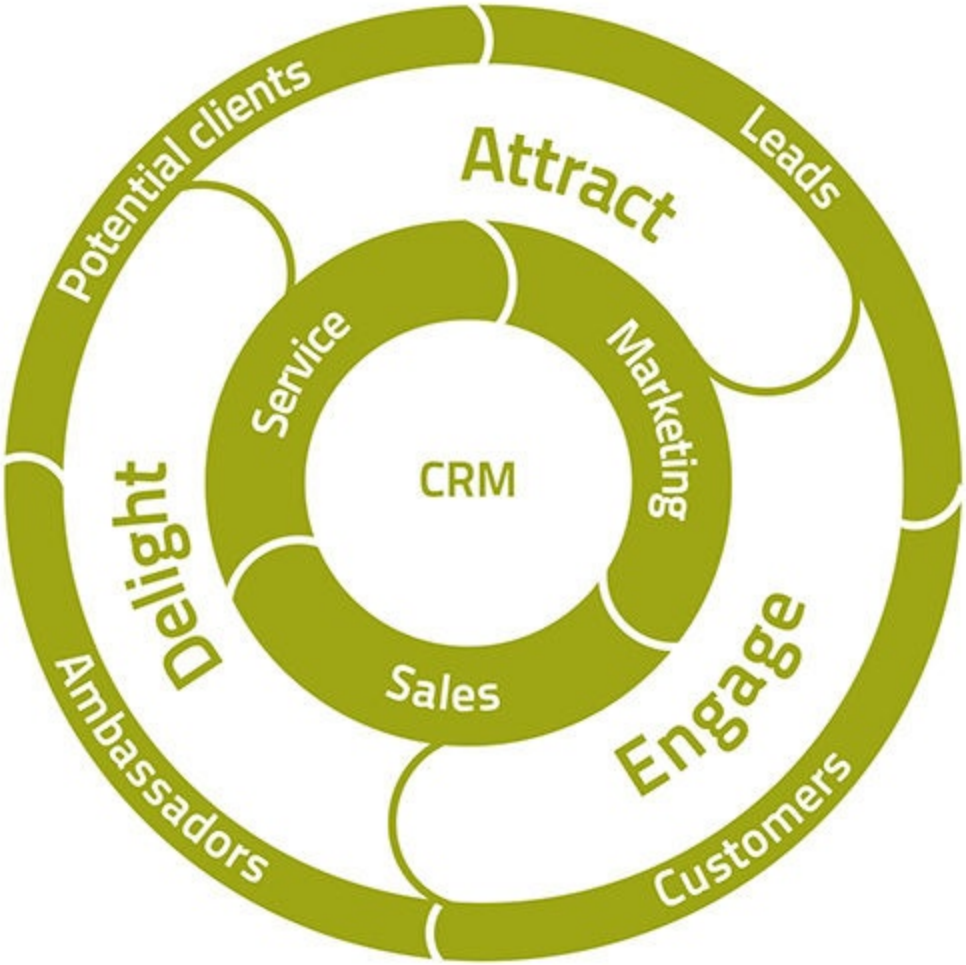
If the practice has a conversion rate from leads to customers of 25%, out of every 1,000 customers contacted for a live event (5% conversion rate), about 12–13 end customers can be expected, while for a mailing campaign we could only aim to achieve 6–7 new customers.

There are variations of the concept, in which the funnel becomes a steering wheel (flywheel), and the relationship with the customer is not linear, but circular, with the consumer at the centre of the action. This evolution of the concept is intended to improve the use of word-of-mouth recommendations (WOM), to make customers attract new potential buyers thanks to their positive interactions on social media. Ultimately, what is sought is to avoid friction in interactions with potential consumers, either by identifying points of friction, automating interactions as much as possible, setting objectives or training the team.

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The customer experience flywheel.



CRM: Customer relationship management software.

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In short, digital marketing is here to stay and will account for more than 50% of the investment in advertising in the coming years. Different variations of the models presented in this chapter will appear, but all will be based on the same principle, starting the sale before the consumer even knows that they have the need.

For any strategy to be successful, it has to be properly planned and aligned with the rest of the brand image of the company. It is a new concept of advertising, which seeks to generate the need that will turn into a sale, instead of presenting the product and waiting for a positive response. The interaction tends to be bidirectional, with the client being an active subject and not a passive one who receives the message and decides.

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12

Getting to know our clients

It has been known for a long time that we should give clients what they want and not what they need. To do this, we should try to get to know them as well as possible. Veterinary practices can get to know their clients better than anyone else thanks to the use of management systems, where a large amount of information is stored that goes way beyond the average amount they spend.



Customer stratification

In an era in which consumers are looking for memorable experiences, we need to know them in order to offer them a service that is as adapted as possible to their needs. Knowing those needs will allow us to generate services that suit their consumption habits. Therefore, a basic exercise in customer service strategy is to stratify clients.

When it comes to generating customer categories, we can use a large number of parameters.

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Parameters for customer categorisation.

Clients	Parameters					
	Vaccination status	Client category	Sterilised	Age	Breed	Preexisting diseases
Dog Cat Rabbit	Up to date Expected Delayed	A B C D	Yes No	<2 2–7 (or 9) >7	Specific diseases	Record: ■ Teeth ■ Arthritis

Each of the parameters seen in the table (vaccination status, age, breed, etc.) will make it possible to generate groups of pets with several common characteristics. This will allow the creation of services or packs of products with the greater chance of being sold. To ensure that these actions are welcomed, the team should be trained in the importance of maintaining client files as accurate and complete as possible. There is no use trying to run a dental health campaign if no one has written down in the records which patients would benefit from dental cleaning.

Customers can be categorised based on the number of visits they make per year and how much they spend on average at the practice. All clients are well served, but each of them will have different buying habits and the team should know this to adjust any offers appropriately.

The average spend and the number of visits by each client should be distributed in percentiles to create groups of clients with similar habits. The practice's management program should establish four groups according to the level of spending and visits made by each client.

Customers who are above the 75th percentile in both groups will be considered A. Those who are between the 50th and 75th percentiles will be B, those between the 25th and 50th percentiles will be C and those below the 25th percentile will be D. The lowest category will always be taken as a reference in both groups.

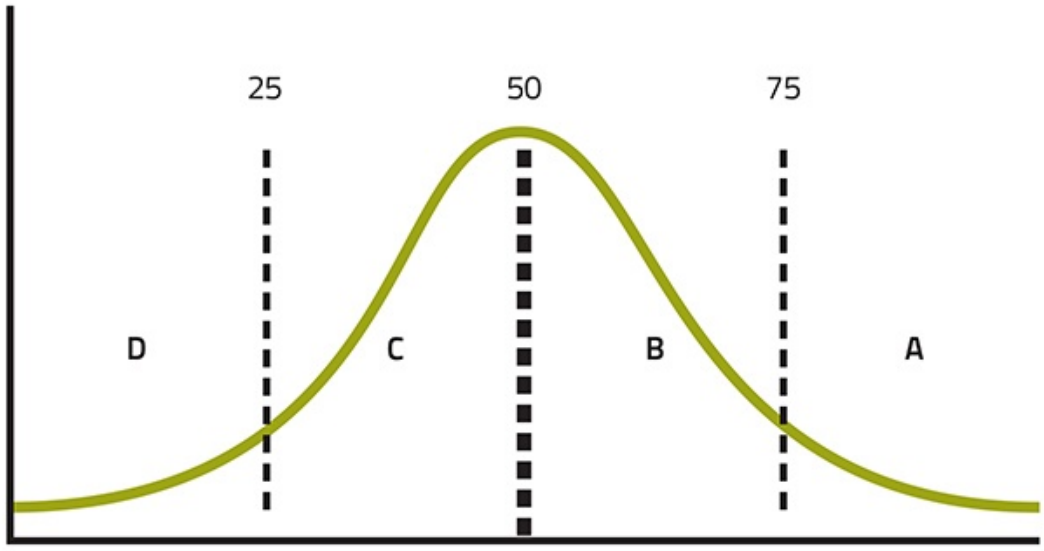
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Those who are in different categories in the number of visits and average spending will be considered to be in the lower category.

The goal is always to make the customer move to a higher category. It is unlikely that a consumer will skip any step, since changes in consumption habits are gradual and not drastic.

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Categorisation of clients according to their average spend and number of visits.



Higher level

Buyer persona

In marketing, there is a higher level of customer known as *buyer persona* . This figure is an imaginary customer who has the characteristics of a potential consumer who is going to purchase a product or use a service. It allows the definition of more exact profiles for each customer category, to better direct advertising efforts. What is sought is to make the consumer feel

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perfectly looked after. This tool aims to anticipate all our customers' needs and problems, and to provide solutions before issues arise in the customer experience.

Interviews of similar clients are often used to define a buyer persona. All the information obtained is summarised in one or two pages that should include consumption habits, objectives, skills, as well as fictitious personal characteristics that make it more real.

In short, the first step in customer service in veterinary practices begins with knowing what customers are looking for. This makes it possible to create an offer suitable to the needs of each of them. Not all clients are looking for the same things, so knowing them allows us to meet their needs in a much better way.

Advantages

- Allows the team to understand the different groups of clients.
- Helps create solutions to "pain points" in the customer journey before problems appear.
- Provides a human representation for each group of clients that generates empathy.

Find customers you are interested in and make them the best possible consumers for your practice.

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13

Value proposition

The value proposition can be defined as the main reason why clients choose one service provider over another. Some may define this proposition in something binary: “Be the cheapest or be sexy.” However, the consumer’s mind is much more complex.

Factors

Main parameters

Many factors can be considered, but more than 80% of value propositions can be divided into four main parameters:

- **Price.** Less than 20% of consumers will only look at the price when choosing a provider. The vast majority of owners will not put their pet’s health in the hands of the cheapest veterinarian, unless they cannot avoid it.
- **Specialisation.** A percentage of clients will seek a specific answer to their needs, not always related to medical specialities, but from a service point of view.
- **Proximity.** In a market where the offer is not very differentiated, many consumers choose proximity or ease of access. The more different the proposal, the further they will be willing to travel.
- **Customer service.** The vast majority of consumers are prepared to pay a little more to be well served. The challenge is to know the expectations of each client, since they will depend on many subjective factors.

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How to develop a value proposition

To develop this value proposition there will be truly differentiating elements and common elements. The first are those characteristics that will make one service provider different from another and can be veterinary medicine–-related (for example, having an MRI). However, they can also be of another type (such as having a reserved parking space next to the practice or an online appointment booking system).

On the other hand, there are the common elements, which are those characteristics that everyone should have. In this case, as they are common to all practices, it is their absence or presence on a lower level than expected that will affect the customer experience. This group can include elements such as the cleanliness of the waiting room, the presence of a person at the reception to receive all clients, or wearing uniforms.

Other elements that many veterinarians have traditionally considered important when making a differentiated value proposition have little to no impact on consumer decisions. A particular piece of equipment or the surgical material and vaccine brand used do not usually help in the decision-making process and even less so if their superiority is not evident to the pet owner.

The value proposition should be unique, since committing to too many value propositions will dilute the advantage of each one of them. When asked, clients should be able to explain clearly why they are visiting one veterinarian and not another. Nobody chooses the second cheapest practice or the third greatest range of services.

The most common value propositions of veterinary practices are as follows:

- **Low cost** , which means low prices in the client's eyes. It is about improving processes, reducing expenses and offering a limited range of

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services.

- **Wide range of services.** A classic model in which the client has access to all the services their pet needs in one place.
- **Convenience** , either due to the opening times or location. Clients know that all the services they need may not be available, but the practice is easy for them to visit.
- **Mobile service,** either by picking up patients or by visiting them at home. A veterinarian that makes home visits is a clear model.
- **Primary care** , that is, those practices that base their offer of services on preventive medicine. These practices have a limited range of services, which allows them to control expenses and, therefore, prices.
- **Health plans** . This proposition is similar to the previous one, in which the star product or claim are preventive medicine plans.
- **Specific care practices** for a group of pets, be it just dogs, cats or exotic animals.
- **Emergency services.** These will serve consumers who require out-of-hours assistance or whose pet is in need of emergency medical care.
- **Veterinary referral services** . The potential client is another veterinarian seeking help with a case.
- **Euthanasia at home.** Due to their structure, many practices cannot do this type of home visits, so offering this specialised service will attract many owners who want to avoid going to a veterinary practice when it is time to say goodbye to their animal.

Finding a different value proposition provides a competitive edge and this proposition should therefore be fully visible. Considering recommendations from other customers are important to attract new ones, this proposition should be as clear as possible to ensure its essence is not lost.

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14

Customer experience
The journey

Key points

Perceptions and emotions

Customer experience (CE) is a concept used in marketing that is defined through the perceptions and emotions produced in consumers and clients when visiting the practice, accessing its online services or contacting the company by phone or by any other means. The emotions (positive, negative or neutral) that are produced during this journey will influence consumers, by creating memories that will either boost their loyalty and how much they are willing to pay, or just the opposite.

CE is often mentioned, but according to the Asociación para el Desarrollo

de la Experiencia Cliente (association for the development of customer experience), the following 10 points have to be taken into account to assess and improve it:

- It should improve business competitiveness.
- All interactions with the client should be considered.
- It should be important and differentiating for the company's brand.
- It is a rational and emotional experience.
- It is produced by the consumer.
- All company employees are involved in it.
- Training is necessary for the entire team.

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- It requires a methodology and specific know-how.
- Results should be measurable, with identifiable and actionable levers.
- It should improve customer acquisition, retention and engagement.

CE can be explained in a simple manner. To do so, all the barriers that a potential consumer may encounter when visiting our practice to buy a product or service ("pain points" that make it difficult to purchase the service) should be described on paper. By having that information, changes can be made to avoid conflicts.

Concepts

A journey for each type of client

CE is based on a series of concepts:

- **Customer journey.** It is the visual representation of CE when a product or service is purchased.
- **Buyer persona.** It is a way of stratifying clients, generating a typical model that represents a group of clients. It allows the creation of products, services and experiences adapted to each one of them.
- **Phase.** It is each of the parts of the CE. The experience of visiting a practice never begins in the practice; it starts much earlier, for example when visiting the website to learn about the services.
- **Points of contact.** They are all the interactions (with the team, equipment, etc.) that take place in the practice's actual facilities but also through virtual platforms, before, during and after the visit. Each contact will generate a positive, negative or neutral feeling.
- **Emotions.** The experiences that are produced with each purchase are unique, regardless of whether the products, or even some services, are replicable. The CE of the purchase of a product or service is the sum of the emotions produced in the client in each of the journey's phases. These emotions will be positive, negative, or neutral. The goal is for the total to be positive.

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In principle, one journey should be made for each type of buyer persona (it is said that pet food companies can have up to 90 different types). However, in small businesses, the 2 or 3 most common types of potential clients should be chosen to generate services and choose products for the business.

Phases

Points of contact

For veterinary practices, what really matters is to know all the points of contact with their customers, as this will allow changes to be made to improve these points of contact.

A simple exercise we can perform in the practice is drawing a contact point wheel. It is the graphic representation of the different phases of the acquisition of a product or service. Each phase can be divided; for example, the waiting time could be made up of the ease of parking, the decoration of the waiting room, and the treatment at reception, to name a few.

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Point of contact wheel.



Four steps for the effective use of points of contact

- Identify the areas most important to consumers.
- Invest in those points that increase turnover/profit.
- Set realistic goals.
- Choose objectives and control parameters.

Once all these points of contact have been identified, we have to decide what experience we want to transmit in each one, since the sum of all of them will

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determine the CE. A study from the School of Marketing from the University of South Australia (Baxendale, 2015) categorised the importance of points of contact for the consumer. All the points of contact were divided into five groups. The groups were, from highest to lowest importance:

- **In-store communication** (product placement, posters, staff information, etc.). It tends to end in impulse purchases.
- **Brand advertising** . Seeing other consumers (or even someone they know) choosing a brand makes consumers more likely to turn to the same brand.
- **Observation of other consumers** . Checking that a group of people use a veterinary practice can be a motivating factor to go to it.
- **Word of mouth.** Recommendations, either personally or by means of social media, are another motivating factor.
- **Traditional advertising.** The fact that this is the last point explains the change of approach towards "guerilla marketing".

This change of marketing approach makes it cheaper to reach a larger number of consumers. The ultimate goal of all brands is for you to remember them after they have interacted with you (and if it were in a positive way, it would be a bonus). Communication is key in the CE: the potential client has to know what they will get for their money.

The environment

The environments in which interactions take place are another very important component of the customer journey; some are physical and others are online. They exist before (website, online estimate, appointment by phone, parking, emails, etc.), as well as during (waiting room, consultation room, reception area, etc.) and after the purchase (follow-up call, reminder, newsletter, emails, etc.). In any case, all of them should be evaluated to achieve their improvement. It is important to remember that it appeals to emotions and, therefore, to all the senses, so you do not have to focus only on what is seen (or how easy it is to use your online platforms), but remember that we are also appealing to smell, hearing, etc.

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Exercise

Developing a customer journey

Once all these factors (points of contact, environments and emotions) have been taken into account, a consumer journey for a specific product or service can be developed. An interesting exercise for those who are new to veterinary practice management is to develop the journey on which clients have to embark when they remember (or we remind them) that they have to take their pet to their annual checkup and vaccination.

Customer journey for an annual checkup.

Environment	Points of contact									
	Becoming aware	Search/Research	Evaluation/ Options	Justification		Purchase	Adoption	Retention	Expansion	Recommendation
House	Receiving reminder or finding vaccination record book									
Internet		Going on the Internet to find an telephone number for appointments	Visiting various websites to compare prices	Value of the service					▪ SEO positioning ▪ Social media	Testimonials
Making appointments			Online vs. telephone				Online appointment	Customer service on the phone		
Trip to the practice		Google maps/Waze	Signage/parking							
Waiting area			▪ Services ▪ Products available	Waiting time		▪ Product display ▪ Promotional services		Customer service by the staff		
Consultation							Offer of preventive medicine	Customer service by the veterinarian		
Payment area				Perceived quality		Product service recommendation	Loyalty programme	Customer service by the staff	Satisfaction survey	
Return trip/ home										Interaction on social media
Calling back								Courtesy call		

In this example, as many points of contact and environments as possible are placed so attention is paid to them. The objective is to recognise all the points and initially focus on those that have the greatest impact on the income.

The temptation may be to start by looking for recommendations on social media to attract more clients, but it may be more advantageous (it has more impact on income and profitability) to improve the environment of the waiting room, with a greater presence of products that may create impulse sales or services in the form of campaigns or packages. Another critical

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point would be the training of staff regarding the services available or in customer service, as well as the creation of incentive programmes.

The CE is the sum of the emotions experienced by the client throughout the entire purchase journey of a service or product. Veterinarians should recognise that not everything depends on their clinical skills and that other factors come into play (human or otherwise) that should be analysed for their improvement. Starting by doing the exercise for consultations or annual checkups is recommended since most environments or interactions in these situations overlap with those of other products and services, thus allowing areas for improvement to be detected.

> "*Veterinarians should stop looking for clients for their services and start generating services that attract clients.* "
> Jordi Calvo Marqués.

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15

How to be a leader
Because being a boss is a little outdated these days

Concepts

Veterinary medicine is constantly changing

New veterinarians are technically better prepared than ever before, and sometimes even have more veterinary knowledge than the practice owners themselves. They are no longer looking for just a boss, but rather for a leader who establishes objectives and manages the results. So, if we invest in people, we are investing in the future of our company.

A new way of understanding the work of the 21st century veterinarian is to consider it as a constant learning curve. Accordingly, training will enhance the competitive edge of the practice; in other words, we have to encourage our team to attend courses, to try out new surgical techniques, etc. The leader of a 21st century practice must know how to lead each employee for the benefit of the entire staff. Differentiation is difficult for veterinary practices; however, the right staff will make it easier to distinguish yourself.

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The employees of today seek a work–life balance, often preferring it to vocational training. To do so, they try to find a suitable schedule, and may even choose to work part-time (such as only in the mornings or on certain days). We must prevent this situation from affecting customer service by informing users at the time of registration of their veterinarian's working hours.

Today's veterinary medicine requires talented professionals who are prepared to innovate. This favours the long lasting nature of the company and encourages it to become a leader in its sector. To achieve this, it is essential to have dedicated employees, something that can only be achieved if they are happy.

Different employees look for a leader to guide them.

Today it is common to hire the right number of employees for the time required (more part-time hours, only at times of high workload, collaboration with recruitment agencies, etc.). However, it is essential to understand that the team is our greatest asset and the one that produces the revenue (not the customers). We need to find the right staff, keep them and grow with them. Offering a partnership to someone who has been working with us for a long time, for example, favours the growth of the business and prevents brain drain.

Persuasion

Guide the conduct of our employees

If we ask our colleagues for something different, we have to be able to guide them and provide tools to exploit their full potential. One of them is persuasion, which is a difficult art to achieve and master. Of course, persuasion is a tool that must be used following ethical standards: we can convince team members of the benefits of a certain diet, but it would not be moral to pressure them to perform unnecessary surgeries.

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In the 3rd century BC, Aristotle already wrote about persuasion and defined it as “the art of getting people to do something that they wouldn’t ordinarily do if you didn’t ask them to”. Furthermore, he observed that any act of persuasion began at a starting point (a) and ended at an end point (b), which coincided with the intended objective. This is the change in attitude that he was referring to.

Aristotle mentioned three different ways of being persuasive:

- ***Ethos*** : ethics, character and reputation.
  It is related to each person’s way. **Trust** is earned day by day but it can be lost in a moment. It is important to be consistently sincere, since credibility does not depend on yourself, but rather on the impression that others have of you.

- ***Pathos*** : emotional appeal.
  It is based on understanding what another person may feel when we convey an idea to them; this is what is known as **empathy** . It can also be used with clients.

- ***Logos*** **:** logic.
  Logic refers to the words that are used, the message that is conveyed.

For Aristotle, the most important component was trust (*ethos*). Without it, what we say (*logos*) or the emotions that we provoke (*pathos*) in our employees do not matter; they will not collaborate with someone they do not trust.

Empathy is the ability to identify and understand the feelings, ideas and circumstances of others; the ability to put ourselves in someone else’s shoes from an emotional point of view, even if we are not in the same situation. We use it daily in the veterinary practice: every time we perform a euthanasia or have to deal with a difficult consultation we must use this skill to connect with the client. Empathy does not end with the consultation, it must be used when designing the quarterly work schedule or when deciding on incentives for the team.

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Empathy is based on trust. Everything that happens in interpersonal relationships makes it increase or decrease. Therefore, we have to work each day to enhance it, both in ourselves, the team leaders, and in the employees. To be trustworthy, we must show genuine interest in the problems of others. Remember that trust occurs in relationships, not between people.

In short, we can affirm that:
Empathy + Sincerity = Persuasion

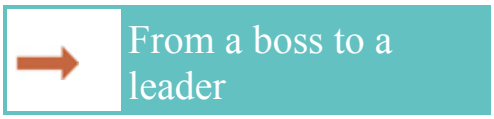
To summarise, on the way to persuasion we must take 4 steps.

1. **Build credibility (*ethos*).** Credibility is based on trust; it is a quality of the relationship and not of people. Credibility is one of the pillars of the process and without it there is no point in continuing.

2. **Search for a point of agreement.** It is necessary to identify the origin of the discord in order to find out the reasons for it and try to establish an agreement. In this way, everyone will consider the common benefits and not just those of the company.

3. **Tests (*logos*).** Whenever possible, it is important to support claims with objective data. Data are an ally when it comes to persuasion.

4. **Emotional connection (*pathos*).** When you believe in something, persuasion comes naturally. For veterinarians it is easy to convince others of the need for a treatment that they have seen work well on numerous occasions.



What is the difference between them?

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Now that we have considered the qualities needed to be persuasive, let us look at the differences between a leader and a traditional type of boss.

Characteristics of a boss and a leader.	
Boss	**Leader**
Manages	Innovates
Preserves	Develops
Focuses on systems and structures	Focuses on people
Uses the reward and punishment system	Uses a compensation system
Makes use of control	Inspires trust and commitment
Asks how and when	Asks what and why
Sets sights on the benefits	Looks to the future of the company
Does things well	Does the things that need to be done
Sees own growth opportunities by means of the team	Creates opportunities for others
Accepts and respects the *status quo*	Questions the *status quo*

Differences between a traditional boss and a leader

Perhaps the most important quality of a leader is the ability to delegate, but to do so is essential to have a dedicated team and a leader who are confident of their abilities. Group commitment is the foundation of authority; if you are just a boss you will not earn your employees' respect automatically, you must demonstrate that you have as high a commitment as you demand from others. You cannot ask others to be punctual if your schedule is inconsistent.

There are two types of commitment: the external one, which is defined by you for the whole team and does not create involvement, and the internal

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one, which is more important, as employees believe in what they do. A recurring example is that of sales objectives; if we set a certain goal for an employee, they will only sell what is needed to reach the goal, but if we convince them of the importance of specialised diets for the well-being of pets, they will probably exceed our expectations.

What we want is for our employees to establish a great internal commitment and follow us as group leaders.

Remember that employees should know that they work with you and not for you.

Becoming a good communicator

A good leader must be a great communicator, keeping in mind that how the message is delivered is more important than the message itself.

Professor Dr Albert Mehrabian, from the University of California, developed the 55-38-7 model to measure the impact of a message, where 55% depends on nonverbal (visual) language, 38% on paraverbal language (tone of voice, rhythm, etc.) and only 7% on verbal language (the meaning of words).

With this in mind, let us look at some tips to be a good communicator.

- **Use language efficiently** . It should be simple, with a predominance of short sentences. The fewer words you use, the less likely you are to be wrong.

- **Use expressions that enhance the message** . It sounds better to say: “We have exceeded the goal that was set” rather than “we have done well”. We all like to be praised when we do a good job.

- **Use analogies and metaphors to explain concepts** . We have to take our interlocutor into account and adapt the language accordingly.

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- **Body language** . As we have seen, most of the message is nonverbal language, so be careful what you do while speaking or listening.

The way we listen is just as important as the way we speak. We must practice what is known as active listening, which consists in paying attention and understanding the speaker's point of view, and therefore, what they want to convey to us.



Mistakes to avoid

There is no single way of being a leader, what is fundamental is that you adapt to your employees. However, there are certain things that we must avoid right from the beginning so that the team can start off on the right foot.

We are all colleagues

A relationship that is more typical of friends than that of employee and employer; there are no limits.

Disadvantages:

- Disrespect, especially if you go out together at the weekends.
- Lack of motivation: "Since the boss is a colleague, I don't have to worry."
- Unclear boundaries: detrimental situation in case of conflict.
- Leaps in the hierarchy, especially during decision making.

Micromanager

This is a boss who wants everyone to be a replica of themselves and does not allow things to be done in a different way to how they would do them.

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Disadvantages:

- They ask too many questions and do not give the team any freedom of action.
- They believe they are the only ones who do things well: "My way or there is no way."
- They control the results and do not set objectives but rather only delivery times and action protocols.
- "I am the boss": they limit their work to the team's internal motivation.
- They place the world on their shoulders and want to have absolute control of everything that happens in the practice.

Seagull

The boss is absent most of the time and only pops up to tell people off because objectives have not been met or to impose a change.

Disadvantages:

- There is no guidance for collaborators.
- When they do appear, they only seek to demonstrate their authority.
- Rules and protocols are changed without consultation.
- The changes do not last due to lack of continuity.

Some advice

Many other mistakes can be made, but these are examples of common mistakes. Nobody is born knowing everything, it is necessary to learn to be a good leader. To do so, here are a series of tips:

1. Be an example, so that everyone can learn to do something by seeing how you do it.

2. This is not personal; as a team leader, do not let your feelings get in the way of making decisions.

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3. Be positive. Do not just comment on what has been done wrong, congratulate the staff on the good things they have done. Some ways to reward efforts are:
   - Salary increases
   - Bonuses
   - Increased responsibility
   - Free time



Motivate in public, rebuke in private.

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16

Team building

Definition

The importance of a good team

A veterinary practice is made up of the people who work in it. It is a common mistake among veterinarians to think that they are the only important members of the practice. As in any team, all members are essential and we must therefore find the most suitable person for each position. From the nurses to the reception staff, the cleaning team, etc., and finally, the vets, everyone is essential. A surgery could not be carried out if the operating theatre was dirty, the material was not sterile, or the pet owner came on the wrong day because the receptionist gave her another date. Therefore, an operation can be unsuccessful even with the best surgeon in the world.

Once we have understood the importance of all employees, we are faced with the first challenge: choosing the different pieces that make up the puzzle of the team of a veterinary practice. Each piece has its specific role and it is not advisable to have two pieces with the same function, because there would probably gaps that need to be filled elsewhere.

Personnel selection

A team adapted to your needs

The first thing is to select the personnel that is going to join our practice. This process can be divided into two parts: we must attract people to our

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company and then select the right person. Let us go step by step.

1. **I have a vacancy** . Before posting an advert on a job board, we must answer questions such as: is the demand temporary or is it going to be something that will last over time? Or can I change the working hours to have more consultation hours available?

   Today's job market has changed. To begin with, the profession has become more feminine and has a large number of millenial vets. This has great implications and the labour market needs to be more flexible as expectations about work have changed. It is no longer a vocation that justifies personal sacrifices, but rather it must be accommodated to personal life needs.

2. **Description of the position** . Reflect on what you are looking for in your new employee. What are they going to do, how are they going to do it? To do so, you will need a job description and an organisation chart of the practice with the objectives and responsibilities.

3. **Characteristics of the candidate** . It is best to create a table like the one shown below:

Characteristics of the candidate.		
Candidate	**Abilities**	**Attributes**
Essential		
Desirable		

   For example, if you need a receptionist, you are looking for someone who is friendly, with a good appearance and great capacities for customer service; however, these characteristics will not be as important for a laboratory technician.

4. **Recruitment phase** . You have already done your work and have decided what you need; it is very important to know what you want. At this point you have to ask yourself if someone who is already on your team can fit in (a nurse trainee who can stay or an internal promotion after some

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training). If you are going to hire someone from outside, will you use an advertisement from the employment section of a specialised magazine or will you search by means of employment agencies?

5. **How to attract talent.** Remember that placing an advert on the website of a veterinary association (see Chapter 21) or in a specialised magazine is not enough. Talent is often found where you least expect it; that barista who serves you a coffee could be an exceptional receptionist. In addition, whoever comes to work for you will look at your practice on the Internet, so your website must be attractive.

   Another option is to talk to your employees or colleagues. If you are looking for a vet, who better than another vet to recommend someone who is searching for a job. You can even offer a bonus for whoever achieves it. Ultimately, this would make the adaptation process of the newly hired person easier.

6. **Study the CVs** . You must decide which potential candidates you want to call; they will be those who meet the highest number of the characteristics that have been proposed in point 3. It is advisable to establish a list of 3–4 candidates for an interview and a reserve list. For this, a telephone interview with a series of standard questions is recommended.

Politely informing those applicants who do not pass this screening process is something that will speak well of your practice. On the one hand, this will project a professional image of the practice and, on the other hand, we should not forget that they might be candidates again in the future.

Hire attitude, train skills and knowledge.

A crucial step

The personal interview

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Once the previous steps have been completed, it is time for the personal interview. We must prepare something that does not look like an interrogation, but that has a common structure and an objective. Thanks to the telephone interview, we know that the candidates reasonably fit the profile we are looking for. What we want to know at this point is whether the person will adapt well to our team and work dynamics. We will talk about this in the corresponding chapter.

One concept to remember is that talent is an investment. Talent is sought out and cultivated, therefore, when hiring someone for the practice, we must identify what talent is going to make our company better than the competition. In the new economy, cutting expenses is not as relevant as the team and customer service.

In times of change or financial challenges, practices must be prepared for this roller coaster. Capital is not as important as the ability to innovate and create. However, it is important to remember that team members will only offer their talents if they want to. Our goal as leaders is to get a group of ordinary people to provide extraordinary results, using individual talents for the benefit of the team and the practice.

Let's start by differentiating the different types of talent.

- **Managerial talent**

  This refers to the ability of someone to lead a group of people. The veterinarian should feel comfortable directing and delegating (which is the hardest part). Good managers will be able to manage several activities at the same time, for example, they may be consulting while asking the nurse to perform X-rays and the receptionist to organise a referral for a client.

- **Commercial talent**

  This is about the ability to sell. This talent is important in the whole team, since selling is synonymous with educating. The more educated the clients are, the better their compliance with the recommendations will be.

- **Technical talent**

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It is the ability to organise a process. People with this type of talent are ideal for developing the different work protocols in the practice, since they are capable of optimising performance to the maximum.

- **Operational talent**

  It is the ability to perform an action following orders. The best example in the practice is the laboratory technician, whose mission is to follow exactly the protocols established for each of the diagnostic tests and obtain consistent results.

Innovative talent

It can be applied to all the previous cases and it is the one that will provide that extra value to the company.

In the practice, veterinary professionals value freedom of action, although this can lead to errors. The problem is not making mistakes, but rather not learning from them. Therefore, it is important to cultivate the ability of self-criticism that leads to improvement. This type of novel behaviour is what we are looking for; the same person who makes the mistake has the capacity not only to recognise it, but also to amend it. It is acceptable for someone to do a wrong diagnosis (due to lack of information, for example), but that is not reason enough to withdraw them from the care of a patient, as long as they have the ability to recognise their mistake and look for new treatment alternatives.

The following chart compares the traditional worker model with the talented professional model.

Traditional worker	Talented professional
Faithful to the company	True to their principles, team and projects
Looks for stability	Needs action and change
Medium level of confidence	High level of confidence

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Their professional career is long-term	Short-term personal goals
Looks at the salary and position	Seeks to grow, new opportunities and challenges, and remuneration in accordance with them
Would like to have a balanced life	Demands a balanced life and changes to achieve it
Fear of change	Comfortable with change
An attempt is made to adapt to new technologies	Tries to exploit new technologies to their advantage
Works long hours	Prefers to be judged based on results and goals
Their boss knows everything	Needs a leader to support them
Motto: Work hard and you will be successful	Motto: Work well, enjoy your work and improve yourself

In order to make the most of innovative talent, it is easier if we divide it into two types of talent. This will facilitate our search:

- **Attitude**
  - The ability to learn is more important than how much is known at any one time.
  - We work better as a team, so we need to be able to interact with everyone. An isolated employee on a team is no good at all, no matter how much they know.
  - Questions the system: "Yes, this protocol works, but is there a better one?"
  - Spirit of an entrepreneur: a good professional only makes the same mistake once, will learn from it, and will seek to act differently in the future.

- **Components**

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- Capabilities: willingness to do things.
- Commitment: the team must feel involved in the company.
- Action: ability to do things at the right time.

If we put together all the information given above, we can see that the following situations may arise.

- If a professional is committed and does things but lacks skills, they will not achieve superior results. An employee who takes two hours to do cruciate ligament surgery may need a reinforcement course or help to improve.
- On the contrary, if someone has capabilities and does things at the right time, but is not committed, they will not achieve superior results either. If someone is not happy at work because of the working conditions (too many hours, salary, etc.), they will not try to convince owners that their pets need dental treatment when they come for a vaccination, because they know that it will not result in them receiving any kind of acknowledgement, but rather more work.
- If a professional is skilled and committed, but does things late, they will not achieve superior results either. If someone performs too many tests on a patient before referring them to a specialist, the client will not be very happy and the next time their pet has a problem their will think twice about going to the veterinarian. If, on the contrary, after some basic analyses, the clinician discovers that they will not be able to resolve the problem and clearly explains it to the client, the client will understand it and will come back the next time because the service was as expected.

To summarise, we can say that:

- Commitment leads to motivation.
- Capabilities lead to quality of service.
- Action gives rise to opportunities.
- Talent can, and should, be developed.

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Professionals who complement each other

In veterinary medicine, many management experts refer to the “mirror test” as a method of selecting personnel for the team. This test consists in placing a mirror under the nose and if it produces condensation it indicates that the candidate is alive and can be chosen for the position.

In a market where there are too many candidates (and in veterinary medicine it is still the case in many countries), the determining factor for the choice of personnel may be availability. This leads to the formation of noncoherent teams because they do not complement each other properly.

Furthermore, a veterinary practice requires professionals who complement each other perfectly, since having two specialists in the same field does not improve productivity, but rather limits it. Obviously, it will be necessary to stimulate communication and teamwork.

Many veterinary practices grow naturally and add staff without taking the time to assess whether there is an alternative to face the peak of work (price increases, process improvement, reorganisation of schedules, etc.). This implies that when a practice starts using human resource tools the group is often eclectic and heterogeneous.

Phases of team building

In all cases, the first thing to do is to recognise the phases of team building. Bruce Tuckman, an American psychologist, described five phases that occur when a working group is formed:

- **Training (*forming*).** Team members get together and know each other; there is no conflict since everyone seeks to be part of the group and they are not familiar with each other.

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- **Conflict (*storming*).** People in the group are sufficiently familiar with each other for friction and divergent opinions to appear.

- **Normalisation (*norming*).** The group works efficiently. Everyone knows the functions of the others, as well as their abilities and limits. There is a clear objective and the only challenge is the fear of change.

- **Performance (*performing*).** The team not only works perfectly, but they are able to resolve conflicts without needing outside help. The objectives are clear, although there is a risk of returning to previous stages if elements of change appear, such as new employees or leaders.

- **Completion (*adjourning*).** Once the objective is reached, the team loses its raison d'être and, therefore, it is best to dissolve it for the new project, since new objectives will require a new group of people.

Teams take time to form and function efficiently. The leader's job is to get them to achieve their potential as soon as possible. To do so, one of the most basic needs is to ensure that there is complementary talent in the team and therefore to adequately identify it.

Belbin team roles

When it comes to the selection of personnel, an increasing number of companies rely on standardised tests for the choice of talent. Although there are companies specialised in conducting this type of selection process, it is important to understand the classifications that they may use.

A fairly popular system is that of the *Belbin team roles* . Dr Meredith Belbin recognised the different behaviours people display or the contributions they make in their workplace. By identifying what role each person has, we can manage teams profitably. There are nine different roles; however, this does not mean that at least nine people are needed on each team, but rather that each team member will play the two or three roles in which they feel comfortable and another two or three that they can take on if necessary. Finally, there will be other roles that they will prefer not to adopt.

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Belbin team roles.

Role	Talent	Weakness
Resource investigator	Outgoing, develops contacts and explores opportunities with ease	Loses interest easily
Teamworker	By means of diplomacy, cooperation and early detection, seeks to prevent confrontations	Avoids confrontations and can be indecisive in crucial situations
Coordinator	Confident person who identifies talent and clarifies goals. Delegates with ease	May seem manipulative and unloads work assigned to him or her
Plant	Creative with a lot of imagination. Good at problem solving	Difficulty communicating with less creative people
Monitor-evaluator	Chooses between the different options objectively	Lacks initiative and leadership skills
Specialist	Has a specific skill for a specific problem	Has limited use in the team
Shaper	Works well under pressure, showing initiative and courage	May offend feelings of other team members
Implementer	Turns ideas into actions	Slow to change (if at all)
Completer finisher	Methodical, looks for mistakes and always completes the project on time	Is reluctant to delegate and worries excessively

In a veterinary practice with few staff members, it is evident that there will not be one person for each role. However, it will be necessary to recognise

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what roles correspond to each person.

It is easy to decide that the ultrasound specialist only has that role in the practice. A veterinarian who shows interest in surgery should obtain high roles in the test (finisher, shaper or implementer), while the nursing team manager should show a predominance of roles such as coordinator, teamworker or monitor-evaluator.

The increase in the number of members of a team must be done in a manner that is consistent with the needs. First, by recognising the existing talent to know what other types of talent are necessary and second, by accompanying the team in the needs that arise.

The real work of a team leader is to introduce the best tools for team development.

Motivation

Maslow's hierarchy

Abraham Maslow was an American psychologist known for the development of a hierarchy of human needs and one of the main exponents of humanistic psychology. It is the part of psychology that deals, as Maslow himself stated, with the healthy mind, unlike the other parts of psychology.

Maslow's hierarchy of needs is a visual aid that depicts the needs, both psychological and physical, of human beings. The goal is to achieve self-realisation by climbing all the steps of the hierarchy one by one. From bottom to top the needs represented in the hierarchy are as follows:

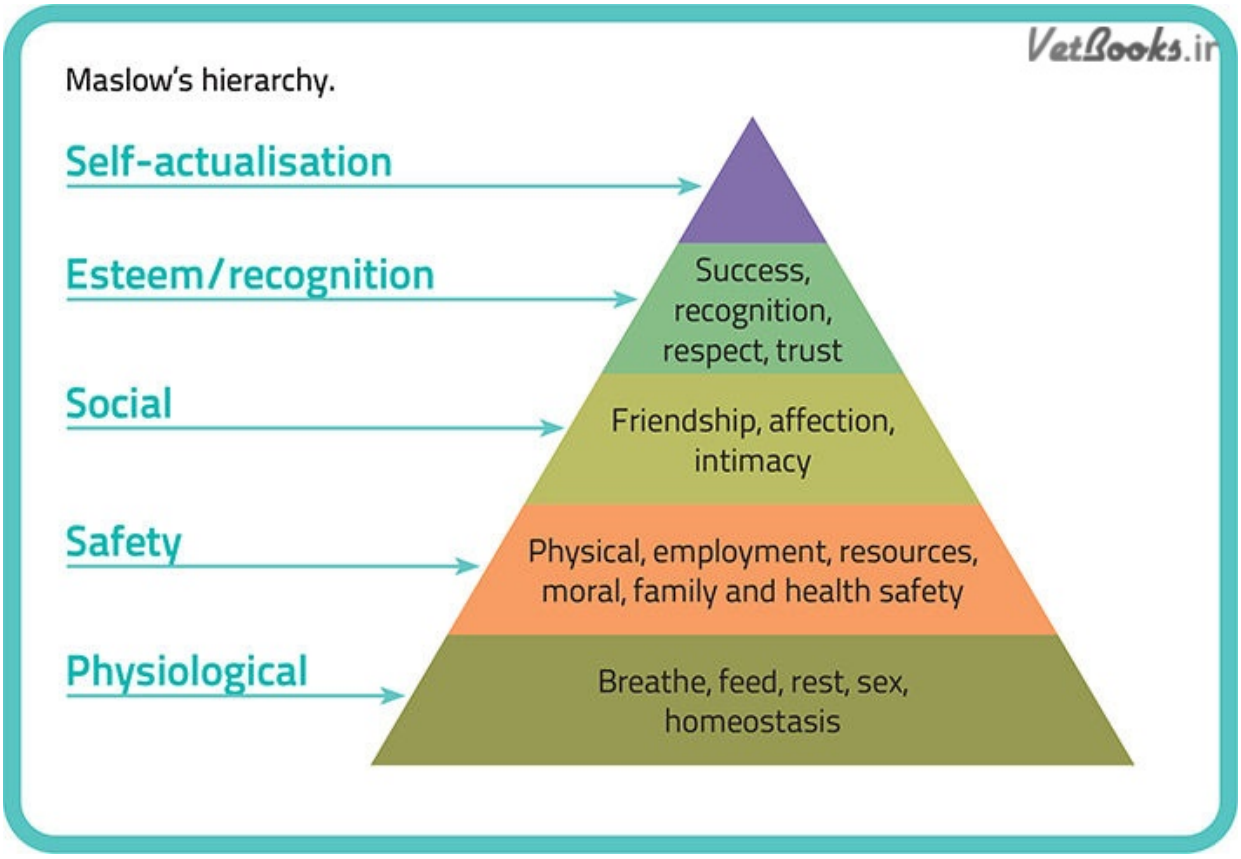
- Physiological needs. The lowest level of the pyramid would include basic or physiological needs such as food, breathing, rest, etc.
- Safety needs. The second level of needs for someone's survival is made up of safety needs, the need to feel protected.

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- Social belonging needs. Once the first two levels have been covered, the individual can begin to worry about social belonging, love, being accepted within a group.

- Self-esteem needs. At this level, the individual seeks esteem, status, or success within society or their closest group. That esteem is also an inner search, where one must feel comfortable with oneself and what one has achieved.

- Self-actualisation needs. Reaching the top of the hierarchy for an individual means reaching a stage where facts are accepted as such, problems are solved when they appear, value judgements are not formed, etc. In principle, this level is unlimited, since it entails a need for constant improvement.



The basic principle behind this hierarchy of needs is that a need cannot be satisfied if the previous one has not been covered.

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Maslow's hierarchy is frequently used in marketing for the development of advertising strategies, but it is also used in work teams. In the first case, what is sought is that the product or service appeals to a lower level of need, as this contributes to justifying the purchase. In the case of human resources, it is used to know the motivation of the employees and decide what the most successful incentive will be.

That is why it is important to identify which needs are being met before making incentive plans.

An employee who has been in the company for a short time or has a lower salary for the position they occupy will easily be motivated with more money; a higher-ranking employee whose financial needs are met may require time off or public recognition to be motivated.



Maslow's hierarchy of needs is a basic tool for motivating people, so it is important to take it into account when making decisions.

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Personnel retention

Basic principles

The three Rs of talent: respect, responsibility and recognition

Consumers no longer just use price as their sole motivation when making a purchase. The customer experience is the sum of the emotions that are generated throughout the purchase journey and that is made up of all the interactions with the team and the environment.

In addition, we know from various studies that the cost of replacing an employee ranges between 10 and 30% (depending on their role in the company) of their annual base salary.

Taking these two factors into account, it is reasonable to think that it is best to retain staff, as it will create a bond of trust with customers and avoid the expense of replacing them. We must aspire to make the team our competitive edge. Employees not only generate income, but also innovate, learn and react to the clients' needs. It is important to listen to our team regularly so that they feel appreciated and because they can provide us with the next great idea.

Personnel selection

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- Our practice is doing better than we thought and we have reached a point where we now we have to postpone several client appointments. Suddenly, we no longer have a single free slot during the week.
- We decide to hire a new nurse, so we place an advert in specialist magazines. We need someone who can see many patients every day without the need for performing surgery, so a recent graduate or a vet with little experience could be enough.
- We receive many applications and select five candidates that we are going to meet in person. One of our partners, an expert in practice management, has provided us with model interviews.
- We choose two candidates, whom we invite to spend a day with us to see if they would adapt to the team. Finally, we choose who we think is the ideal person: they do not have much experience, but they have done internships in several practices and are eager to work.
- Six months later, they resign and we have to start the whole process again. That person had everything we were looking for, but still left. What did we do wrong?
- This situation is more common than we think: an employee can leave voluntarily or be forced to do so by the boss. Stress, lack of productivity, the expense, training, etc., are more than reason enough to invest a little more in the integration of the team member.



Retention begins with integration

The initial onboarding process for a partner should take between two and five days, depending on the size of the practice. Ideally, we would like them to start seeing patients within 20 minutes of starting the job, but the reality is that it is convenient that they first observe what is happening around them.

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The first tip is to take the newly hired person for a tour of the practice; we should assign a mentor – a team member (veterinarian or nurse) – who will explain where the different areas and basic equipment are located, introduce them to the other team members and guide them through the normal procedures and protocols. For example, they can explain how the blood test machine is used or where the post is left to be sent.

The mentor will show them how to do things and behave in the practice and will check if they have understood the explanations correctly. One simple way is to ask if they can explain what has just been shown to them.

Their mentor can help them discover the area of the city where the practice is located, where they will find a good restaurant, a leisure centre, a gym, etc. This will improve the person's integration into the community and make it easier to retain the new employee.



The new employee should get acquainted with the clients soon

Whenever possible, it is advisable to allow the new employee to become someone else's shadow in the practice. This will ensure clients quickly become familiar with the new face and see that they have the full support of the older members of the practice. There is nothing more frustrating for a newcomer than having to listen 20 times a day: "You are new here, I prefer to see Dr García because he knows my pet well."

Many practices have work protocols with standards for new employees. These protocols include everything from the dress code to rest periods; however, they fail in aspects such as the date on which the salary is paid, where they can have lunch or who they can go to if there is a problem. It is very tempting to only provide rules, because that is what matters to us as managers, and to forget about the rights of our new worker.

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Ideally, call a meeting with all team members to introduce the new employee and, at the same time, inform clients of the new face in the consultation area. The practice newsletter, website and social media should be used for this purpose, although a sign at the front desk will also help reduce the surprise factor for them. A short biography with a photo should be included, if possible with the rest of the team, since it will give clients the impression that they are part of the team.



Work and administration guidelines

During the integration period, we must provide the new team members with our internal protocols. They can be divided into two types, procedural and administrative.

Among the aspects that should be included in the procedural protocols are the vaccination guidelines, parasite control products, everything related to euthanasia, the documents for use in the practice (how to print the informed consent for anaesthesia, the necessary documents in each case, cost estimate, anaesthetic sheet, etc.), how the external laboratory works, the referral hospitals in the area, the most prevalent diseases in the region, the anaesthesia protocols, etc.

The administrative protocols should inform the new employee of matters such as payment conditions (including emergencies), what to do with bad payers, working hours, prevention of occupational hazards, treatment of their own pets in the practice, etc.

The complete training of the new employee should cover all the areas in which they are expected to work, from the use of the computer system and telephone to security protocols. Depending on the size of the company, it may be a good idea to introduce the new member to all the departments, so that they know with whom they should deal with regarding their holidays or salary, for example.

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If the employee needs to use the company car to make visits or move between different practice sites, the directions and postal codes must be clear so they can use a navigation system. In these cases, it is important to explain in detail the conditions of use of the company car, allowances, fuel costs, etc.

We should not forget to review the new employee's work at the end of the integration process. They should know how and when their role will be assessed. In addition, it is a good time to ask for any questions about their work in the practice.

Retaining staff is an investment of time and money

In my experience, one of the most common complaints from pet owners is the constant change of faces in the consultation area. This rotation is not good for any company and much less for a veterinary practice, where trust is a cornerstone in the relationship with pet owners.

Retaining staff means investing time and money, but in business you have to speculate to accumulate. If we understand the benefits of retention it may be easier to try out new things.

The first benefit of keeping the same team is obvious: daily activities will be performed more efficiently. As in any team sport, it takes time for a new member to get to know and adjust to a work routine and to do their best. Keeping the same group will improve processes, since they will know what to expect from their colleagues and predict their needs.

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Keeping the same group favours the work environment

It is clear that people who have worked together for a long time have a personal connection that will motivate them to help each other. They tend to be more cooperative, and actions such as changing shifts or delaying leaving 15 minutes to help with inquiries on a busy afternoon will come almost naturally.

It is important to promote a good work environment, because it seeks to prevent personal problems from affecting the group dynamics. In small groups it may be enough to organise a Christmas party and a barbecue in the summer; but in larger groups it is necessary to organise events regularly, no matter how modest, in order to maintain a healthy working relationship and a special bond between employees.

To improve relationships it is important to organise regular meetings. These will deal with operative and administrative issues, as well as personal matters. All members must attend (including partners) for it to be a success. Organising team-building exercises is not simply getting everyone together and taking them to the bowling alley once a month, but encouraging the exchange of views and constructive criticism and building trust.

Leaving a consultation room untidy, for example, can poison the relationship between the two veterinarians who share it, so it is important that these issues are discussed openly.

 Trust

People are often afraid of unexpected changes

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By keeping the same faces in the practice, it is possible to establish a bond with the clients. The most faithful clients are just as likely as anyone else to complain about the service, but they will also have a greater willingness to stay, since human nature dictates that we are afraid of change.

In how many practices have we heard clients say that the most senior member is never wrong? The only reason why this happens is because they have been dealing with the same person for more than 20 years. They have probably made a lot of mistakes, but for each mistake they will have made, they will have been correct many more times, so the total comes out very positive.

Maintaining a consistent team will help improve our processes, services, and customer service, but investment is required to keep it that way. In addition, we must use tools for employee growth within the workplace. Personal and vocational fulfilment is as important as financial remuneration and to promote it we must use methods such as coaching, although we will talk about them in another chapter.

Practical tips

- The presence of senior team members and partners will give meetings credibility, especially if they are also open to constructive criticism.
- We must remember that, not only at work, but also in life in general, when you point one finger, there are three fingers pointing back to you.
- There are many exercises that can be carried out at work, but if you need advice, you can go to companies that are specialised in the management of groups that will design the exercise that best suits your team.

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Job descriptions

Management

How is a veterinary practice structured?

We have already discussed the importance of talent in the practice and understood that veterinarians and other employees want to feel professionally recognised (as well as financially rewarded). Now let us see how we can create a company structure.

The first handicap when developing the organisational chart of many veterinary practices is their size. If there are only two veterinarians, there is little point in creating the positions of medical director and surgical director, since there is not enough staff to justify it.

Let us also remember that the more levels the organisational chart of a practice has, the more communication problems there will be and, therefore, the more meetings will be necessary to coordinate efforts.

In many cases, the veterinarian – and owner of the practice – takes care of everything.

Traditional horizontal practice organisational chart.



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As can be seen in this case, all decisions depend on a single person. This situation which involves a heavy workload may be due to a lack of effective communication systems, a lack of effective leadership, or an inadequate team.

The only advantage of this structure is that one person is informed of everything. On the other hand, all decisions have to go through that person (even if the cleaning staff needs to buy toilet paper).

With this structure, the practice owner has too much routine administrative work to be able to think about in which direction they want the business to go.

Task distribution

Guidelines for developing an organisational chart

In this section, I will provide a method to create an organisational chart and define the functions of the different positions. The reality is that most practices are small businesses (studies indicate that in many countries more than half of them are microbusinesses) and they hardly have ten employees in total. This should make them relatively easy to manage.

1. The first thing is to know what tasks have to be carried out in a specific period of time (a week, a month, etc.) at the veterinary practice. To determine this, we can start by making a list:

Common tasks in the veterinary practice.

- Making appointments
- Charging clients
- Managing social media

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- Organising staff schedules
- Seeing patients
- Performing surgery
- Equipment maintenance
- Managing inventories
- Placing orders
- Managing health and safety
- Solving conflicts with clients
- Meeting with suppliers
- Reviewing clinical cases
- Personnel training
- Personnel assessment
- Reviewing protocols
- Cleaning surgical kits
- Preparing the operating room
- Cleaning the practice
- Arranging the decoration of the waiting room
- Follow-up of patients
- Managing reminders
- Inpatient care
- Carrying out in-house laboratory tests
- Deciding the marketing strategy
- Defining a sales policy
- Establishing prices
- Monitoring the achievement of objectives

As can be seen in this list, we do not differentiate between routine jobs (cleaning the operating room, cleaning, etc.) and strategic ones (personnel training, sales policy, deciding the marketing strategy etc.)

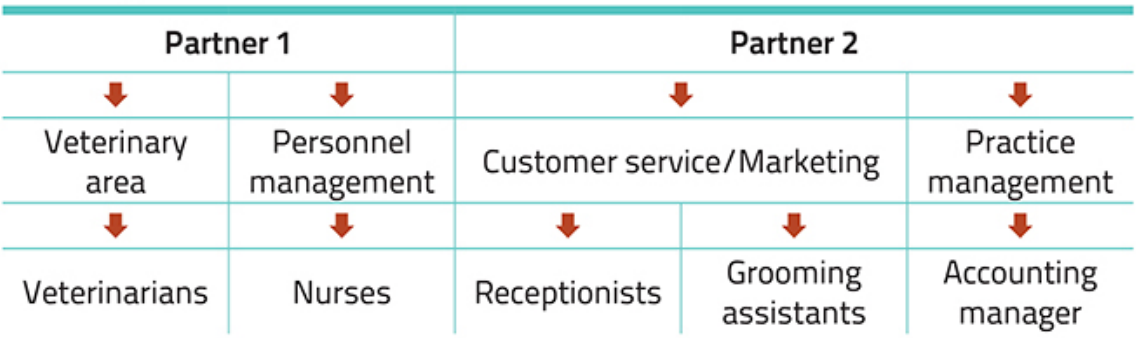
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Once this list of all the tasks to be carried out in the practice for a month has been made, those that are done less frequently are included (such as personnel appraisal).
Once we have listed most of the tasks that are carried out (any task that we might come up with later can easily be included), we can divide them into routine tasks (those that are carried out regularly) and strategic tasks (those that will have a specific weight on the dynamics of the company).

2. Next we should assess the staff we have and the different business areas. If, for example, a practice is run by two veterinary partners, it does not make any sense for them to have different positions, but it does make sense that the obligations within the company are divided: one can be in charge of the veterinary area and personnel management while the other is dedicated to customer service and practice management.

Let us now consider a possible organisational chart for this case, assuming that in addition to two veterinary partners, there were two more veterinarians, four nurses, three receptionists, two grooming assistants, and an accountant.

Basic organisational chart of a medium size practice.



As can be seen, the person in charge of the personnel management supervises the employees in terms of the organisation of human resources (assessment, training, holidays, schedules, etc.), while the other partner takes care of the customer service and marketing (conflict management, design of information campaigns, discount policy, customer monitoring, etc.) and also coordinates the entire team in their areas of responsibility.

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It is clear that both partners have contact with all staff members, although for different reasons. Thus, they can decide on the strategy of the practice in a private meeting and then separately develop and implement the best way to carry it out with the entire team in their respective areas.

3. After having decided how the organisational chart of the practice will be and how to divide up the tasks, we should categorise them by work area and look for a person in charge of each of them.

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Division of tasks by work area.

Veterinary area	Personnel management	Customer service/ marketing	Practice management
See clients	Organising schedules for veterinarians	Making appointments	Placing orders
Discharge after surgery	Organising schedules for nurses	Solving conflicts with clients	Shop inventory
Cleaning equipment	Managing health and safety	Arranging the decoration of the waiting room	Medication inventory
Reviewing clinical cases	Personnel training	Deciding on information campaigns	Meeting with suppliers
Performing surgery	Organising holiday time	Quality survey	Income analysis
Reviewing protocols	Personnel appraisal	Reminders	Cost control
Cleaning surgical kits	Recruitment	Follow-up of patients	
Preparing operating room	Organising regular meetings	Social media	
Inpatient care			
Carrying out in-house laboratory tests			

It is clear that some tasks are more specific than others and that what is intended with this method is that there is a person in charge of each area in the practice. It is logical that a partner should not be in charge of cleaning the consultation rooms every day (i.e. having a high-value employee performing a simple task, although it will be their responsibility if something is dirty and nothing is done about it); instead,

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they should make sure that a schedule is created for those team members who have that task assigned and establish control methods to ensure it is completed according to the expected standard.

4. The last step is to delegate the tasks that can be delegated and take on those that cannot. For example, if one of our employees has good interrelationship skills, they could be in charge of follow-ups and customer service, while if a receptionist has an interest in social media, they could be responsible for implementing marketing campaigns on these networks.

In some cases, an organisational chart with more levels can be made, including, for example, positions of veterinary team manager or nursing manager that would be justified in practices with sufficient personnel. Let us remember that the position is not just a name; it carries more responsibilities and, therefore, greater financial compensation. These middle managers would be in charge of the more administrative tasks such as schedules or meetings and then reporting any problems of the group to their superiors.

Job descriptions

What information should we include?

We are now ready to prepare a job description; all we have to do is use the organisational chart and the task list. Each job description should include the following information:

- **Job title**
  Use words carefully and try to make the name as descriptive as possible.

- **Main mission of the job**

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Explain in a few words what the main function will be in the practice.

- **Location**
  In the case of a multisite practice, it is important to define to which one the employees will be assigned to (in many cases, the operating theatre is shown and that is the only time the employee sees it, because the rest of the time they are in the consultation room or at another practice site).

- **Working hours**
  Define the working hours very clearly, as well as emergency hours and holidays.

- **Supervisor**
  Who will supervise the work should be clearly stated, as well as who to contact if there is a problem. It is important to maintain hierarchy to maintain a healthy team.

- **Tasks to perform**
  Include those that apply from the previous task list. It is of interest to add any other task that the job may require, in case there is a change.

- **Knowledge and skills required**
  Not only are qualifications considered here, but also skills, such as the surgical techniques a veterinarian should be able to perform or the computer skills expected from a receptionist.

- **Training**
  Explain what training will be provided in the practice and what is necessary for the job.

Job description for a receptionist.	
Job title	Receptionist.
Main mission	Receiving visitors and providing pleasant, efficient and effective customer service.
Location	Main practice.
Working hours	■ 32 hours a week in variable shifts in the morning

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	(09:00-15:00) or afternoon (14:00-21:00), from Monday to Friday. ■ Alternate Saturdays from 10:00 to 14:00.
Supervisor	Head of customer service.
Tasks to perform	■ Answering the phone and emails ■ Replying to comments on social media ■ Managing the appointment system effectively ■ Implementing marketing policies ■ Keeping the reception neat and clean ■ Controlling the stock of products on the counter ■ Any other activity relevant to the job
Knowledge and skills	■ Great customer service skills ■ Good appearance ■ Knowledge of management of telephone switchboards ■ Knowledge of the practice's management system ■ Knowledge of office computer programs ■ Knowledge of veterinary terminology and medications
Training	■ Training by supervisor ■ 4 hours of annual training related to assigned tasks

Job description for a veterinary nurse.	
Job title	Veterinary nurse.
Main mission	Assisting the veterinarian in providing medical and surgical care to pets and offering great customer service.
Location	Main practice as well as satellite location if

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	necessary.
Working hours	■ 34 hours per week in variable shifts in the morning (09:00–15:00) or afternoon (14:00–21:00 hours) from Monday to Friday. ■ Saturdays from 10:00 to 14:00. ■ Overtime may be necessary in emergency situations.
Supervisor	Nursing manager
Tasks to perform	■ Assisting the veterinarian during surgery ■ Helping during consultations when necessary ■ Inpatient care (keeping cages clean, administration of medication and fluid therapy, regular checkups, etc.) ■ Dispensing veterinary medications ■ Ensuring the practice's hygiene standards are met ■ Sterilising surgical equipment ■ Assisting in taking X-rays ■ Use of laboratory equipment ■ Providing animals with preoperative and postoperative care
Knowledge and skills	■ Great customer service skills ■ Verifiable veterinary nursing qualification ■ Knowledge of company policies and protocols ■ Knowledge of the practice's management system as well as a word processor ■ Up-to-date knowledge of the practice's products and services
Training	■ Training needs to be assessed by the supervisor ■ 12 hours of annual external training related to the tasks assigned

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	■ Specialised in-house training courses.

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Coaching
Implications and benefits

What is it?

A new job for new people

In this chapter, we will continue the work we started in the section dedicated to personnel retention. As we all know, there is only one first impression and that is why it should be the best possible. However, we should not take anything for granted in this regard; we must strive to keep improving our services and our skills. And if we believe this is the right thing to do, we should apply the same principle when training our team.–

Companies are increasingly giving more importance to training and coaching in employee retention. This term defines a way of managing, instructing and training a person or group of people to achieve a specific objective or for them to develop specific skills. There are numerous ways of doing it, different types and methods, but all are based on the principle that the individual to whom these methods are applied has the ability to face and resolve the situations they face.

“Coaching is a method to improve people’s performance”.

Coaching can help us in the following situations:

- When we do not know what we want.
- When we know what we want but do not know not how to get it.

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- When we know what we want and how to get it but we do not do what it takes to achieve it.

> Coaching is not considered part of continuing professional development nor is it a type of counselling or psychotherapy. It is personalised training that must be adapted to the specific needs and objectives of each person.

The trainee is the active agent who holds the responsibility of acquiring new skills that will allow them to face the changes necessary to achieve their objectives. Each person is responsible for their training and improvement.

The role of the coach is to assist them and create the right environment for them to learn new strategies and skills. The coach is also responsible for monitoring, which is essential in the sustained and lasting implementation of the new habits acquired.

Beginnings

Business training and sports psychology

The exact origin of coaching is unknown, although we do know that in the 1950s or 1960s, in New York City, adult education programmes were started that were based on certain educational principles. One of the basic pillars was self-directed learning as opposed to the traditional dependence on third parties. Furthermore, adult learning is motivated by the need to deal with real-life situations more effectively.

Coaching has a special link with sports psychology, which is based, among other things, on making the most of someone's potential and on setting and achieving goals.

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Traditional sports psychology used to take the win–lose model as an example. However, many contemporary coaches prefer to adopt a philosophy in which athletes are more important than winning, which is relegated to second place in importance. If you train and play with great intensity, the triumphs will come because the whole team is committed. An example is the video that Pep Guardiola showed the FC Barcelona players, just before the Champions League final they won in 2009 in Rome. In it, images of the best moments of each of the players were shown, interspersed with fragments of the film Gladiator, by Ridley Scott, and, in particular, with the speech of Maximus Meridius (Russell Crowe) just before the battle against the Germanic warriors.

In companies, coaching has been successful since the second half of the 1980s, when some thinkers in business sciences began to look at sports teams and the way coaches stimulated their players.

The blossoming of coaching responded to the demand for advice of large corporations, companies and organisations, which saw it as a valuable tool to respond to the rapid changes that were taking place in an increasingly globalised market. At present it is used mainly to improve soft skills, which are those for which people do not traditionally receive formal training, such as communication, customer service or job satisfaction.



Principles of coaching of work teams

Coaching is based on the positive aspects, on confidence and, to a lesser extent, on correction, which although necessary, must be done with extreme moderation.

Some of the essential characteristics of coaching are as follows:

- **Specific** . It is oriented towards behaviour that can be improved (a surgical technique, customer service, etc.). The coach should use language that is direct, blunt, and that leads the trainee to be specific.

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Coaching focuses on the objective and descriptive aspects of a job. Nothing can evolve if we are not able to describe it adequately and, therefore, to quantify it. In the case of surgery, we will consider the time required, the number of possible complications, etc. If we talk about customer service; the score in quality surveys. The description must be accurate and everyone involved has to understand exactly what is being discussed.

- **Interactive** . The exchange of information is essential in coaching conversations. Both parties get involved by giving answers and generating new questions, thus engaging in a full exchange of ideas.

- **Shared responsibility** . The coach and the trainee share responsibility as they work together to improve the work. If the process fails, it is because neither party has actively collaborated in a fluid and useful conversation that has an impact on what needs to be improved.

- **Specific shape** . Coaching is shaped based on two main factors: after the objective of the conversation is defined, there is a first phase in which the conversation is expanded and a second phase in which specific aspects are established as the objectives that were initially set are met.

- **Respect** . The leader (have we now learned how to be one?) who uses this model shows at all times the utmost respect for the person being trained.

Let us now consider the following elements of coaching:

- **Values** . Coaching is based on underlying values that have been discussed by the team. Among them is the desire for improvement, self-criticism, etc. If not, it becomes a simple series of behavioural tricks or interesting communication techniques.

- **Results** . Coaching is result-oriented and entails continuous improvement of performance, be it individual or as a team.

- **Discipline** . To achieve continuous improvement (kaizen), a coach must be disciplined enough to create the necessary learning conditions,

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develop and use critical skills, and properly handle a coaching conversation.

- **Training** . To start coaching conversations, effective training and practice are required. Good intuition or memorising ideas and concepts is not enough, because this does not guarantee that the discussions will be oriented towards the improvement of work performance.

Application

Adapting the coaching system to the veterinary practice

When implementing a coaching system we should start with a simple method. The first step is to assign a coach to each member of the team. It is recommended that they are not part of the management team (value external help), to ensure the person being trained does not feel threatened or judged during the sessions.

A simple way of applying coaching to a work team is by following the **GROW** model, which consists of four elementary steps:

1. **Goal** . This is what we want to achieve, it may be to improve communication or time management.

2. **Reality** . It is the point we are at, as we try to identify current problems.

3. **Obstacles and options** . Obstacles prevent people from achieving their goals. To overcome them, we have options, that is, ways to overcome the problems we find on our way to our goal.

4. **Way forward** . The options need to be converted into a series of steps that will lead the employee to their goal. A roadmap must be created with the actions that will be carried out (training, mentoring, etc.).

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The coach does not give solutions, but rather seeks to guide the trainee towards their end goal using specific questions. The journey is more rewarding if you set the goals yourself than if you follow the steps and guidelines set by someone else.

In conclusion

As we have seen, to retain our employees we must work as a team, but also on an individual level. If we identify the group's weaknesses, it will become stronger, in the same way that by finding our way to our goal we will become stronger as individuals.

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20

Employee appraisal
Because I need to know if they feel at ease

Advantages

The three Rs of responsible employment: respect, responsibility and recognition

We have seen how important it is to specify the tasks and responsibilities of each of the team members and also to continue training them so they continue working for us. Now we are going to see how to assess whether the investment we make in such training yields results and whether our employee performs all the functions assigned to them. To do so, we will use appraisal, a tool that will also help us improve customer service.

The biggest mistake middle managers make is to base these appraisals solely on financial parameters. It is easy to know how well a veterinarian is performing, mainly because most management programs provide figures without too many complications: the number of visits and the average cost for each of them are easily calculated. In addition, practice owners with little experience are usually mainly interested in earning more and more. However, if this increase in revenue compromises customer service and therefore the service quality, it may quickly turn out to be negative.

Practices in which the veterinarian is obliged to sell a certain number of deworming and flea treatments in specific a period of time are common; if

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they do not reach this objective their performance is considered to be low. These "result-oriented" practices can work well in the short term, but they often have problems in the medium and long term.

Approach

The appraisal, a tool for development

The appraisal can be defined as:

"A two-way discussion of past and present experiences, as well as achievements at work, which is used as the basis for future development to benefit the organisation and the employee."

The overall goal is to facilitate progress, motivate, and improve performance.

An appraisal needs to cover all areas of work of the veterinarians, nurses and any other member of the team; from the skills required to perform their duties to customer satisfaction, depending on the case. This requires a regular investment of time, which cannot be replaced by a five-minute meeting at the end of the month to tell the veterinarians that their sales figures have dropped and to pull their socks up.

It is important to remember that the results obtained during the assessment should not be used to punish the person being evaluated, but rather should serve to develop each aspect of the team's work. This means that if during the appraisal we find that a certain veterinarian does not feel confident using the endoscope, our proactive action should be to send them to a training course, instead of preventing them from using the equipment in order to avoid breakages.

The performance appraisal should not cover salary, disciplinary or promotion issues; it is recommended that they have their own protocols of action.

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The salary conditions must be clear at the time of signing the contract and the problems related to them will be solved in regular and specific meetings. In addition, the procedures manual of the practices must include a protocol of action for cases of disciplinary offences.

Before conducting an appraisal, it is convenient to be clear about the reasons why it is carried out, since its preparation is tedious and involves commitment.

Application

Characteristics of the appraisal form

The form must be standardised and applicable to all team members, regardless of the role they perform. If it is not standardised, we will need a form for each position in the practice's organisational chart.

The questions will be of a general nature and will examine performance. "Do you feel confident with your surgical skills?" is a more appropriate question than "do you feel confident when you perform surgery?", since it can be used for veterinarians and nurses.

The form can be prepared by dividing it into sections. The five sections listed below cover the work areas in the veterinary practice quite well. We should remember that we can add as many sections and questions as we want, but what we are looking for is a document that provides easily manageable data; it should be a practical exercise.

1. **Personal appearance and punctuality.** This section includes questions about the cleanliness of the uniform, personal hygiene or the arrival and departure times (it is very common to "punish" employees for being late, but not appreciate or remunerate the 5 minutes that are spent extra at the end of day, when consultations get delayed).

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2. **Knowledge of job-related subjects** (vet, nurse, receptionist, etc.). This area covers the knowledge of the different protocols in the practice (health and safety, standardised procedures, etc.). The questions should be of the type: "Do you know what to do in case of fire?", "Do you know who is the person responsible for first aid?" etc. Aspects related to the specific role of each person will also be included. These questions should be formulated in a positive way and be very clear about their constructive intentions. A good example would be: "How do you evaluate your knowledge of the tasks that correspond to your job?" Before someone can be assessed, the different positions must have been adequately described (see Chapter 18).

3. **Skills.** This section covers the skills required for each specific role (answering the phone for reception staff, changing IV bags for nurses, or performing routine surgery for veterinarians).

   This set of questions makes it necessary to supervise the employee while they are performing their tasks, that is, to "monitor" the person or interview colleagues in direct contact with the person assessed. In the case of veterinarians and nurses, the skills can be divided into medical and surgical to gain specificity (we can have a great clinician who takes two hours to do a routine castration, are we going to let them go?).

4. **Working as a team.** This section is intended to assess the degree of integration of a person and their ability to interact with the team. For a healthy work environment, it is essential to detect conflicts in the group dynamics as soon as they occur (if two members collide or if there is someone isolated from the rest). As leaders, we cannot rely on rumours as the sole source of information; we need to provide tools to reveal these problems.

5. **Training and personal development.** In this final section, the questions are designed to assess whether the courses employees have attended are a good investment. Questions such as "how happy are you with the CPD you have attended?" or "how much of what you learned in the courses do you use in your daily work?" are essential to find out if we are investing in human resources or if they are simply attending courses because it is mandatory.

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Questions are evaluated and scored from 1 to 5, with 1 being the lowest score and 5 being the highest. The average is calculated by section and in total. A blank space will also be left for notes, which will be completed by the people involved in the process.

Once the form has been developed by the management team, one or two people who have been with the company for a long time should be chosen to review all team members. It is essential that they are objective and do not have any kind of personal problem with the other employees.

Appraisal form

Name:		Job:
Appraiser:		Date:

Key
1 Needs improvement 2 Satisfactory 3 Good 4 Excellent 5 Exceeds expectations

	Note	Comments
Personal appearance and punctuality		
Attendance		
Punctuality (arrival and departure)		
Personal hygiene		
Uniform (cleanliness, condition, etc.)		
Knowledge of		
Procedure protocols of the practice		
Job-related subjects		
Computer system of the practice		
Administrative protocols of the practice		
Skills		
Job-related medical skills		
Job-related surgical skills		
Customer service		
Job-related management of equipment		
Communication skills		
Flexibility		
Working in a team		
Ability to delegate		
Capacity of showing initiative		
Relationship with other team members		
Attitude towards the team		
Reliability as an employee		
Leadership capacity		
Integration in the team		
Training and personal development		
Evaluation of the courses taken		
Usefulness of the courses taken		
Evaluation of in-practice training		
Comments of the appraiser		
		Date and signature
Comments of the appraisee		
		Date and signature

Characteristics of the self-appraisal form

In addition to the appraisal made by a colleague, we must send a form of self-appraisal. It will ask questions related to the aspects included in the appraisal process so that everyone has time to reflect on their work. The

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purpose is also that, at the time of the meeting, both parties exchange information and have a proactive approach in order to improve.

Self-appraisal form

Name:	Date:
Job:	

Please answer these questions honestly and in detail. The questions will be used in the appraisal process to know your opinion.

1. What percentage of the tasks of your job have you performed adequately in the last year?
   Name those you find most difficult.
2. Answer the following (providing reasons):
   What part of your job do you do best?
   What part of your job do you do less well?
   What part of your job is the most difficult for you?
   What part of your job is the least attractive for you?
3. Do you have any skills that are undervalued? If so, how could they be used in the practice?
4. Do you feel supported by your direct superior?
5. How would you rate your integration in the team from 1 to 10?
6. What courses have you taken in the last year?
7. What training could improve your work in the practice?
8. How would you like to develop your career in the next 12 months?
9. Do you think there is any reason why you are not fully developing your potential in the practice? Why is it?
10. What personal and professional goals do you have for the next year?
    Name three of each type.

Comments and suggestions:

Discussion of the

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Appraisal meeting

It is normal that there may be differences between what the appraiser and the appraisee think of their work. To deal with them, a meeting will be scheduled in which the appraiser should provide the following documents:

- The job description.
- The job profile.
- The self-appraisal form.
- The performance appraisal form.
- The personal development plan (if it is not the first year the employee's performance is appraised).

It is essential to detect the areas of discrepancy between the appraiser and the appraisee, as well as to find out the causes and look for solutions. One technique is to find the last point on which both parties agree and from there, lay the foundations of the improvement plan.

The meeting must be constructive and will take time (it cannot be done in half an hour during the morning break). In addition, we must avoid the mere exchange of accusations, what is sought is to leave the meeting with an action plan.

The action plan is a working document that allows both parties to record what the appraisee will do (in the form of courses, seminars, etc.) in the next 12 months. It can be considered as an official record of the appraisal.

As the meeting progresses and the actions are discussed, the person being appraised should take note of the intended objectives and the actions to be carried out. An agreement must be reached on this, because there is nothing worse than sending a colleague to a course they do not want to do. As always, it is easier for the change to start from within and for things to be done on their own initiative and not because they are imposed. Any agreement should include a realistic time scale for making the changes and setting up review meetings.

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Actions for improvement must fall into the following categories.

- **Job-specific** . Actions related to the person's way of working. They must be based on success or address specific aspects of current job performance.

- **Quality development** . Actions related to excellence in all aspects, which will improve customer service.

- **Professional development** . Actions beyond the role currently performed and with the purpose of being promoted within the practice. The goal is for the employee to progress and grow within the company and assume a greater responsibility.

At the end of the assessment, the assessor must write an action plan, keep a copy and deliver the original to the person assessed. The record must be

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agreed upon within a few days and eventually both parties should sign and date the document.

The appraisal system still needs to be developed in many practices, as many employees are unaware of the potential benefits, in terms of costs, of a good appraisal system. The benefits include improved customer care and medical service, increased customer retention and job satisfaction, to name just a few.

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21

Design of job offers

What are we looking for?

Finding the right candidate

As we have already discussed in other chapters, we need a great team for our practice. We want people who are committed to our core values. We are looking for talent. The problem is how to attract the right staff with a 200-word advert in a trade magazine.

Let us go step by step. We must bear in mind that we are hiring, mainly, attitude and predisposition towards work, learning and customer service. If we find the right candidate, it is very likely (and almost a requirement to extend the contract) that after an introductory period (no longer than 3–6 months), they will be competent in 85% of the tasks described for the job.

The question is clear, where do I find people with a great attitude? And the answer could not be simpler: Anywhere. If the front desk person at the hotel where we are staying for the weekend is friendly, efficient, and interacts very well with people, they are probably the receptionist we need. We can suggest that they visit the practice; they may want to change from the hospitality sector to the veterinary sector because they enjoy working with animals.

If you need someone more qualified, such as a nurse, it is a good option to contact a veterinary nursing school so they can recommend a candidate. On the other hand, depending on the complexity of the required tasks, there is the possibility of instructing our nurse.

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This concept is very popular in Anglo-Saxon countries and is known as on-the-job training. It combines experience in the practice with distance or part-time theoretical teaching. Considering that what we are looking for in a nurse or assistant are their practical skills, it makes sense to invest in them. Remember that investing in training is investing in our business.

In addition, someone who was trained in a practice is more likely to adapt better to it. Theoretical knowledge will allow the employee to climb the company ladder, and, perhaps one day, train their own replacement.

> We need someone with the right attitude to work and respect for animals, and who is willing to learn.

If we want to hire a veterinarian, we can look for a candidate through companies specialised in head hunting. Choosing a suitable veterinarian is a time-consuming process and requires skills that we may lack, so it makes sense to delegate that role to a specialised company. Although it costs money, the time savings and increased chances of success justify the investment.

Many groups of practices that have just enough staff to optimise personnel costs hire professionals for specific periods of time (times of high workload, for the completion of a project, etc.). Sometimes the duration of the contract is as short as the holiday of the professional they replace or a maternity leave. The philosophy behind this concept is that it is better to hire a substitute, even if they are less productive than the usual veterinarian, than closing the practice for the holidays and simply stop being productive.

There are different hiring models by means of head-hunting companies, although it is necessary to pay a fee for the search (not per candidate, but per position covered with a guarantee period in case the choice was wrong). Still, we save the cost and time of placing an advert, reviewing CVs, checking references, etc. The company will provide us with a list of candidates that best suit the profile we need and with whom we will only have to conduct an interview.

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Another relevant advantage of this system is that contracts can have an expiry date. If at the end of the stipulated period we find that the employment relationship is not working, there is no obligation to renew it. We have the opportunity to observe our "future candidate" in action before making a firm offer.

We have to bear in mind that professionals who work in this way spend time without practising between different projects and must be paid accordingly.



What information should the advert contain?

The traditional way of hiring a veterinarian is to place an advert in a classified ads section of a specialist magazine or website. To design a job offer that attracts the right candidate, we must start by being clear about what we are looking for and by having a description of the vacancy we want to fill. This will also allow the rest of the employees to understand the profile we are looking for. Some team members may feel threatened by the new employee and make the integration process much more difficult.

The advert must clearly mention the initial form of contact (sending the resume by email or regular mail or calling the practice). The person responsible should then conduct a telephone interview and the first screening of applicants, for which we will prepare a series of general job-related questions.

A little trick is to choose a fake name for the contact person at the practice or to generate a specific email address for offers. In this way, the whole team will know immediately that the person who is contacting them is a candidate for the job.

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The initial telephone contact will allow us to assess how the applicant answers our questions and decide whether we want to meet them in person or not. It may be interesting for these initial interviews to be conducted by an employee you trust. Delegating responsibility will motivate staff and relieve our workload.

The job offer must refer to the practice's values: excellence in customer service, first-rate veterinary service, etc.

In the advert, we should clearly explain what we are looking for (vet, nurse, receptionist) and also what for. It is essential to decide whether we want a veterinarian for general consultations or one with an interest in surgery or exotic animals.

We must not only indicate what we ask of a candidate, but also what we expect in terms of responsibility or specific tasks. For example, we may hire an exotic animal specialist to start a weekly specialised consultation service, but there is nothing worse for their motivation than spending the day seeing dogs and cats and only receiving sporadic cases of exotic animals. Most likely, they will decide to look for a new job within 15 days of starting.

Mentioning the salary in job offers is still taboo in many countries. However, including the salary package in the advert (remember that it is not only the salary, but also the extras such as courses, vehicle, accommodation, etc.), would save a lot of time to practices and veterinarians, since some candidates would not apply if the offer does not meet their expectations. Furthermore, if none of the applicants meet our expectations, it will allow us to recognise that what we offer is insufficient.

It is advisable to provide some information about the area in which the job is located, as well as the activities that can be carried out there. We should not forget that veterinarians do not want a life dedicated exclusively to work; they also want to enjoy their free time. The market is large enough to find professionals who want to live in a city for its leisure offer and others who prefer the tranquillity of a rural area.

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Lastly, it is helpful for the candidate to know more about us, so we can include our website address in the advert. This will allow them to find out about the services offered by the practice, who the team members are, etc. The applicant can even check the price of rented accommodations in the area to see if our offer would allow them to have certain living standards.

Of the following adverts, which one would you consider?

OFFER 1
Veterinarian required in the Madrid area, experience will be valued. Tel. 91 000 000.

OFFER 2
Veterinary practice on the outskirts of Valencia, with three veterinarians, looking for a fourth veterinarian. No experience is required, although knowledge of English will be valued. Salary €900 plus incentives. Send curriculum to email@correo.es .

OFFER 3
Practice in Reinosa (Cantabria), client-oriented and committed to the highest animal welfare standards, is looking for a second full-time veterinarian for general consultations and to perform sterilisations. Night-time emergencies referred, although one Saturday out of every three is worked. Net base salary of €900 per month with 12 annual payments. Accommodation in a flat above the practice or equivalent in cash, €500 per year for CPD and team bonus programme. The possibility of establishing specialised consultations (exotics, behaviour medicine, etc.) will be considered and rewarded, if you have the training or interest. The area offers great landscapes and the possibility of outdoor adventure sports (trekking, mountain biking, skiing, etc.).

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Send us your CV and cover letter to Correo@correo.es or call 942 000 000 and ask for Corocota.

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Job interview

What are we looking for?

The interview is the cornerstone of our objective

When hiring someone it is essential to know what we are looking for. Although a good CV will tell us a lot, the personal interview is still the cornerstone on which the recruitment process revolves in small- and mid-size businesses that seek compatibility on a personal level rather than a perfect fit in the workings of a large company.

Before choosing and inviting the candidates to meet us (this is important to remember, **we need them more than they need us**), we must study the replies received to our advert.

Candidates

Three categories of applicants for the job

Candidates for the job can be divided into three groups:

1. Candidates that suit our needs and whom we will contact to learn more about them.

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2. Candidates who do not comply 100% with our requirements, but who can be contacted in case of not finding anyone suitable from the first group.

3. Candidates who do not meet our needs.

We should thank the applicants whom we are not going to select in the first instance for showing interest in our practice. In addition, we should explain that, although they have been rejected at this time, they may be an asset to the practice in the future; we never know who we will need.

First screening round

Telephone contact will make the selection easier

Once we have chosen the candidates that best suit the profile of the position we offer, we will conduct a telephone screening interview. In this interview we will ask general questions about the availability to work and attend the interview, as well as about job references that we may receive. We can also ask them what they are looking for in the job market in a general way.

After checking which candidates are willing to come and assessing the references of all of them, we will choose the three or four applicants that best suit what we are looking for and invite them to be interviewed.

This means that we must cover transportation costs, since those who come and are not hired will pay to visit our practice and meet us; if they are not willing to pay for the trip or they cannot afford to travel to where we are, we may lose the opportunity to meet the ideal candidate.

How, when, where?

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Four steps to follow in the job interview

We can divide the interview into the following steps:

1. An introduction to try to get the interviewee to feel comfortable. It is not just about offering a coffee and sitting at a table in a room, but rather about choosing a private and relaxed area that invites conversation, which may even be outside the practice.

2. Asking general questions about the job description.

3. Asking specific questions about each candidate, related to their CV.

4. Giving the candidate the opportunity to raise questions or make comments.

With regard to time, no more than 2 minutes should be used for the introduction and no more than 5 for the candidate's questions. The rest of the time (about 30–40 minutes in total) should be divided into two equal parts for the different groups of questions.

During the interview it is advisable to have the following documents at hand:

- Job description (or notes on what you are looking for: surgeon, nurse, etc.).
- Candidate requirements (see Chapter 21).
- CV with some notes on specific questions.
- List of questions to ask all candidates.

→ The questions

Prepare your questions and know how to improvise

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Questions should be prepared in advance and can be divided as follows.

- **General questions**

  This group includes those questions related to the job description and its requirements. It is important to obtain information about the applicant's experience, their professional history, company changes and other matters such as customer service and computer or surgical skills.

For example, with regard to customer service, our questions may include:

1. From your point of view, what aspects are essential for good customer service?
2. What is your experience in dealing with clients?
3. How do you react under pressure? Use role plays and propose real situations.

You do not need to ask more than half a dozen questions; it can be improvised, but we must ask all the candidates the same questions in order to compare the answers.

- **Specific questions**

  Writing a few notes in the CV is enough, but it is important not to forget these issues:

  - Any periods of unemployment.
  - Possible changes in the candidate's study path.
  - The reasons that led them to leave their last job.
  - Whether the candidate is overqualified or not.
  - What their field of expertise is.
  - The candidate's hobbies.

These are just a few ideas, but we must pay attention to the positive elements, since we are looking to find someone and not eliminate them from our selection.

The queries

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Candidates have questions too

Once we have finished asking our questions, a good candidate will have questions too, so we need to be prepared. We may be asked questions about the following aspects:

- Salary.
- Working hours.
- Holidays.
- Further training offered.
- How and when they will be informed if they have been selected.
- If there will be any more interviews.
- Any other questions: type of contract, review, other personnel, etc.

As important as what is asked, is the way in which the interview questions are asked, since we want the candidate to feel calm and be honest. We must remember that we also have to make a good impression on the potential future colleague. There is a misconception that the employee should be grateful for the job offer, when what we should look for is a win–win situation.



The applicant must feel comfortable

- The questions should be open, which will allow our interlocutor to feel comfortable. Inquisitive questions should be avoided, because they will put the interviewee on the defensive. It is always important to consider the possibility of asking thoughtful or hypothetical questions.

- It is advisable not to ask several questions in one, since the candidate will only answer the last one.

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- It is advisable not to ask leading questions that already indicate the answer sought. An interviewer should only speak 20% of the time, so we must be prepared to listen during the rest of the meeting.

- We can try to make the applicant feel more at ease with good eye contact; we should sit in a position that makes us look approachable and make positive comments.

- We can take notes, but we should inform the applicant before doing so, so that no one gets nervous about it.

Listening carefully is one of the most difficult exercises there is. Therefore, the interview should be brief. As we are listening to a recent graduate talk about their experience it is easy to get lost thinking about our shopping list and fail to realise they are revealing something very important about their work capacity.



Body language helps us communicate better

Body language is no less important than verbal language. We all have our tricks in the consultation room to reinforce the client's feeling that they are being listened to, when in fact we are mentally calculating the right dose of medication.

Actually, most of the information is nonverbal. In different studies, psychologists have concluded that 40–45% of our message is transmitted verbally (which includes the way in which words are said, which is known as paralanguage) and 55–60% is conveyed with body language. In other

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words, only half of the message we transmit is thanks to the tone and words we use, while the other half comes from nonverbal language.

In the 1960s, Dr Albert Mehrabian, a professor at the University of California, Los Angeles, discovered that 55% of the impact of the message is classified as visual (nonverbal), 38% is vocal, which is known as paralanguage (the tone of voice, rhythm, etc.) and only 7% is purely verbal (the real meaning of the words used).



How to keep the conversation interesting

There is extensive and very detailed literature on nonverbal language, so I will not go into much detail on that; however, I would like to mention a few common errors in the interviews I have attended.

- Be careful with your hands; for example, you will look arrogant if you put them behind your head.
- Use frequent eye contact as it will denote interest, sincerity, and appreciation.
- If someone constantly looks at the ground, they may be nervous or lying; try repeating the question in a slightly different way to see if the answer is the same.
- Respect personal space, think about gender, past experiences, etc.
- Prepare the interview in a nonaggressive way, with the same chairs, one facing the other; it conveys a sense of equality.
- If you sit with your arms or legs crossed, you will give the impression of not listening or not being interested – the limbs are often the most revealing parts of the body because we have the least control over them.

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We should remember that a job interview is like a first date, we must like who we meet, but they must also like us.

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23

Incentives and cross-selling

Professionalism

Increase productivity ethically

It is very difficult to talk about selling in a veterinary practice. The most important synonym of selling, educating, is not acknowledged. For this reason, economic exchange is still a taboo, since our profession is related to animal welfare. Even management books cover topics such as teamwork and training in depth, but not how much it is fair to pay a veterinarian or nurse. In the corresponding chapter, we have seen that remuneration should be related to productivity; even so, we must make everyone aware that we have to produce more than what is expected for the business to continue. A closed practice will not take care of the welfare of any animal.

It is important that the team assimilates that the good financial health of the practice will have a positive impact on the practice of the profession. We will see later that the acquisition of new equipment is only justified by a certain number of uses per year.

Obviously, we all aim to have a proactive practice, as long as that does not affect our offer of services as veterinarians. To achieve this, we must understand that the offer should be ethical and professional, which implies providing the best care to our patients and the best service to our clients. We cannot behave in such a way that the sale prevails over professionalism; that is, just selling dog food instead of giving advice on nutrition, getting into price wars, or spreading bad publicity about a partner. And above all, we must not try to sell unnecessary or unacceptable products or services.

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First of all, let us do a self-assessment exercise to determine our practice's style:

Example of practices and their way of dealing with veterinary management.

Situation to face	Type of practice		
	Passive	Reactive	Proactive
A customer asks about a product we do not have	We do not sell that	I can try to order it	We offer a catalogue for the client to choose from
A new product or service appears on the market	We ignore it, why should we change?	Since the sales representative offers a free sample, we test it	The team meets and decides whether it can be useful or not
Preventive treatments	Vaccines and antiparasitic treatments	We try to offer the same products as the other practices in the area	We create a health prevention plan to offer clients
Advertising	The same poster as when the practice opened, Yellow Pages, etc.	We try to buy all the advertising space that is offered to us and have a community manager	We have a strategic marketing plan
Decoration of the waiting room	The same posters as when the practice opened.	Large number of posters and brochures; some out of date and others for products that are no longer sold.	Less is more; everything is well organised and renewed regularly.

What is it?

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Developing cross-selling in a veterinary practice

Once we have looked at ourselves in the mirror and know how we do things in our practice, it is time to think about cross-selling. I will start by defining the expression: **cross-selling** is the tactic where someone tries to sell products that are complementary to those a customer usually consumes or intends to consume. The goal is to increase the company's revenue.

Cross-selling is done constantly in the veterinary practice, even if we are not aware of it.

If a customer's pet needs to have a skin tumour removed, the blood test prior to surgery is a cross-selling example, as we have recommended it. When someone asks about vaccination for their pet, we decide what the best protocol is and what other services may be necessary (deworming and flea treatments, sterilisation, etc.).

In none of these cases do we have problems selling services that the client had not requested. We do it because we believe in them and because we are educating the owners for the welfare of their pet. This is the first thing we have to learn and show our colleagues: the motivation to cross sell comes from within; we believe that it is the best thing to do. We cannot force anyone to sell something they do not believe in, so our job is to convince the team that the "sell" option is better than the "not to sell" option.

When you want to get everyone involved in cross-selling, do not talk about how to offer something or for how much, but about why it should be offered, showing its benefits both from a medical point of view and from the point of view of the practice. If we perform enough preanaesthetic tests, we will have fewer surprises during surgeries and the purchase of a chemistry analyser may be justified.

The table next shows that we know how to cross-sell and that we do it daily. All we need is to manage the team properly so that all work on a common

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project. These types of actions do not happen by chance, they must be remembered, monitored and remunerated frequently.

The shortest path to success is to start selling the sizzle (and not the steak). The expression refers to television adverts in which we see hot food and we imagine the sound it makes when being cooked and the aroma that dish gives off.

In the veterinary practice, it begins by explaining the advantages that the practice would obtain if the objectives set were met. We may also ask employees to come up with ideas about services or products that we may promote. There is no better motivation than knowing that an idea is yours.

Examples of cross-selling that takes place in the practice on a daily basis.

Products and services		**Cross-selling**
Vaccination		■ Deworming and flea and tick treatments for the whole year
Geriatric vaccination		■ Preventive biochemistry and haematology tests ■ Pet food for senior pets
Surgery		■ Biochemistry and haematology tests ■ Fluids during surgery ■ Recovery diet
Pet that comes to the practice with any problem other than the one referred	Overweight	■ Low-calorie diet
	Dental disease	■ Dental cleaning
	Limping	■ Analgesic and anti-inflammatory treatment
Dog coughs due to their collar		■ Harness
Cat with mammary tumour		■ Thoracic X-ray

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Cat with urinary problems	Prescription diet

Once the team has made the project their own (if it was not their own from the start), we will come up with a plan to carry it out. It is all very well to want to increase the number of dental cleanings, but if the practice's schedule does not allow us to do more than those already performed, why try to sell more?

Incentives

Rewarding a job well done

A team can receive individual or joint incentives, or both. If everyone participates in achieving the objective established, the reward is collective and, within the group, the one who has done better is rewarded. Similarly, if the goal is not reached, the whole team fails and not a particular individual.

Effort should be rewarded, because otherwise why strive? Some incentives with which we can reward employees are as follows.

- **Financial** . Money is a great incentive. It is not necessary to convert your workers into commission salespeople, but without their effort you would not earn more.
- **Training-oriented** . Many vets work hard both for money and to attend a course. In addition, the knowledge they acquire will have a positive impact on customer service in the practice, by generating new services and revenue.
- **Free time** . Today, veterinarians and nurses value enjoying their free time with family and friends. If they work very hard for a month, surely they deserve a morning off.
- Responsibility . That employee who regularly exceeds what is expected of them deserves greater importance in the organisational chart.

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- **Leisure activities** . Since we work as a team, it is a good idea to reward the members together, by spending a day at a theme park, for example. We can also reward them individually with tickets to a concert or a spa.

- **Solidarity** . If the objectives set are met, the practice can commit to making a donation to an NGO, shelter or similar, related to animals. This will not only encourage the team; the good publicity generated by corporate social responsibility will contribute to attracting clients.

In conclusion

An expected incentive is welcome, but an unexpected one is even more so.

It is interesting to reserve a part of the profit or reward during all the campaigns of the year, to surprise employees with a gift when these campaigns end.

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The Toyota production system
The need for constant improvement

What does it involve?

The entire team participates in the production chain

Everyone has heard of the car manufacturer Toyota. So, why are we talking about a car manufacturer in a book about veterinary practice management? Producing cars is in no way similar to performing surgery on a dog or cat, or is it? I hope that by the end of this chapter you will be able to answer that question yourself.

In 2008, Toyota overtook General Motors and became the world's leading car manufacturer. We are talking about selling ten million cars. Still, this does not explain what Toyota has do to with practice management.

Before talking about the Toyota Production System (TPS), we should first talk about the Ford production line, on which car factories around the world (and indeed all assembly lines, fast food restaurants etc.) are based. The implementation of production lines meant that instead of moving the operator around the product to perform different tasks, the product was moved between the different workstations, where a specialised operator repeated the same action over and over again. This implies a reduction in

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production times, which in turn entails a reduction in costs. The implementation of production lines also implies the use of protocols that the members of the chain know and always follow in the same way.

This concept, when applied to a veterinary practice, is better understood with an example: a surgical patient is taken to the preoperative room, where it is intubated, shaved and a first cleaning of the area to be operated on is carried out. Then, the pet is transferred to the operating room, where the preparation is completed and the animal undergoes surgery. Finally, it is taken to the recovery area. Both the anaesthetics and the surgical kits used, to name just some of the elements involved, were prepared following guidelines that are included in the procedural manual of the practice, which is where work protocols are found.

Building a car following the Ford production line principle has more in common with a veterinary practice than we first thought. In the next chapter we will learn how to prepare the protocols that will make our life easier, but for now, we will try to understand the TPS a little better, as it is the reference system for work processes throughout the world.

First of all, we need to be familiar with certain terms to understand better how this system can be applied.

- ***Just in time***
- ***Muda-mura-muri:*** waste-variability-overload
- ***Poka-yoke:*** protection against inadvertent errors
- ***Jidoka:*** not letting errors slip by
- ***Kaizen:*** continuous improvement

The TPS is not just a system to produce faster, better and with fewer errors, it is a company philosophy in which all members have a moral obligation to contribute ideas to improve production. Changes in production come from below. For example, the operator who is in charge of putting the screws on the wheels on the right side comments on the possibility of changing the location of the drill, in order to speed up this process. In the same way, the entire team in a practice is involved in the TPS, from the reception staff, nurses or veterinarians to the cleaning team.

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Reducing stock levels to reduce costs

The concept of **just-in-time** (JIT) is commonly applied in our practices, although we have never called it that. This idea implies having the least amount of stock necessary. Stock is capital that is stored and therefore does not produce. Lowering stock levels is a very simple way to reduce costs. We do not need to have 100 vaccines in the fridge at the beginning of the day if we are only going to use ten. It is a perishable product and we run the risk of them expiring before they can be used. It is better to receive the vaccines that are going to be used throughout the day first thing in the morning (for which we should previously conduct a needs analysis). JIT should be applied to pet food in the practice, since it occupies a lot of space, there is a wide range of products and their cost is high. In the chapter dedicated to selling I will talk about the concept of first in, first out; however, the need to have an interactive and advanced stock management system is worth mentioning here.

So, how do we apply JIT in the veterinary practice? First we should set up a stock management system with maximums and minimums, using a program that allows other concepts to be added, such as the entry date or the expiry date. Once it is up and running, we should make arrangements with our suppliers to organise a delivery system, with specific delivery times and a system of penalties. If a bag of food is not delivered on the scheduled day, the person in charge of handling the customer's complaint will be you and not the supplier. This means you are the one suffering the loss of prestige and such a loss costs money.

Therefore, for JIT to work properly we need to work with our suppliers. A compensation system should be established in case of delays in deliveries or if the products are not in stock.

Now, let us talk about delivery times. With the current infrastructure, suppliers deliver to most practices every day (and if not, they should consider whether this is the best option for their business). If the order is

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usually delivered at 12:00 midday, we can tell the customer that by placing an order before a certain time the day before (when we send the order), their product will be available the following afternoon (in case of traffic problems). This is high customer service quality and it will differentiate us from our competitors. We can even offer a discount if there is some delay, and the penalty should be passed on to our supplier. With something as simple as this, the *muda* or waste is reduced, which ensures the products do not expire in the practice before we are able to sell them. It is also a way to position ourselves against the wide range of online products with a home delivery service.

The second part of JIT consists in communicating for educational purposes. This refers to the education of the team and the client, in this case. First of all, clients should be informed that if they want any type of medication, antiparasitic treatment, food (normal or prescription), etc., they should call, send an email or a Whatsapp message or should access our website's customer section. What is the use of having hundreds of pills, which have cost us money, on our shelves if we are not going to sell them within a month? Our accounts will then show an expense, but not an income that justifies it.

I know that many clients make impulse purchases when they go to the veterinarian and these should be covered with the minimum stock possible. However, the vast majority would have no problem in getting in touch with us to request what they need and pick it up the next day. Their time is valuable. Personally, if I am told that what I want to buy will be in the shop when I go (24 or 48 hours later) and the only requirement is to call or send a message the day before, it is very likely that I will use this option to save myself a trip in vain.

JIT will only work if we have a stock management system that works and the entire team is involved in educating clients. Preparing information brochures or including contact methods for orders on our business card can be of great help.

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A quality control system in the practice

The other concepts of the TPS can be applied to veterinary practices in the same way (I hope that by now the similarities between car production systems and efficient practice management will be clear). I will try to show, through examples, how ***muda-mura-muri*** (waste due to excess variability or work overload), *poka-yoke* (protection against inadvertent errors), *jidoka* (not letting errors slip by) and *kaizen* (continuous improvement) also apply to veterinary practices.

The traditional quality control systems were based on the analysis of the finished product, in this case, the car. Imagine that a car has been made and it does not start. It immediately becomes *muda* . We have to get rid of it, with what it has cost to produce. The TPS performs quality controls on the same production line. What does this mean? That if the car lights are installed at one point on the production line, they are checked before production is continued. This is what is known as *jidoka* .

How is this applied in the practice? First we should involve the entire team in all processes; we should learn to delegate to them. All the members involved in a process should know what is expected of them. For example, when admitting a patient, it is the receptionist's job to check that the consent has been signed or that contact details have been provided. Also, before taking an animal into the operating room, the nurse should make sure that the recovery area or cage is clean and ready to receive the patient at the end of surgery. The same would apply when carrying out diagnostic tests. The machine must undergo regular maintenance to ensure results are as reliable as possible.

Eliminating *muda-mura-muri* implies the creation of protocols that are adapted to the practice's capacities. This ensures all clients receive the same attention, which will reduce the *mura* (variability) and prevent delays in care due to *muri* (overload). This implies a reduction in *muda* (waste), which in this case refers to an excess of resources. Let us imagine that we have two veterinarians seeing patients at the same time and the nurse is

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acting as a receptionist. At the same time, a veterinarian may require help to take a blood sample, while the other has finished his consultation and his client requires attention. At the same time the phone rings and a client walks through the door. At that time there is a *muri* at reception, which will cause a *mura* in customer service. The solution is usually based on *muda* , which is to hire more staff, when what the TPS would indicate would be to reorganise the schedule (*muri*), establish customer service protocols (*mura*) and assess staffing (*muda*) needs.

To control processes, all the steps of the surgical or medical procedures should be standardised and follow protocols. The practice staff should know the necessary steps and prerequisites. This will ensure all the employees become part of the quality system.



Improving production and the work environment

Finally, we will talk about *kaizen* , continuous improvement, something that should be easy to apply in any veterinary practice.

It all starts when, as leaders, we learn to listen to the team. Our employees will be the ones to tell us how the processes in which they are involved can be improved: Is the admission form too long or complicated? How can the way we sterilise surgical kits be improved? What is the best time of the day for nursing clinics? When is the best time to perform X-rays? All these questions and any others that we might come up with should be asked to the team. It is important that this is presented as an opportunity to participate in the improvement of the work environment. We must give opportunities and time to prepare for the meeting. An agenda should be provided so that

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solutions can be prepared in advance at those times when there is little work.

In conclusion

Benefits of applying TPS concepts to veterinary practices

In summary, Toyota may be in the business of making cars, but the concepts behind its production system can be applied to veterinary practices. If we get the whole team to work on *kaizen* (constant improvement), using *jidoka* (not letting errors slip by) to be *poka-yoke* (protected against errors), the *muda-mura-muri* (waste-variability-overload) will be reduced. Furthermore, with JIT, we will reduce our stock levels and, therefore, the practice's leverage. All of this will influence the customer experience. The products will be ready for them to pick up when they come to the practice.

The TPS will not only improve processes in our practice, but also the service offered to the client.

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Protocols in the veterinary practice
People are animals of habit

What are they for?

Advantages of protocols

Every day we follow the same routine, right from the moment we wake up. We eat the same breakfast, we dress the same way, we recognise the people we see on our way to work. In the bar across the street they even know what kind of coffee we have in the morning while we are looking at the same social media on our phone.

Then we get to the veterinary practice and everything changes. In some, there is an appointment system, but those clients who pop in without using it are treated equally and almost prioritised over those who have made appointments. Surgical operations are performed when possible; sometimes we miss lunch because customers come in at closing time and we place serving them above all else.

The operation, for which we always use the same drugs to premedicate and induce anaesthesia, takes 25 minutes to start because it is the veterinarian who prepares the medication personally, chooses the instruments, etc. Because they do so at the end of the consultation, the rest of the team remains in standby and cannot start any other task.

When it comes to vaccinating pets, each professional has freedom of choice, so the same animal can receive two slightly different vaccines in two consecutive years. The same happens with external and internal antiparasitic

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treatments, which also implies accumulating different types of products with the consequent costs.

The reality of veterinary practices and the time spent dealing with emergencies daily means there is little time to make improvements. The processes become obsolete and it is necessary to invest in training and improvement. A vet produces when they are in the consultation room or operating, not when they prepare the same premedication every day. Therefore, improving the way we work will have an impact on our practice's finances. There are many gaps in the daily schedule that can be used to design protocols of action; this task should be part of the daily routine.

Delegating functions to nurses also entails an increase in responsibility that boosts motivation. Employees not only want to be paid when they go to work, but also a possibility to grow professionally through learning.

In addition, protocols are of great help to new employees, who will integrate into the team more quickly. We were all new graduates once and we will remember the great amount of information we were given and the little experience we had to discern between what was important and what was not. What would we have given for a protocol to follow in our first case of a dog presenting with seizures? Instead, we almost had a panic attack because we did not know what to do. New graduates (and some veterinarians who are not so new, but have little practical experience) have enough on their plate with dealing with clients, remembering where everything is in the practice, writing medical notes properly, knowing the commercial names of generic drugs, their doses, etc., as well as with having to decide which is the most effective antibiotic for a certain infection. In these cases, our experience is worth a degree and we should share it.

Many of the activities in a practice are repeated regularly and can therefore follow a protocol. Even some treatments or diagnostic procedures can be standardised.

The use of protocols has several advantages:

- **Predictability** . The same treatment produces similar results; for example, we can know the potential adverse effects of a certain therapy.

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- **Consistency** . If all veterinarians prescribe the same medical treatment for a disease, even if one of them is not present, the explanation that the client receives will always be similar.
- **Improved effectiveness** . Protocols allow nurses to predict what the veterinarian will need and ask of them in emergency cases. Therefore, the chances of success increase because the treatment begins even before the animal arrives at the practice. If a customer calls because they suspect their dog has bloat or their cat has an intestinal obstruction, the team will divide the work to be done, and both nurses and veterinarians can prepare what they will need (medicines, supplies, etc.).
- **Cost reduction** . Sitting down to discuss with the staff which medications are most commonly used will improve stock management, with the corresponding cost reduction. If the entire team uses the same antibiotic for dental diseases (or before and after cleanings), we will avoid duplicating products.

As we can see, protocols can be written for everything in our practice. Many veterinarians believe that this undermines their work, since part of the excitement of the profession – never knowing what you are going to find – is lost. However, in my opinion, protocols do the opposite: they automate routine tasks, thus leaving the veterinarian more time to deal with the unexpected. After all, we do not get up every morning and spend 20 minutes deciding whether we want white coffee or juice with toast.

Next, we are going to see some examples of how to establish protocols for the different activities in the practice.



Surgery/anaesthesia protocol

In an average veterinary practice, surgical operations are performed on a daily basis, so the entire team should be familiar with the routine procedure. Let us start by looking at the tasks involved in a routine operation such as

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preventive sterilisation (castration and ovariohysterectomy in dogs and cats) and who can be responsible for each of them.

Tasks of a common surgical operation.	
Task	**Person responsible**
Preoperative examination	Veterinarian
Admission (consent)	Reception
Weighing the animal	Nurse
Premedication preparation	Nurse
Administration of premedication	Nurse
Preparation of the operating room (room and necessary material)	Nurse
Induction	Veterinarian
Surgery	Veterinarian
Monitoring recovery	Nurse
Cleaning the operating room	Nurse
Contact with the client after surgery	Reception
Patient discharge (care and examination)	Nurse

To create a protocol for this type of surgery, we should standardise the preoperative examination, premedication preparation and administration, operating room preparation and patient consent and discharge forms.

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The first thing we should standardise is the preoperative examination and assessment of patients. For most common operations the animals will be healthy and the same protocols can always be followed. My suggestion is to use the ASA (American Society of Anaesthesiologists) classification, which divides patients into 5 categories.

ASA classification.

Category	Physical status	Examples
I	Normal, healthy patient	Prophylactic dental cleaning Routine sterilisation
II	Patient with moderate systemic disease	Cruciate ligament tear repair
III	Patient with severe systemic disease	Repair of femur fracture with myocardial contusion Feline urethral obstruction
IV	Patient with severe systemic disease and risk to life	Spleen bleeding haemangiosarcoma
V	Dying patient who would not survive more than 24 hours with or without surgery	Any of the above in extreme state of shock , with massive tissue damage, severe metabolic disorder, etc.

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Once the animal has been examined, approximately 24–48 hours before surgery, premedication and patient preparation can be delegated to the nurse. To do so, the anaesthesia protocols need to be standardised (and the team trained in their use), starting with premedication. The procedures have to be visible and those that we follow should be noted on the patient sheet (in case there is any problem in the future).

Example of anaesthesia protocol for ASA dogs (I-III).

	Premedication		40 min	Induction
	Agent 1	Agent 2		
	Acepromazine	Butorphanol		Propofol
Concentration	5 mg/ml	10 mg/ml		10 mg/ml
Dose	0.05 mg/kg	0.2 mg/kg		4 mg/kg
Weight	IM/ml	IM/ml		IV/ml
2	0.02	0.04		0.8
4	0.04	0.08		1.6
6	0.06	0.12		2.4
8	0.08	0.16		3.2
10	0.1	0.2		4
12	0.12	0.24		4.8
14	0.14	0.28		5.6
16	0.16	0.32		6.4
18	0.18	0.36		7.2
20	0.2	0.4		8
22	0.22	0.44		8.8
24	0.24	0.48		9.6
26	0.26	0.52		10.4
28	0.28	0.56		11.2
30	0.3	0.6		12
35	0.35	0.7		14
40	0.4	0.8		16
50	0.5	1		20

Similar tables can be prepared for cats, rabbits, etc., and not only for anaesthesia, but also for sedation. Logically, patients with a higher risk will be assessed individually and the protocol will be adapted to the extent possible.

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Obviously, if the medication is standardised, the surgical equipment should be too. This ranges from the size of the tubes, which should be properly organised (and if necessary, with an indication of the pet's weight, to make their choice easier for the nurses), to the instruments.

Surgical kits are packs with the instruments commonly used to perform specific operations and that are sterilised together. Some examples of kits that can be prepared are as follows:

- Dog castration and cat ovariohysterectomy (OHE) kit
- Canine OHE kit
- Suture kit
- Ophthalmology kit
- Orthopaedic kit

All of them are to be described in writing with the names of the instruments (and if necessary, with the photos of each one of them), the number of gauze pads, needles, etc. This will ensure that a needle holder will never be lacking or that we will always know how many gauze pads we start the operation with, therefore ensuring that we do not forget any inside. The person in charge of preparing them will write their initials on the kit before sterilisation. This way we will also know if someone needs to receive training again.

Example of a suture kit:

- Needle holder
- 1 Pair of smooth forceps
- 1 Pair of rat tooth forceps
- 2 Pairs of mosquito forceps
- 1 Hemostat
- 5 Gauze pads
- 1 Cutting suture needle
- 1 Tapered suture needle

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■ 1 Pair of mayo scissors

Vaccination protocol

Pet vaccination can be divided into mandatory (depending on the requirements of local authorities) and voluntary vaccination.

To establish an appropriate protocol, regarding the age and number of vaccines we will use the guidelines of international organisations such as the WSAVA and laboratories, as well as studies on the incidence of diseases and our own experience. We must also ensure we meet the obligations of local authorities.

Once the protocol has been developed, a sheet can be designed with both dog and cat vaccination plans, and it should be made available to the entire team and the general public. This protocol will be part of a "life plan", where, in addition to vaccines, deworming and other preventive actions such as sterilisation or screening tests will be included.

Example of a vaccination protocol in dogs and cats.

Dogs		Cats	
7–8 weeks	Polyvalent	7–8 weeks	Polyvalent + Leukaemia
10–12 weeks	Polyvalent	10–12 weeks	Polyvalent + Leukaemia
12 weeks	Rabies	12 weeks	Rabies
Annual checkup	Polyvalent* ± Rabies* ±	Annual checkup	Polyvalent + Leukaemia + Rabies
Optional			
Annual	Kennel cough	Annual	FIP

* A different vaccine will be administered each year, because currently, vaccination protocols recommend different valences each year.

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- **Polyvalent dog vaccine** : distemper, infectious canine hepatitis, parvovirus and leptospirosis.

- **Polyvalent cat vaccine** : rhinotracheitis, calicivirosis and panleukopenia.

Many veterinarians separate polyvalent vaccines from the rabies vaccine in adults or the leukaemia vaccine in young cats to lower the risk of reactions or to increase the number of visits. Although the protocol is designed to suit everyone, the increased access to information means that many owners know, thanks to networks and previous research, which protocols are recommended. Accordingly, any decision made should be supported by the corresponding literature.

We should try to reduce the number of visits for preventive reasons to make it easier for clients to comply with them. Remember that, although our time is valuable, theirs is even more so.

Vaccinations should be sold as a package. Both doses are charged after the first visit so that when the owners go to the practice for the second time, they get the feeling that they are receiving more than expected, as they do not have to pay again. The objective is to increase customer loyalty.

We should understand that if a client goes to the vet four times to vaccinate their pet and has to pay each time, they will subconsciously link the visit to the veterinary practice with the bill. Therefore, the next time the client needs to see us, regardless of the reason, they will consider the economic factor. To compensate for the decrease in the number of visits, my recommendation is to offer a free checkup at six months of age or six months after the annual vaccination. The date and reminder can be scheduled after completion of the initial vaccination series.

Once the protocol has been established, the whole team should be informed and know what their role is. For example, the receptionist will make an appointment for the second vaccination with any patient who has been immunised for the first time. If the workload is high enough and warranted (and local legislation allows), the nurse can administer the second injection. This will help motivate the team and, in addition, the client will appreciate

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being in contact with someone who may seem more approachable and who speaks with terms similar to theirs. It is a win–win situation for both parties.

During the annual checkup (and vaccination) the owners hope to get more for their money. In the same way as car dealers will not lower the price of a car, but rather include extra equipment at lower prices (which results in us paying more than initially planned), we should give an added value to these annual checkups, so as to justify what the clients pay. They very likely know another practice where they would be charged less. So, unless they perceive a difference, they may not come back or they may delay their next visit.

For this reason, it is advisable to perform low-cost tests (stool and urine analyses, blood pressure measurement, ECG, etc.) at the time of the annual checkup. We should remember at this point that, sometimes, when we visit our family doctor, while we are waiting, a nurse takes our blood pressure and pulse (even if our problem is a pain in the big toe). The only intention is to make us forget the wait and feel like they have done several tests to examine our health. Another example is garages. According to their advertisements, they check up to 50 elements in our vehicle. What they do not mention is that some of them are as obvious as: “it has four wheels”, “it has a spare wheel”, and so on.

In summary, the annual checkup experience will focus on everything we do to prevent or detect disease in pets early. In addition, the more diagnostic tests are included, the more convinced clients will be that their money has been well spent and the less they will notice possible price increases. At the end of the day, we also evaluate at least 30 different indicators of pet health.

Parasite control protocols

When we talk about parasite control protocols, we refer to both external and internal parasites. There are products that try to cover both types; however, I do not know of a single product that is totally effective against both.

Historically, veterinary practices have sent annual reminders for vaccinations. As a result, client compliance with the protocol has been sufficient to generate herd immunity (around 70% according to the 2020

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PDSA report). However, deworming medications have been forgotten, because sending out monthly reminders was a job that perhaps did not outweigh the potential financial benefit. These treatments involve a more regular commitment and the treatment can be administered at home. Therefore, the responsibility is delegated to the owners.

Owners do not consider flea medication as being necessary if the animal does not scratch itself or it is too cold outside, for example. In addition, veterinarians are often responsible for not spending time explaining the importance of prevention throughout the year. Most of the time, we ask clients if they remember the last time they gave their pet a deworming pill and, at most, we provide them with one when they come in for the annual checkup.

We should remember that the products we sell can also be found in a pharmacy, a pet shop or on the Internet. The customer has to appreciate the added value of purchasing a product at the veterinary practice.

How can we make the added value more obvious?

- The veterinarian not only sells a spot-on flea treatment and a deworming pill, but also offers advice on the most suitable preventive treatment against parasites for each pet.
- We can train one or more of the nurses to explain the life cycles of the different parasites and the need for regular treatment.
- It is a good idea to create information brochures on internal and external parasites, as well as the diseases transmitted by external parasites.
- When necessary, the nurse can offer to administer the pill or spot-on treatment to the pet. This will boost the team's responsibility, promotes what Anglo-Saxons know as foot traffic, and increase the possibilities of cross selling.
- It is very useful to give away a calendar with our logo and details and to write down any important dates for the pet (vaccination, deworming, checkup, etc.). This allows us to have a physical presence in the client's home and, therefore, to be the first option they turn to in an emergency.

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- Create packages of services and products that include the necessary checkups and preventive treatments. These are known as welfare or health plans.
- Use the management system and the preferred contact method to contact the client regularly. We should not only remind them to come and pick up the treatment but also of the need to administer it at home.

In addition, we can include the use of a specific anti-sandfly collar in endemic areas of diseases transmitted by sandflies.

Euthanasia protocol

Euthanasia is the only type of consultation in which we already know how it will end. Furthermore, it is the last of the impressions an owner receives. If the client decides to have a new pet, they may or may not choose us, depending on their experience during this final moment.

It is essential that everything is prepared and standardised. The appointment time should be chosen carefully and the entire team should be involved in the process. In addition, we can try to set up a specific consultation room for euthanasias, in which there will be more chairs than usual, since several members of the family are usually present. Many clients want to say goodbye to their pets, immediately before or after euthanasia.

Everything that happens should be explained, from the moment the hair is clipped to place the IV line, to what happens to the animal after euthanasia (spasms, sphincter relaxation, etc.).

Example of euthanasia protocol.	
Task	**Person responsible**
Receiving the patient	Reception
Consent (includes what is done with the body)	Nurse

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Explaining the procedure	Veterinarian
Preparing the animal	Veterinarian and nurse
Offering a moment of reflection	Veterinarian
Performing the euthanasia	Veterinarian
Offering comfort (glass of water, tissues, etc.)	Nurse
Saying goodbye	Veterinarian
Sending condolence card	Reception
Charging	Reception

Charging can be done after euthanasia, although in general, most clients simply want to leave the practice to a place where they are more comfortable expressing their pain. Therefore, we can offer the possibility of paying when all the paperwork is done (if they are not a regular client) or send the invoice by mail days later (never with the condolence card).



Checklists for veterinary practices

Checklists are a complement to the protocols that make up the manual of a veterinary practice.

Although a protocol is where all the actions of a process should be detailed (person responsible, procedure, location of the elements, etc.), the checklist is a much simpler monitoring tool.

There are a large number of studies, both in human and veterinary medicine, that support their use to reduce human errors. When we carry out the same

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tasks every day, we do certain things automatically to be more efficient. In the same way that when driving the same route, we go on a sort of automatic pilot (which sometimes leads to an unfortunate end of the journey), this also happens at work. This causes errors on days with a high workload or when the employee is tired.

In veterinary medicine there are several studies that support the use of checklists to avoid surgical complications. These tools are simple to develop and all practices should have them. These lists should accompany the patient from the moment of admission and should ideally be printed at the same time as the consent. The documents to be printed at the time of admission should include at least:

- **Informed consent** . It includes the owner's data, with their full contact details, the procedure, its estimated cost, the payment terms and all the relevant information.
- **Anaesthetic monitoring sheet** . Although the memory of the equipment can be used, it is good to have a physical document to fill out during the procedure. It should include the chosen medications, the times of administration and the control chart for vital signs.
- **Hospitalisation sheet** . In case of requiring a postoperative hospitalisation, it is important to record all the treatments administered, especially in those practices where different teams will be in charge of the patient.

The World Health Organization (WHO) recommends the use of checklists . As an example, the following table has been adapted from one available on the WHO website.

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Surgery checklist (read aloud and mark with an X).

Before anaesthetic induction	Before the incision	After surgery (before recovery)
Patient	**Surgical team**	**Patient**
❑ Confirm patient identity ❑ Previous anaesthetic complications? ❑ Possible complicated intubation? ❑ High risk of aspiration? ❑ High risk of bleeding?	❑ Confirm procedure and incision site ❑ Announce name and role of team members ❑ Confirm that the equipment is sterile ❑ Confirm that medication has been administered	❑ Any risk during recovery?
Procedure	**Surgeon**	**Procedure**
❑ Confirm procedure ❑ Confirm surgical site	❑ What are the critical steps of the procedure? ❑ Estimated surgery time ❑ Loss of blood ❑ Is an X-ray or similar necessary? ❑ Any special anaesthetic concerns?	❑ Has the correct procedure been performed? ❑ Should any other procedures be carried out during anaesthesia? ❑ Is the gauze pad count correct?
Equipment	**Patient/client information**	**Equipment**
❑ Anaesthetic machine assembled and tested ❑ Monitoring equipment complete and checked ❑ Elements to keep the patient warm ❑ Any special equipment needed?	❑ Client name ❑ Telephone contact ❑ Name of patient ❑ Age/gender ❑ Species ❑ Breed ❑ Procedure ❑ Date ❑ Surgeon ❑ Anaesthetist	❑ Are the instrument, sponge and sharp object counts correct? ❑ Any problem with the anaesthetic instruments or equipment?
Medicines	**Notes**	
❑ Antibiotics ❑ Analgesics ❑ Others:		

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Appointments
Because nobody likes to wait

Communication

How to avoid tension in the waiting room

Time is money. Everybody knows that. As veterinarians, we have a lot to do and we cannot waste time. Many colleagues tell me that their clients enjoy spending two hours in the practice while their pet has their blood tested or X-rays taken. I would not use the word “enjoy”, but rather “tolerate”. After all, most veterinarians do not give you any other option.

Veterinarian . *—We need to take a blood sample from your pet and see if we can sedate him for an X-ray.*

Worried client . *—Okay, do whatever it takes, I just want Fido to be okay.*

Veterinarian . *—The process will take a while, because we have to take the blood sample and wait for the testing machine to warm up.*

Even more concerned client . *—Does Fido have anything serious?*

Veterinarian . *—We will not know until we get the test results.*

The client leaves the consultation room very concerned and sits in the waiting room. He may even sign the consent and get an idea of what this is going to cost, if the practice has already had problems with clients who

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complained about the price of diagnostic procedures. While the client is waiting, all the people who will enter the practice will notice that something is going on and, therefore, the atmosphere in the waiting room will be tense. As a result, the other owners will not be relaxed when entering the consultation room and we already know that this is never a good thing.

How many of you see yourselves right now in such a situation? Are you sure that clients like to spend an hour or an hour and a half sitting in the waiting room, being worried about their pet's condition? Or do they tolerate it as a lesser evil in order to know what is happening to their pet?

Veterinarian. *—We have to take a blood sample, which will tell us how his kidneys are working, to find out what the best sedation protocol is. Once we know this, we can calmly take the X-rays to try to determine what is wrong with Fido.*

Worried customer. *—Okay, do whatever it takes, I just want Fido to be okay.*

Veterinarian. *—So do I. The process is going to take a while, so I would recommend that you go home or take a walk so that you do not think about the problem. You have already done your best by bringing Fido to us. I will keep you informed by phone of all the tests we run, and in a couple of hours, when we find out what is wrong with Fido or what we have to do, come back here and we will have a chat.*

The same or perhaps less concerned customer. *—Does Fido have anything serious?*

Veterinarian. *—We do not know right now, but as soon as I find something out, I will let you know. You have already done all you could do, which is to bring him to us. What the tests tell us will help us to know what the best plan of action is and the prognosis.*

The client leaves the practice, after signing the relevant consent forms and having received an estimate of the cost. In addition, he has been informed again of the diagnostic procedures that are going to be performed on his pet. Half an hour later, the client receives the first call from the nurse, who tells

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him that Fido's kidneys are in perfect condition and that they are going to sedate him. The client receives another call after the X-rays have been taken; he is informed that Fido is waking up correctly, that the vet will see him when the dog is ready to go home so they can discuss what they have found, but that for now he should not worry because Fido is fine. While this pet has been hospitalised, the environment in the waiting room has been completely normal.

> "*Man's inability to communicate is the result of his failure to listen effectively, skilfully, and with understanding to another person* ". Carl Rogers.

Empathy

Identifying with the owner improves communication

In these two scenarios, the client asks the same questions and the veterinarian's answers are very similar. The difference lies in the way of communicating. In addition, in the first scenario the veterinarian is concerned about obtaining a diagnosis and in the second he wants a prognosis. In the first case, clients tolerate having to stay in the waiting room, they see it as a necessary evil for their pet to improve, which is what worries them. In the second one, they have been given the option of going home, where they will wait more calmly. Many times, clients want to stay in the practice because they are afraid of leaving their pet alone and do not know what is going to be done to it. The way to avoid this is by means of empathy and communication. Owners have to be informed at all times, not only of what is going to be done to their animals, but also of why it is necessary.

These are two very similar scenarios in which the importance of communication in veterinary practices is demonstrated. The practice protocols should be designed with the customer experience in mind and the

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staff trained in communication. Without it, a successful diagnosis or treatment can turn into a failure on social media.

Organisation

A tool for time management

What are appointments and how do they help us? Appointments are the effective organisation of consultation hours. In another chapter we will deal with the organisation of the different processes in the practice.

First of all, we should define what a **consultation** is. The Oxford Dictionary states: "a meeting with an expert, especially a doctor, to get advice or treatment." Many veterinarians equate consultation with **clinical case** , which can be defined as an "individual disease process, especially one that is not usual". However, while a consultation has a set duration, a case can last a long time. That is why it is important for us as veterinarians to understand that the patient does not need to be cured at the end of a consultation. A diagnostic or empirical treatment plan is sufficient.

The first prerequisite to use this method is a wish to evolve and improve the practice's processes. Then we will need to adapt our computer and appointment-taking system. It is essential to establish the standard duration of an average consultation (15–20–30 minutes) to be able to assign the consultation hours available.

This decision should be made taking the different team members' experience into account. In addition, a list of standard consultations with their duration (first vaccination, 30 minutes; second vaccination, 15 minutes; diarrhoea, 20 minutes, etc.) should be created. The list should also include procedures and clinical signs.

Clients should be informed of the change in the organisation of consultations. In addition, they should be reminded that these modifications are to their benefit. The intention is to reduce waiting times. This does not mean that if an emergency arrives without an appointment, it will not be

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treated. However, if someone comes in for an annual checkup, they will be seen in the first slot available and reminded of the existence of an appointment system; they should be advised that their pet will be seen as soon as the veterinarian is available, but that this may take a long time.

The implementation of an appointment system benefits veterinarians, who will organise their time more efficiently. It also benefits clients, because their waiting time is reduced.

Advice

Keys to an appointment system

For an appointment system to work, the following points should be taken into account:

- **The team should be trained.** The nurses and reception staff should be trained in communication and appointment management, and veterinarians in consultation and communication techniques.
- **The schedule should be organised.** Divide it up into consultations, procedures (surgery, tests, etc.) and administrative time.
- **Clients are assigned to a specific veterinarian** . This will create a bond between the veterinarian and the client. Therefore, if something does not go well, it will be easier to resolve. Furthermore, if the client considers leaving the practice, the decision will have to be carefully considered because it will be like abandoning a friend.
- **As far as possible, each client should be seen by their veterinarian** . We should use this bond to our advantage. If the veterinarian only works part-time, we should tell the client the first time and remind them when they make an appointment.
- **When an appointment is requested, you have to look for the first available slot** . When we call our family doctor, they suggest one or

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two appointment options. We should get used to doing the same with our clients. It is ideal to offer an appointment in each of the available appointment blocks (morning and afternoon, for example), suggesting the most convenient free slot.

- **Try to fill in the appointments by blocks** . For example, start at 10:00, 12:00 and 16:00. To avoid our team having little productive time, we should try to concentrate appointments. The system is useless if we set an appointment at 10:00, another at 11:00 and another at 12:00. If we concentrate them, we will give veterinarians the opportunity, when finished, to continue with their daily tasks (surgery, inpatient care, continuing professional development, etc.).
- **If there is no appointment available at the requested time, apologies are made and the first free slot in the veterinarian's schedule is sought** (even if it is the next day). Here we should use common sense: if it is a preventive medicine visit, waiting 24 hours does not matter; however, if it is something more serious, it must be accommodated on the same day, with another veterinarian if necessary. Or a special appointment can be made (at the end of a block of appointments, for example).
- I**f the client reiterates the request and the severity of the case** you should remind them that you want to help and of when their veterinarian is available. Also, inform them of the need to use the appointment system to try to reduce waiting times.
- **It is recommended that euthanasia procedures are scheduled at the end of the morning or afternoon.** It will ensure owners do not have to show their grief to other clients. Euthanasia cannot be tailored to a fixed duration and it is very stressful for the veterinarian to know that there are people waiting. Therefore, it may be best to perform such procedures when we know that no other patients will be seen afterwards (at the end of the morning or in the afternoon) and the client can remain in the consultation room as long as they need to.
- **Diagnostic and surgical procedures will have a specific duration** (X-ray, 45 minutes; dog castration, 1 hour, etc.) and, therefore, we must know how long the slots available are to avoid scheduling more appointments than possible. We should also bear in mind that if there

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are two veterinarians, but only one operating room, we cannot accept twice as many operations.

- **The reception staff must ensure the client has understood everything in the consultation.** This does not mean that an explanation should be given, but rather that the client should be asked whether any clarification from the veterinarian or the nurse is needed, or whether some kind of informative material needs to be provided. Also, the receptionist should ask when the follow-up appointment will take place. Follow-up is a team task and limiting the consultation time makes it essential for everyone to be involved in the communication process.
- **Time should be blocked off when scheduling appointments.** In this case it means that only 90% of the available slots are filled or that every six appointments there will be a gap for walk-ins or in case of an unexpected delay.
- **If we are busy, we should apologise to customers for not being able to see them right away** and tell them to take a seat and that we will let them in as soon as possible. People do not like to wait, but sometimes there is no other option, so we should explain and demonstrate how important they are to us.
- **Use the same formula if someone is left on hold on the phone** . On the phone, we should not only use the same techniques, but also explain what we are doing at all times because the person at the other end of the line cannot see us. The priority should be the client in the practice (except for life-threatening emergencies). We should apologise to the person on the phone and ask for their phone number to call them back as soon as possible.

Example of an answer sheet for reception:

Good morning/afternoon, ... veterinary practice, my name is..... How can I help you?

Please hold on a moment while I'm opening your record on the

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computer (it is important to remember that the customer cannot see through the phone, so we have to explain what we are doing).

What is worrying you about .....(pet's name)?

I understand, ...(name of veterinarian) has an available slot to see your pet at ..... (give the time) .

I am sorry this time does not suit you. If you prefer, we can have ..... (name of the veterinarian) see you at the time that you want.

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Technology use in the modern practice

The practice of veterinary medicine has reached its highest level so far. The means and treatments available are almost comparable to those used in human medicine. Veterinary practices have high technology equipment. Newly licensed veterinarians have seen and used (or have been present while using) MRI or CT scan machines. Meanwhile, many professionals continue to use regular post to send reminders.



Internet

What possibilities does the Internet offer us?

Some owners come to the consultation room with a hard copy of an article that they have found on the Internet, with information about what they think is happening to their animal. They are even able to recite by heart a lot of treatments available here and in many other places in the world. This is positive as it indicates that the owners care about their pets. We should use that interest to our advantage.

Therefore, if pet owners use Dr Google, we should do the same to supplement our old textbooks and notes. One of the cornerstones of evidence-based medicine is the access to the latest research and studies. Not only does it improve the quality of service, it also makes our work more exciting.

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Sharing the wi-fi network with clients can make waiting more enjoyable, but it should be done professionally, just as hotels do, that is, using a smart wi-fi system, which allows you to control access to information, know who is connected, and integrate a landing page (a page that appears when connecting where the practice's promotional campaigns may be shown).

Design and management of our website

Today, almost all practices have basic web pages that explain how to get there, indicate opening hours, and include some basic information about the veterinarians. However, we could offer much more. Having an interactive website and updating it regularly is essential. It is a key tool in standing out from the rest. We should include special offers and quality content that attracts potential consumers (pet care tips, preventive medicine plans, recommendations in cases of emergency, etc.). In addition, it is very important that the website allows you to book an appointment, request pet food or even pay for services. In short, we should have a website that interacts with clients, rewards regular visits and, above all, makes us stand out from other veterinary practices. Therefore, it is best to look for a specialised company that provides a differentiated service instead of trying to do it ourselves to save money. Some of the features of the website should be:

- **Making an appointment.** Either in synchronisation with the management system or independently.
- **Telemedicine.** In the case of VIP clients, they could request a video call with their veterinarian to chat about the progress of a treatment or raise any concern or question. Although external tools can be used, attracting customers to our own website as much as possible will allow us to create personalised offers.
- **Newsletter.** Email is widely used and is also low cost, so it should be used regularly as a means of informing and sending personalised advertising to customers. Virtual newsletters should include different topics: health advice, specific articles about diseases, photos of other clients' pets, the offer of the month, special discounts if they decide to request dental treatment (for example), or even the dates when the

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veterinarian will be on holiday. The newsletter should be a communication bridge between the practice and its clients; it will make them feel like they belong to the group and that we care about their needs. This strong bond will make it difficult for them to stop coming or change practice, in addition to favouring the resolution of conflicts.

- **Blog or vlog.** One of the sections will be dedicated to offering appropriate information. In the age of communication, there is too much low-quality information. That is why we should create quality content (written or video) to inform our current and potential clients. It can be used to answer questions that owners ask about their pet's health. Giving advice on the Internet about the small problems of animals does not mean a loss of potential earnings, but rather it shows that we care about them and that we are not only interested in making money.

The practice's satisfaction survey should be available at the front desk to pick up after a consultation. However, we should also offer the opportunity to fill one out online.

Another possible service of the website is for customers to check the status of their pets by means of a camera. During long hospital stays, owners cannot always visit their animals when it suits the team. With this in mind, we can use one of the kennels or consultation rooms and take the patients in at a certain time. This enables owners to see them for a while (5–10 minutes, depending on the state which they are in). An alternative is to record a video and send it by email.

→ Customer service

Social media

The use of **social media** (Facebook , Instagram, WhatsApp, LinkedIn) should be considered since they are another way of contacting clients, in which two-way communication occurs, and will therefore allow us to know what is of concern to them. Photos of new puppies and kittens, team

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exercises, open days, etc., can be posted on the practice's page. There are a series of basic rules that should be followed when using social media:

- The social media profiles (Facebook, Instagram, WhatsApp, etc.) should be active and authenticated. In those media that allow it, a company profile should be used.
- A corporate image such as our logo should be used as the account image.
- We should use the Facebook business profile options that allow services to be presented, customers to leave opinions and the performance of our posts to be tracked.
- An update schedule is necessary, which should include periodic informative messages, messages that appeal to people's feelings and promotional messages in equal measure.
- Avoid the bipolar type of social media that combines photos of puppies with photos of surgery. In general, polarising topics such as violence, sex, drugs, politics, football, or religion should be avoided.
- If we use our own photos, we should elaborate a consent form for the clients who appear on them, and include a clause in the employees' contracts. The photos should also have our own brand watermark to ensure they are not used by another practice.



How should clients be contacted?

In all cases, communication with clients should be done on their terms. When registering clients in the practice, we should ask them about their preferred contact method and the type of communication they would like to receive.

The use of new technologies can be part of the global marketing strategy, since it implies a reduction in the cost of paper (as part of corporate social responsibility). In order to encourage customers to join the electronic

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reminder option, we can offer them a discount equivalent to the cost of the envelope and stamp at the time of paying for the annual vaccination.

Programs for sending text messages to mobile phones from the Internet are cheap and easy to use. This means for example that in a normal practice we can inform owners by means of a text message about the status of their hospitalised pets, when they can pick them up after an operation or if the medicines they ordered are ready.

Most phones allow applications to be downloaded, so a good idea is to have our own application developed to offer the same services as a website (making appointments, reminders, information, discounts, etc.). It has the advantage of allowing us to present our offers directly to the client's phone. It is important, however, that the team gets involved in ensuring that the owners keep the notifications activated. If the application's possibilities are overused, the most likely scenario is that the client will uninstall or deactivate the application and we will lose the possibility of reminding them of the most basic things such as the need for an annual checkup.

The lack of communication is one of the main complaints of pet owners and not having enough time is the most common excuse used by veterinarians. New technologies can end this problem, allowing both parties to maintain active contact with each other. However, they require an investment of time and money.



Technology makes veterinary practice easier

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Another type of new technology that we can use in the practice is that which makes the veterinarian's work easier.

> There are many devices that are useful in daily practice and which can be used even by those veterinarians who are least interested in new technologies.

In almost every consultation room there is a **computer screen** . However, having a second monitor (or having the veterinarian's monitor visible to the clients, if necessary) can be of great help. On it we can show the patient's X-rays, ECGs, blood test results, microscope images, etc. We can also use a tablet, as it conveys an image of modernity. In any case, we should try to use visual communication even when the client is not physically in the practice when receiving the results, for example by using a video-calling system (Skype, Zoom, etc.).

A picture is worth 1,000 words and also makes understanding easier. It is important to prepare a simple way for the veterinarian to draw diagrams or figures, since about 90% of the information that humans perceive is received through sight.

Logically, we will need means of obtaining such pictures. Using a mobile phone with a microscope adapter is relatively inexpensive and easy to use. Thanks to this, we can show the owner what crystals in urine, skin mites or intestinal parasites look like.

The X-ray machine is a common piece of equipment in veterinary practices. Many of them have used the same one for more than 20 years, because one of the partners thinks that it still makes perfect X-rays. It probably does, but a **digital X-ray** allows you to send the images to a specialist and obtain a diagnosis practically in real time. Telemedicine services can reach even the most remote location and allow small practices to offer second opinions from international specialists.

Ultrasound scanners are also present in many practices. They are usually acquired with a printer; however, the images obtained can also be transferred to the computer system to be saved or sent. We should bear in

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mind that in case of a pregnancy diagnosis, the owners will be impressed if they can take home the picture of one of the puppies, just as they would be with one of their own children.

A **digital camera** (instead of using a mobile phone) can be a good investment. How can we assess the improvement of a corneal ulcer if the vet performing the follow-up examination is not the one who did the initial assessment? Good clinical notes will help, but two pictures side by side will make the comparison easier. Today, many of these cameras can also be used as webcams for communication with clients.

A **barcode reader** is commonly used in the control of products in stock. The barcode of the products received at the practice (medicine bottles, medicine boxes, etc.) can be used to transfer the data (expiry date, number of bottles, etc.) to our management system, which will then monitor inventory levels and automatically place orders when the minimum level is reached. Some products are counted individually (medication bottles) and others in groups (boxes of dressings).

These are just some technology devices that, without requiring a large financial investment, can be purchased for any practice and that provide a long-term benefit.

In conclusion

New technologies represent an investment but they can improve communication with the client, expand the veterinarian's sources of information and make their work easier. All this leads to greater efficiency, which in the long run leads to a better image of the practice.

It does not mean that everything can be applied in all practices, but those that can be adapted will improve processes and customer service.

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Telemedicine

Technology grows based on Moore's principle or law, which states that the number of transistors on a microchip doubles approximately every two years, thus doubling the computing power. For this reason, writing about new technologies in a book is a necessary but impractical exercise, because what had just appeared on the market in the first edition of this book is somewhat outdated ten years later. This applies to veterinary medicine, marketing or technology. In any case, there are solutions that appear at a moment in time and remain for a longer or shorter time.

A concept that appeared in veterinary medicine in 2020 is that of telemedicine or telehealth. This concept encompasses everything related to healthcare that is carried out remotely. It ranges from sending the results of a test, scheduling an appointment or contacting a specialist. It is something that has been done for years, but that has become increasingly popular thanks to the increase in the quality of communication and the availability of specialists throughout the world.

- **Telediagnosis.** It involves sending clinical notes, diagnostic test results or images to a specialist who is not in direct contact with the patient for them to establish a diagnosis or treatment plan. This is an extra service offered by certain practice, which allows increasing services without increasing staff.

- **Teletriage.** This refers to the remote evaluation, either by phone or by videocall, of the patient before it is treated by the veterinarian. It allows the degree of urgency of the visit to be assessed, as well as the necessary resources for immediate emergency care to be prepared.

- **Teleconsultation.** This is a consultation that takes place without the patient and the veterinarian being in the same room. In veterinary medicine, it has a significant number of limitations for patients with no previous history, but its usefulness in checkups, chronic patients and other follow-up visits is evident.

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Telemedicine has long been established in veterinary practice, but it is important for it to be carried out in an organised manner and within the recommendations of each regulatory body. All practices should adapt and define their telemedicine policy very clearly (what can and cannot be done remotely), by developing protocols and training the team. To be successful, telemedicine should be organised around daily duties, and specific times in the schedule should be assigned for the veterinarians' remote communication with clients.

Telemedicine relies heavily on the expansion of remote diagnostic elements. There are methods that allow information to be sent remotely (digital X-rays, use of email for blood test results, etc.), but there are also devices that allow vital patient data to be obtained remotely. They are known as wearables and are elements that are placed on the patient and allow information on vital parameters to be collected through the Internet in order to monitor a treatment or even to obtain a diagnosis.

Small data

All this flow of information generates data that should be processed and that is known as *small data* . This volume of data is small enough to allow human understanding. In the veterinary practice, data are generated on each of the pets, on their owners, on the inventory, etc. To use them it is important to have objective parameters and a management program that allows us to work with them.

Big data

On the other hand, when data from many practices are combined together, a large amount of comparable data is produced. This information is very important, since it allows the incidence of diseases, the appearance of infectious outbreaks, the most common pathologies, etc., to be known. Today, a large number of scientific papers consist of studies of this type.

These structured, semi-structured and unstructured data that have the potential of being compiled in order to obtain information are what is known as *big data* .

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There are projects such as VetCompass, which, through the compilation of data from numerous practices, seek to improve the welfare of pets, by, for example, analysing the results of hundreds or thousands of cases of a specific pathology.

Artificial intelligence

In addition, advances in computing allow many tasks to be carried out autonomously. These are algorithms (artificial intelligence) that can make an appointment automatically, perform basic triage and also manage our inventory. As technology advances, a greater number of activities will be carried out using artificial intelligence, which will allow many of the administrative tasks that are currently being done by assistants to be automated. For example, algorithms in inventory systems can analyse the demand for certain products over time, analysing their sales over time. In this way, it is possible to adapt the orders and the level of stock.

Technological advances in veterinary practices are not only reduced to diagnosis and treatment methods, they can also play a role in practice management. Their use can represent a competitive edge over other practices that see these changes as a threat.

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Personnel management and work schedule improvement

Flexible schedule

Working five different days a week is not the same as five times the same day

The veterinarians I know are always busy. They have many things to do and spend the day trying to get them done immediately, without getting any done. It would be helpful if they used the Covey matrix to differentiate between what is urgent and what is important. As a key, what is important remains over time, whereas the urgency disappears.

The working hours of veterinarians are usually business hours, although they have recently started to change. As commented previously, it is important to know where our practice is and who our clients are in order to choose the opening hours that best suit their needs. A practice located in a residential neighbourhood in the city centre, where there may be a significant number of retired clients or housewives, is not the same as another located in a commuter region. In the first case, business hours may be adequate, but in the second not, because everyone will be working at those hours. One premise is basic: if you have times when clients do not come in and many clients come to see you around closing time, your schedule can be improved.

At 7:50 pm (closing time, 8 pm), Mr Jones, a client without an appointment, arrives at the practice. Today he left work a little earlier and took advantage of the opportunity to take his dog Daisy to

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get vaccinated. She has also been limping for a few days and he wants you to examine her.

Today is your son's basketball match and you promised to go. It starts at 8:30 pm, so you still have time to get there because it will only take 5 minutes. Therefore, although Mr Jones did not have an appointment, you decide to see his dog. You have not had much business today and the extra income will be good for you.

You quickly examine Daisy without paying much attention to what the owner tells you. Her health is good, but she clearly limps on her hind legs. She is an older dog, so you think it is advisable to take an X-ray to check if she has arthritis or there is some other problem.

You mention it to the owner and he has no problem with the X-ray being done right then. Daisy is a bit nervous and it may hurt; you know you have to sedate her and wait for her to wake up.

Something tells you that you are not going to make it to your child's football match; you're getting angry and it shows on your face. However, you cannot let the client walk away. The new practice around the corner opens until 9:00 pm and you have already noticed a decrease in your clientele.

We already know the rest of the story. The owner has to wait and perceives that you are not happy to be there. You take the X-ray and send the animal home before it is fully awake. You carry out the annual checkup and the vaccination and give the client a box of anti-inflammatory medication. He pays and thanks you. This is the last time you see the client. You are late for your son's match and he does not talk to you for three days.

To avoid such situations, we should see things from the client's perspective. First of all, we will remind the owners that the practice works by appointment so there is no waiting time. Also, when you discover during your consultation that an X-ray is necessary, you should explain what this entails. To start with, you need to advise that recovery time is required after sedation and that you would not want to send the pet home before it is fully awake. If the client has problems because he cannot come at another time,

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propose to hospitalise the patient that night or first thing in the morning and send it home after the tests, when it is more convenient. Take advantage of the opportunity to comment that, due to the age of the animal, it would be appropriate to do a preventive blood test.

Informed customers make the right decisions.

Planning

Guidelines for optimising working times

To improve effectiveness, the first thing to do is establish an appointment system (see Chapter 26). We have to achieve compliance similar to that of dental clinics, for example. No one would think of going to the dentist without having an appointment and expect them to see us immediately.

In addition, we have already seen that it is essential to know our clients in order to be able to see them during the most appropriate hours. There is a belief that they are the ones who have to adapt to our schedule, but it is the other way around (client perspective). Because of this belief, we try to open as long as we can, with the corresponding staff load. But what if this is not possible and there is only one veterinarian?

Below is an example of the hours of a practice located in a commuter region, which is open from 9 in the morning to 9 at night and whose veterinarian works 8 hours a day.

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Example of continuous opening hours.

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
9:00-10:00	Nurse		Nurse		Nurse	
10:00-11:00	Veterinarian		Veterinarian		Veterinarian	
11:00-12:00		Nurse		Nurse		Veterinarian
12:00-13:00		Veterinarian		Veterinarian		
13:00-14:00						
14:00-15:00						
15:00-16:00						
16:00-17:00						
17:00-18:00						
18:00-19:00	Receptionist		Receptionist		Receptionist	
19:00-20:00						
20:00-21:00		Receptionist		Receptionist		Receptionist

As you can see, the opening hours are different depending on the day of the week. To achieve this, the veterinarian relies on the team. This is known as an asymmetric schedule. It allows the hours offered to be extended without increasing the workload.

This system only works if clients come by appointment only (except for the inevitable life-threatening emergencies). The first consultation can be set at 10:30 am or 12:30 pm and the last at 6:30 pm or 8:30 pm. It is advisable to dedicate a couple of hours to performing surgical procedures, preferably in the morning, so that the animals recover properly in case of anaesthesia or sedation, before being sent home. In addition, time should be set aside for administrative tasks (phone calls, report preparation, training, etc.).

The nurse opens first thing in the morning and is in charge of admitting patients, in the same way that the receptionist is in charge of closing the practice. In my opinion, it is important to block off some time to discharge the animals in the afternoon.

The advantages of this schedule are clear; we can open for longer, even if it is on different days, without increasing the staff load. Clients will not notice as they have to call to make an appointment that suits them. For it to work,

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we have to inform customers of the change. We will remind them that it is being done for their benefit, to reduce waiting times and to improve service quality. Longer opening times will increase the chances of finding the right time for the appointment.

This is an extreme example of how to offer 12 effective hours of customer service with a single veterinarian and flexible hours. This would have allowed the veterinarian in the example to arrive in time for his son's match. However, flexibility and schedule organisation are necessary in all practices. For example, if you are open during business hours, it is beneficial to try to concentrate appointments in the first half of the morning and leave the second half available for surgical procedures, as shown in the example below.

In countries where veterinary management is more advanced (the UK or USA) the need to optimise schedules has been fully understood. The veterinarian begins consultations when they get to work while the nurse prepares the procedures of the day (for example, by preparing the X-ray room and operating room or administering premedication to admitted pets). After the last consultation, the veterinarian goes directly to the preoperative room to induce anaesthesia and start surgical procedures, which are performed one after the other. The practice is still open, but the veterinarian does not see patients again until the afternoon; it is as if they were not there (unless an emergency arises).

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Example of division of tasks in a practice with split working times

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
09:00-10:00						
10:00-11:00	Consultations	Consultations	Consultations	Consultations	Consultations	Consultations
11:00-12:00						
12:00-13:00	Surgery	Surgery	Surgery	Surgery	Surgery	
13:00-14:00						
14:00-15:00	Lunch break					
15:00-16:00						
16:00-17:00						
17:00-18:00	Consultations	Consultations	Consultations	Consultations	Consultations	
18:00-19:00						
19:00-20:00						
20:00-21:00	Receptionist	Receptionist	Receptionist	Receptionist	Receptionist	

Practice open to the public Practice closed to the public

This new way of dividing work requires the veterinarian to adopt a different mindset. We may not obtain a diagnosis during the consultation, but we can agree with the owner on a plan of action that includes tests and not just treatment. We have to promote outpatient hospitalisation. If an X-ray, ultrasound, endoscopy, or advanced blood test (bile acid stimulation and ACTH suppression tests, blood glucose curve, etc.) need to be performed on a patient, there should be no problem in asking the client to leave their pet and return in the afternoon (and if they have problems, they can leave the animal overnight).

With this way of working, we manage to reduce the stress caused by the presence of the owner during the tests, by the fact that there are other clients waiting or by not knowing what time we are going to leave. If diagnostic procedures and surgical operations are part of the veterinary profession, why not block off some time to carry them out?

To sum up, it is necessary to make our schedule more flexible and adapt it to potential clients. Veterinarians should be aware of the need to see patients effectively and reach agreements with the owners to establish a plan of action. Let us remember the client perspective; working overtime (or simply

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leaving later than expected) leads to a deterioration in customer service quality. Finally, we should inform customers of any change we have decided to implement that affects them, emphasising that the ultimate goal is to improve our service.

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Creation of information sheets

Advantages

Ensuring adequate communication with the client

Fortunately or unfortunately, veterinarians accumulate a large amount of knowledge related to their profession. Some of it is provided by training, but another part of it is acquired through experience.

However, this information is not always properly transferred to clients. Communication is essential in all aspects of life, but in the veterinary practice it may be even more so.

Getting a client to choose the treatment with the best chance of success depends on our ability to convince them that it is the best (and most likely the most expensive) option.

Anglo-Saxons call it treatment adherence. It is estimated that, in human medicine, adherence to treatment guidelines is 30–60%. Most researchers state that only 50% of patients take the medication as prescribed (World Health Organization, 2003). In veterinary medicine there are not many studies in this regard and the few that exist are based mainly on antibiotic use. Despite this, such studies (and common sense) suggest that compliance with therapies is a problem in the practice. If 50% of people do not take their pills properly, imagine how many of them will fight with their cat to administer the medication.

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The success of a treatment is influenced by four factors:

1. Client education
2. Negotiation
3. Active role of the client
4. Empathy and motivation on the part of the professional

Although these aspects are more related to the veterinary professional's communication skills than to practice management, the use of informative material has a positive influence on educating the client.

If we think about the consultations that take place in our practice, we will realise that certain pathologies or procedures are very common: anal gland conditions, flea bite allergy, sterilisations, wound dressing, etc.

This situation means that we might become experts in explaining a problem or start losing interest in doing it. The second is more likely to happen: the fourth time, in the same afternoon, that you explain what the anal glands are, you may not do it with the same enthusiasm as when you started (if you were ever enthusiastic about it).

To prevent a possible problem in customer service, the best solution is the preparation of information sheets, which may be available on the website. They can be saved on the computer, ready to be printed out and taken home by the client. After all, there are many elements that can disturb the attention span of the owners in the practice, starting with their pet. In addition, we may avoid the client having to contact us again to ask a question, since the answers will most likely be on the sheet. We will also prevent or at least limit them from looking for the answer on the Internet. I remember a time when a client asked me how much wax her dog's ear should produce under normal conditions, to which I replied that I was very sorry but I could not help her. She replied, convinced, that she would find the information on an Internet forum. I still do not know how she planned to measure this.

Preparation

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Contents of the information sheets

The first thing we have to do is decide what topics the information sheets should cover. Consultations and the most common surgical procedures should be the main issues to consider.

- Preoperative sheet: what to do before surgery or sedation.
- Postoperative sheet: what to do and what to monitor when the client takes their pet home after surgery or sedation. We can prepare specific sheets for preventive surgery such as castration or ovariohysterectomy in dogs and cats.
- Vaccinations: recommendations, side effects, diseases to be vaccinated against, reasons, etc.
- Parasite control treatments; against internal and external parasites.
- Wound dressing care.
- Flea allergy dermatitis.

The topics that can be presented are as numerous as we want. In some cases, it is possible to adapt the documents prepared by laboratories for parasite control treatments, vaccines, etc. In others, we will have to develop the sheets ourselves. Remember that it is a job that will have a lasting effect. The way you care for a dog with a dressing does not change much over time.

The information sheets should be written in a simple style and contain a series of instructions. The nurses can take on this task, which will also provide training for them. We should also take advantage of the opportunity to have the nurses take care of sending patients home, since they will be the ones who know the indications best. The language they use is closer to that of the clients (although it is important to have the grammar and contents reviewed). Finally, delegating roles and responsibilities serves as a motivation. Everyone is a winner: the client is better informed, the nurse assumes more responsibilities, and the veterinarian delegates work.

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The sheets should include the logo and name of the practice, as well as the contact telephone number for questions or possible emergencies.

Although the text is always the same, it is a good idea to leave blank spaces to personalise the sheets, with the pet's name and date, for example. This will make the customer appreciate the effort even more. We will also be able to use these documents to write down the date for the next checkup or the day on which the stitches should be removed.

Examples

Postoperative care in cats

…… has undergone anaesthesia today to have a surgical procedure performed. This sheet explains how to take care of your cat at home and what to monitor. We would like this document to be of help to you, but if you have any questions, please call us at ……

Your pet may be a bit disoriented for the next 48 hours.

Do not let them leave the house for the next 48 hours.

For some cats, their normal diet may be excessively rich after anaesthesia. To avoid any issues, we recommend using a recovery diet, following the instructions given on the package until it is finished. After that, you can feed your cat with their usual diet again.

The intravenous line for injectable medications and fluids has been placed on one of the front paws, thus requiring the hair in that area to be clipped. The surgical area has also been clipped. Your cat's hair will grow back within a few weeks.

The Elizabethan collar or protective mesh is placed to prevent cats

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from licking their wounds. You can remove it when your animal is supervised, but we recommend that they wear it at all times.

Check daily that the wounds or sutures are not bleeding, leaking fluids or excessively swollen, and in general, that they have not undergone any changes. If this happens, please ring us or send us a photo of the area to the following email address.....

As part of the procedure, a tube will likely have been placed in your pet's windpipe for them to breathe during surgery. This can sometimes cause a cough or irritation, but it should go away within a few days.

During surgery, two types of pain relievers are used, as well as antibiotics. The medication necessary is ……

A postoperative checkup will be performed in …… days.

Thank you very much.

Yours sincerely, Signature:

Caring for your pet's dressing

…… has a dressing on…… This sheet explains how to take care of it at home. We would like this document to be of help to you, but if you have any questions, please call us at……

Make sure the dressing stays dry at all times. A moist dressing can lead the wound to become infected and take longer to heal.

Cats should stay at home until the dressing is removed. If

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you need a litter box or litter, please ask us.

When dogs go outside, the dressing should be protected with a plastic bag. If you have questions about how to do this, the team will be happy to show you.

Remember to remove the plastic bag when you get home. It is very important. If left on for a long time, it will cause the area to sweat, which will lead to skin irritation and increase the risk of infection.

Try to limit your pet's activity as much as possible to prevent the dressing from falling off or contact injuries.

If you have any questions about the state of the dressing, please call us.

If your pet tries to lick or chew on the dressing, an Elizabethan collar will be necessary.

A checkup will be performed in …… days.

The dressing will be changed on …….

Thank you very much.

Yours sincerely,

Signature:

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Process improvement

We veterinarians have a large amount of technological devices at our disposal and we spend a lot of time training in their use. However, technology has not fully entered veterinary practices.

Tools

Technological solutions

Computer use in veterinary practices is quite basic and in many cases the wide range of technological solutions that can facilitate practice administration and management is unknown. It does not mean that all these solutions should be used, but their existence should at least be known, especially in smaller practices where not all administrative tasks can be delegated. Here are some of the tools that can be used to improve processes:

- **Office tools** (Office, OpenOffice etc.). These tools usually include a word processor, a spreadsheet program, a presentation program, email management and database management software, etc. These tools will allow the practice's administrative tasks to be carried out with a more professional image. In addition, in those practices that do not have their own management system, these tools can replace some of the management system's functions, such as personalising documents, analysing objectives, etc.
- **Concept map generator** (Freeplane, Freemind, etc.). These are tools to create diagrams and hierarchies. They are very useful applications when we want to develop protocols, but also when we want to create a map of the customer journey or define a strategy.

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- **Project management** (GanttProject). It is a visual tool designed to assign time and people to the different tasks of a project. It allows us to define everything that needs to be carried out (and in what order) to achieve a goal. The project can range from renovation work in the practice to the development of a promotional campaign.
- **Online email marketing platforms** (Mailchimp, Hubspot, Omnisend, etc.). These tools allow us to create advertising or information campaigns using email and social media. Some platforms already have the ability to contact system customers with personalised offers. However, sometimes these email marketing tools can also be used to manage social media, generate leads and everything we need for digital marketing.
- **Social media management platforms** (Buffer, Hootsuite, Tweetdeck, etc.). These are platforms that allow you to create posts for different social media and schedule them over time. The importance of social media goes beyond updating our status regularly, it requires a strategy and also scheduling our different actions. Using such a platform allows us to decide what is going to be communicated in advance, thereby optimising our time.
- **Instant messaging** (Whatsapp, Facebook Messenger, etc.). These are applications that promote immediate communication with our clients. Most of us associate them with smartphones, but they also have computer versions that make their use easier during working hours. In addition, the business versions have other options such as creating a product catalogue, scheduling appointments or the like.
- **Image design applications** (Canva, Photoshop, etc.). They can be used to design the images that are used for communication. They allow us to improve the photographs we share (for example, by adding our logo), but also to design the images that we will use on our social media channels, to decorate our waiting room or in promotional campaigns.
- **Video editing programs** (Blender, Quicktime Player, etc.). It is not necessary to make professional videos, but if we are going to be on social media or have a video blog, it is necessary to be able to edit them so our image is consistent.

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- **Video conferencing applications** (Zoom, Skype, Teams, etc.). They allow remote interaction, either with the team or with clients and suppliers. Each of these applications has its advantages and disadvantages, especially regarding communication security, but they all enable video calls with one or more participants, which facilitates team meetings, communication with clients, etc.
- **Social media** (Facebook, Instagram, Twitter, Tik-Tok, Snapchat, etc.). There are more than 200 different social media platforms with their advantages and their target audiences. Each practice should decide which media it needs to achieve its objectives regarding customer loyalty and brand enhancement. Although they are easy to use, you should have a strategy and follow some user guides.
- **Team communication tools** (Slack, Trello, etc.). They enable task organisation, internal communication, remote work, file transfer, etc., depending on the size of the practice (it is clear that, in principle, a small practice with less than five people does not need this type of help). With these tools, team meetings do not have to be in person. In addition, tasks that are shared can be managed efficiently.
- **Analysis tools** (PowerBI, Tableau Reader, etc.). These are solutions for the management of data from practices and the creation of reports and graphs for their analysis, and, consequently, for decision-making. Although many management programs can already generate reports, often they are not adjusted to the needs of each practice. For this reason, it is sometimes very useful to be able to export the information to an application that allows the data to be organised in the way that suits us.

There are numerous solutions for management, communication, analysis, etc. Each practice has specific needs and the more it grows, the more of these tools will be necessary for good management. Although we are not expected to be experts in these tools, and many tasks may be delegated, knowing how to use these solutions will give our practice a clear competitive edge.

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Management software

Management programs are known as practice management software or systems (PMS). Veterinary practice management programs are becoming an increasingly important part of practices and they are present in an increasing number of them. However, it is usually the least exploited investment of all those that are made. In many cases, veterinarians are unaware of all the solutions they provide. Traditionally, these tools have been used as a point-of-sale (POS) terminal rather than as true management software.

A PMS can carry out a large number of administrative tasks, thus improving practice efficiency. However, to achieve this it requires data to work with. A great handicap in the management of practices is the quality of the information handled; this should be the entire team's responsibility. Furthermore, once the data are entered into the PMS, the sensible thing to do would be to create dashboards to control the parameters that each practice wishes to control, instead of using a common one.

Currently, we can choose between a program installed on our computer (or POS terminals) that stores all the information in its memory, thus requiring a regular backup, and one that saves the information on a cloud. This allows quick access to the information if it is located on the hard disk and full control over the data that are saved. It requires an investment in equipment (if the practice requires several workstations, it is advisable to use a server) and a protocol for backing up the data.

Browser-based software is becoming increasingly popular, and allows secure storage of all the information on a server, or two, if a second mirrored server is used for extra security. This last option has several advantages, such as enabling access from any device that can run a browser (computer, tablet, mobile phone, etc.), the security of having our data stored

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on a server and the lower investment in equipment required. However, this type of software depends on a reliable Internet connection and in case of connection problems, the data may not be readily accessible.

Tasks

What should a PMS do?

The tasks that a PMS can (or should be able to) do include the following:

- **Point-of-sale (POS) terminal** . It can record all the transactions that are carried out, and generates the necessary invoices for correct bookkeeping. It should also allow the creation of detailed estimates, as well as payment management.
- **Cost control** . If all the invoices that have been issued to the practice are entered and any other expenses recorded, it can provide a reliable image of the practice's financial health. In some cases, it can also allow this information to be transferred to the accountant if it has good integration features and can ensure it complies with legal obligations.
- **Inventory control** . Products that expire or disappear are a problem in some practices; such losses can represent a significant percentage of losses for a veterinary practice. Many management systems contribute to avoiding that, since they can be used to monitor the practice's inventory and to create alarms when products are about to expire.
- **Flexible product and service catalogues** . Being able to create lists of related products and services (families) makes it possible to analyse the different business areas and their importance within the practice. In addition, the price catalogues should be comprehensive and ensure that a service includes all the items related to it.
- **Purchase management** . If a product in the inventory reaches replenishment level, the program should be able to add it to the practice's daily purchase order.
- **Client management.** As has been seen, knowing our clients ensures greater success when communicating with them. Therefore, a good

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management system should provide detailed client lists to allow us to contact them regularly.

- **Patient records.** A PMS should provide easy access to patient records; the use of standard questionnaires to categorise patients for marketing campaigns (dental health, health status, etc.) should be valued. In addition, these programs should allow files to be imported from the different practice workstations so that everything related to a patient is located in one place.
- **Communication with clients** . A PMS should enable us to contact clients by different means, and to manage social media. We should no longer only send reminders when the immunity provided by a vaccine is likely no longer sufficient, but also on the pet's birthday, the anniversary as a client or other noteworthy events.
- **Schedule control.** In teams of a certain size, it is necessary to organise work shifts, but also to control arrival and departure times. These tasks can easily be performed by a computer.
- **Creation of personalised documents.** A great amount of information is generated every day (admission, anaesthesia and hospitalisation sheets; postoperative advice; etc.). It is ideal to create a series of standard documents that can then be printed out or digitally signed.
- **Standardised procedure manuals.** The software may include an area where the practice's work documents can be found and updated regularly, so employees to know what to do in certain cases.
- **Work schedule.** It allows work to be organised. For a smooth functioning of the practice, it is important to know what each person is doing at all times, but also which rooms are occupied and which ones are available. For this reason, the work schedule should include consultations, but also procedures, meetings, hospitalisations, etc.
- **Online commerce.** A PMS should be the place where customer orders are managed, regardless of whether these were placed by means of the website or another means. Online prescriptions should be available for chronic patients.
- **Application** . In some cases, the PMS can be linked to an app that is installed on the client's phone. This allows loyalty to be increased, as it

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improves communication with a closer contact.

- **Backup.** The system should be able, in the most autonomous way possible, to create regular backups of all the information it contains so as to avoid a loss of data, which would be catastrophic.
- **Digital signature.** In a world where paper documents are less and less used, the system should offer the option of digitally signing documents in compliance with the local legal requirements.

Before acquiring a management system, we should know our needs and technological requirements to determine which one best suits our expectations. And, above all, we should spend a little time learning how to use it to get the most out of it.

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Target-based incentives

Personnel retention

Hard work deserves a reward

Healthcare workers cite salary among the six most important factors in their work, but do not place it in the top three.

When we hire a veterinarian, we know what we are looking for: someone who works well and who is paid a fair salary, generates a lot of income and does not protest. Also, we want them not to leave our practice to become one of our competitors later.

Obviously, this is very difficult to achieve. We need to find a way to seduce our staff so they remain with us as long as possible. To do so, we should begin by understanding that all workers should be paid a decent salary regardless of how many out-of-hour emergencies they have dealt with in a certain period (first level of Maslow's pyramid). We cannot ask an employee to sacrifice their personal life and deal with the stress of being on call only for them to make ends meet.

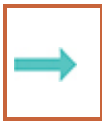
Having an employee whose means of achieving financial stability affects their personal life (the more out-of-hour shifts, the higher the salary) is not feasible. In addition, this circumstance may lead a veterinarian to situations in which, driven by other needs, they may cease to care for the animal's

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welfare and the customer experience and make unethical decisions to increase their own benefit.

One of the premises of practice management is that income must be generated to meet expenses, including the salary of employees. The other premise is that the main driving force behind this income is the human team, from the veterinarians to the nurses.

With these two clear premises in mind, let us see how the employees of a veterinary practice should be remunerated.



Determining employee salary

Salary expenses (which not only include salary, but also social security and insurance contributions) for all team members should be between 40% and 45% of the practice's gross income for any quarter. This figure will depend on the business model. Time and money are synonymous, so if we own a small practice and enjoy taking a day off during the week, salary expenses will represent a higher percentage of the practice's income. Profitability is sacrificed for free time.

In most practices, this percentage is divided equally between the salary expenses for the veterinary team and those for the nurses (if the staff ratio is above 1.5–2 nurses for each veterinarian). As the nurses' responsibilities increase, the amounts will vary.



A practice can offer each veterinarian a salary package equivalent to 20% of how much is billed for services.

EXAMPLE

A practice with an annual turnover of €250,000 (without VAT) can allocate €100,000 to salary expenses. Of that amount, €50,000 should be allocated to the salary packages of veterinarians

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and the remaining €50,000 to those of nurses. This is also a way to determine the practice's staffing needs: "Do I have enough money available to pay a veterinarian?"

When hiring a new veterinarian, we should bear in mind what is expected of them. The salary package of a recent graduate can be 19% of their expected gross income and increase as they meet their objectives.

EXAMPLE

A veterinarian who bills €8,000 per month for products and services can receive a monthly salary package valued at €1,560. Remember that when we are talking about the salary package, we are not only referring to the salary itself, but also to social security contributions, training expenses, etc.

In subsequent years, when reviewing employee remuneration, we can increase their salary package by 0.5%, provided a 10% increase in turnover was achieved in the previous year. At the end of the day, if sales grow, it is because the team has worked more and it is only fair that it is reflected in their remuneration.

Let us see what would happen to a veterinarian if, in the 5 years that they have been employed, the expectations of a yearly 10% increase in revenue are met.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Average monthly revenue	€8,000	€8,800	€9,680	€10,648	€11,712.8	€12,884.08
Annual revenue	€96,000	€105,600	€116,160	€127,776	€140,554	€154,609
% for salary package	19%	19.50%	20.00%	20.50%	21.00%	21.50%
Monthly salary	€1,560	€1,716	€1,936	€2,182.84	€2,459.69	€2,770.08

After 5 years, our veterinarian has increased revenue by €4,884.08 per month (€58,609 per year) and we reward them with a €1,210.08 increase in their monthly salary package. This does not necessarily imply that only their salary increases, but rather that we can allocate a greater amount to training, offer them more free time, etc.

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Instead of compensating only for the direct growth in revenue, we should take into account the assumption of new responsibilities within the team (developing health prevention programmes or work protocols, for example) or the creation of new services for clients (senior patient clinics, cardiac checkups, behavioural consultations, etc.).

If performance is only maintained or does not reach the expected increase, salaries have to evolve in the same way. During our annual appraisal we should discuss the reasons for any slowdown in productivity and draw up a recovery plan. A decrease in productivity can be due to many factors that are not always related to the veterinarians (economic crisis, opening of a nearby clinic, etc.), so in that case it would not be fair to cut their salary.

What must be clear is that salary expenses are paid with the revenue from services, and this will vary depending on the organisational structure. In most cases, the revenue should be between 3 and 5 times the salary expenses of each full-time veterinary unit (FTVU). The FTVU is made up of a veterinarian and the proportional part of the practice's nurses. The revenue from veterinary services can only have an impact on the veterinarians' salaries, although the work of all the team members is essential for it to be as high as possible.

It is better understood with an example: if a practice employs 2 veterinarians and 3 full-time nurses, each FTVU is made up of 1 veterinarian and 1.5 nurses. Each FTVU will have to bill 2.5 times (1 divided by 40% of salary expenses) the total salary expenses of the unit (1 veterinarian and 1.5 nurses). The way the salary is paid is also important. In my opinion, the best thing, as far as local legislation allows, is to separate it into two parts. The first part is fixed and is complemented by another part that is variable, related to productivity. In this way, the employee is motivated and rewarded.

EXAMPLE

The veterinarian, whose salary package has been estimated at €1,560 per month, receives a net salary of approximately €1,100. If we expect them to bill about €8,000 per month, this equates, for example, to a base salary of €700 plus 5% of the first €8,000 billed.

Variable pay can depend on sales thresholds. If expectations are exceeded, we must reward them. The objectives must be achievable in order for them

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to fulfil their function of motivating staff. Otherwise, no one will make an effort to reach them and we will have wasted our time.

Let us look at an example of a variable pay scheme with different thresholds. First of all, we should establish productivity thresholds:

- Sales between €0 and €8,000: fixed pay + 5% of the sales revenue.
- Sales between €8,000 and €16,000: fixed pay + 8% of the following €8,000.
- Sales between € 16,000 and € 24,000: fixed pay + 10% of the following €8,000.

If we have calculated that the veterinarian should earn about €1,100 (19% of the revenue) and we expect them to bill €8,000 per month, we know that their fixed pay will be €700 and their variable pay, 5% of the €8,000. Their salary is calculated based on the revenue of the previous months and the objectives. If we hire someone who bills €4,000 per month on average, we cannot expect them to double this amount as soon as they start working.

Monthly revenue		€8,000	€9,000	€10,000	€11,000	€12,000	€13,000	€14,000	€15,000	€16,000
Fixed		€700	€700	€700	€700	€700	€700	€700	€700	€700
		What percentage is applied to the revenue?								
%	5	€8,000	€8,000	€8,000	€8,000	€8,000	€8,000	€8,000	€8,000	€8,000
	8		€1,000	€2,000	€3,000	€4,000	€5,000	€6,000	€7,000	€7,000
	10									€1,000
		What amount, in euros, corresponds to the percentage?								
%	5	€400	€400	€400	€400	€400	€400	€400	€400	€400
	8	€0	€80	€160	€240	€320	€400	€480	€560	€560
	10	€0	€0	€0	€0	€0	€0	€0	€0	€100
Monthly salary		€1,100	€1,180	€1,260	€1,340	€1,420	€1,500	€1,580	€1,660	€1,760

As we can see, an employee who bills twice as much as expected gets an increase of more than 50% in salary. In this way, we reward the effort

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proportionally. Salary reviews in the following years can simply be done by changing the percentages for each block at the same time as the salary is increased. We should take into account the relationship between revenue and salary package percentage that we have commented previously.

This system also works if the expected revenue is not reached, since the salary suffers in a negative way.

Monthly revenue	€8,000	€7,000	€6,000	€5,000	€4,000	€3,000	€2,000	€1,000
Fixed	€700	€700	€700	€700	€700	€700	€ 700	€700
	What percentage is applied to the revenue?							
%5	€8,000	€7,000	€6,000	€5,000	€4,000	€3,000	€2,000	€1,000
	What amount, in euros, corresponds to the percentage?							
%5	€400	€350	€300	€250	€200	€150	€100	€50
Monthly salary	€1,100	€1,050	€1,000	€950	€900	€850	€800	€750

It is clear that an employee who does not generate the revenue necessary will have a difficult time making ends meet. If a veterinarian barely achieves a revenue of €1,000 or €2,000 per month, we should ask ourselves the following question: do we really have the right employee? Perhaps we needed a qualified nurse and not an inexperienced graduate, as there is no increase in revenue to justify it.

Emergencies deserve a separate mention and can be divided as follows:

- On site. The hours worked (and therefore, the revenue generated during those hours) are counted as part of the total hours and the same scale is applied to the total revenue.
- On call. The extra work can be rewarded with a fixed amount (having to carry the emergency mobile phone generates stress in the employee's personal life and should be compensated for) plus the extra amount the client pays for being seen out of hours, or when this applies, the extra amount paid for emergency surgery. Ultimately, practice owners do not make money if the vet does not see any patients. There must be some motivation for them to leave the comfort of their home.

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In conclusion

Hard work deserves a decent salary, which should be based on feasible and realistic business objectives.

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Simple tools to assess success Income and expenditure monitoring parameters in a veterinary practice

Purpose

A plan to meet our financial goals

There are many ways to be lost. It happens when you do not know where you are, but also when you do not know where you are going or how to get to a point. In order to go from one place to another, you have to know these three elements: where you are, where you are going and how to get there. If you are missing any of the three parameters, whatever path you take will look good to you.

Although this seems obvious, this does not happen in most businesses. Many entrepreneurs have an accountant who explains where they are. Some know where they want to go and have business goals (both in terms of sales and services). However, the vast majority of them lack a plan. A roadmap is necessary to reach our income targets.

As veterinarians, we trust that our work and effort will make our clients value us positively and, therefore, that this will increase our income. Also, we think a practice is profitable based almost exclusively on how much money there is on our current account at the end of each month.

Veterinary practice management systems are increasingly complete (and complex). They can store a very large amount of data and assess a multitude

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of parameters. The downside of this is that we need to decide what to do with all this information, and what it should be compared with. It is possible to check our monthly revenue, the number of consultations, the revenue per veterinarian, etc. We can see these data, compare them with those of the previous month (or with the same month of the previous year) and check if we have produced more or less. However, this may not be enough, especially if we do not know clearly where we failed to earn money.

Veterinarians often believe that work and effort are enough to improve their reputation and, consequently, their income.



How is my company doing?

To all of you who own a practice, I recommend that you hire an accountant to take care of your accounts from a tax point of view. Legal requirements vary and they are the right people for this job. However, it is the manager's task to analyse the practice's figures, compare them with market standards and make strategic decisions, since the vast majority of accountants lack this information. There are external consultants whose speciality is strategic analysis and decision-making to ensure our strategy has a greater chance of success.

Accountants are legally required to prepare an annual **balance sheet** . The balance sheet is a financial statement reporting the company's assets at a point in time, which is provided to the public administration authorities. Every practice manager should have basic accounting knowledge to understand the information it contains, although it is a still snapshot that does not reflect the practice's financial health.

The balance sheet is made up of **assets** (what the company owns plus what is owed to the company) and **liabilities** (debts, what the company owes; plus equity, contributions from partners). Assets and liabilities must be equal.

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The assets are divided into two categories and reflect the company's financial structure:

- **Fixed assets:**
  - **Tangible** . Buildings, equipment, furniture, computers, vehicles, etc.
  - **Intangible** . Computer applications, patents, etc.
  - **Financial** . Financial investments (stocks, investment funds, etc.).
- **Current assets** (their lifespan is less than a year):
  - **Stock** . Medicines, feed, etc.
  - **Customer debts** .
  - **Available** (cash).

Total liabilities can also be divided into two types and reflect the company's financial structure (how the assets have been purchased):

- **Own resources or equity** . They are contributed by the owners or will be generated in the company. For example, capital, reserves, economic and noneconomic contributions, etc.
- **Third-party resources provided by third parties** . Short and long-term credits, loans, etc.



Calculating the return on investment

The balance sheet gives us a snapshot of the company's finances at a specific point in time. However, it is not a useful tool from a practical point of view. It is important to understand it and try to avoid **leverage** . Leverage relates to the use of borrowed funds in relation to equity funds in a financial transaction. How does this apply in a practice? When borrowing money to acquire equipment, for example an endoscope, we must expect the new service offered to provide income of at least an amount greater than the interest on the loan. If not, we would be leveraging the company or in other

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words, we would have equipment that makes us lose money, instead of generating it.

Income statement

Practice overhead costs

Let us go back to the income and expense assessment tools. First of all, they should be used to find out if we can keep up with regular payments. All businesses, before opening the door in the morning, have a series of expenses, called overhead expenses (electricity, water, rent or mortgage, social security contributions, etc.) that have to be paid periodically. These are sometimes referred to as fixed costs, although they vary from month to month.

The most important thing to remember is that if a business does not have cash to support these payments, it can go bankrupt due to a lack of cash flow (if we cannot pay the rent, we could lose the premises and therefore our business).

To find out if these regular expenses can be covered, we have a tool known as **profit and loss statement** (income statement). This tool lists the income and expenses of a certain period.

Overhead costs can be divided into different categories:

- **Personnel expenses** . These do not only include salaries, but also social security and severance contributions, as well as other personnel-related expenses. In addition, this part of the income statement will allow us to show each employee a balance of what they really cost us, since on many occasions, only their salary is considered as a cost for the practice. The incentives will be the variable part of these expenses.
- **Operating expenses, fixed or structural** . They are those related to the practice's operations.
  - Supplies. All the bills from the different providers of: electricity, water, telephone, gas, internet, etc.

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- Professional services. Our accountant, lawyer, website manager, etc. We may not pay them every month, but their work should be reflected here.
- Rent or mortgage.
- Insurance. Whether it concerns civil liability, theft, the materials we have, etc.
- Office supplies. From copier paper to reception pens.
- Repairs and maintenance. Light bulbs that fuse, clippers that break or need sharpening, etc.
- Banking services (commissions).
- Advertising. Everything we spend on advertisements or campaigns for the business.
- Renting or leasing (equipment). Sometimes, instead of buying materials in cash, there are formulas that allow you to purchase them in instalments.
- Vehicles. If there is a practice van, all monthly expenses are included, from leasing costs to MOT costs.
- Other expenses.

- **Financial expenses** . Repayment of loan principal.

All these expenses should be added up to know the fixed costs of opening our business each morning of the month. Variable expenses should also be covered and enough revenue generated to make a profit. We must know our business units; each one should have its own commercial strategy, and the same margin should not be applied to a nonspecialised service (such as the annual checkup) and to a very specialised service (such as cataract surgery). Paradoxically, a practice may improve its income from one month to the next because someone has vaccinated a hundred puppies at once, but see a decrease in its profitability with respect to the previous month if the other business areas have not earned the same.

When starting a business, we must calculate overhead costs to determine if we can afford them.

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Classification of income (business units)

When calculating income, it can be divided according to where it comes from, be it a medical service, a product sale or grooming income, to name just a few possibilities. Remember that when we talk about income we are referring to net income.

- **Veterinary services**
  - Preventive medicine
    - Health checks
    - Vaccinations
    - Sterilisation surgery
    - Oral cleaning
    - Screening tests
    - Wellness or health plans
  - Reactive medicine
    - Consultation
    - Treatments
    - Reactive surgeries
    - Diagnostic tests
    - Veterinary services in general
- **Other business areas**
  - Services
    - Pet transport
    - Blood bank
    - Training
    - Admissions
    - Grooming

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- Products
  - Shop
  - Medicines
  - Accessories

By calculating the percentage of income from each business area in relation to the total income, we will know the type of business we have. It is clear that for a practice or hospital to be considered as such, its income must come mostly (above 60–70%, depending on the market) from veterinary services. If, on the other hand, most of the income comes from medicines, food or shop items, this is more of a pet business, where the veterinary practice is a secondary business activity. In first-opinion practices, the importance of income from other business areas is usually higher (up to 30% of the total) than in referral practices where more advanced veterinary medicine is practised. The income parameters according to business units should be monitored regularly for the practice's strategy to be successful. In addition, any unit with a revenue that accounts for more than 15% of the total revenue should have a marketing strategy of its own. Likewise, it should be clear that these units should have different profit margins. Little differentiation is possible with preventive medicine and, therefore, these services will compete more on a price level, which implies lower margins; while reactive medical services can be subject to higher margins.



Evolution of profits

The **gross margin or profit** is obtained by subtracting all variable expenses from the gross income. If overhead costs (personnel costs plus operational or fixed costs) are then subtracted from the gross margin we will obtain the **earnings before interest, taxes, depreciation, and amortisation** (EBIDTA). This figure, either absolute or as a percentage of income, provides a more appropriate picture of the business's financial health.

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However, the really important figure is the **net profit** , which is obtained by subtracting taxes from the gross profit. The net profit, as a percentage, is known as the **bottom line** and is the profitability of the business. A veterinary business should have a net profit above 15%, including partner salaries and other chargeable expenses. Many veterinarians do not pass these expenses on and have a false sense of security, thinking that their business has better results than it really has. This parameter can be calculated monthly in a relatively simple way, either for each month or, what is much better, using the total income of the current tax or calendar year or interannual data (data from 12 consecutive months).

Sometimes, the figures for the year that is beginning are what we want to determine; what is known as a **sales forecast** is done. A sales forecast can be defined as the estimate or forecast of sales of a product (goods or services) during a future period. This will allow us to calculate our company's cash flow (cash needs) for that period and the need or not for extra financing.

Returning to the example of puppy vaccinations: it would be illusory to think that if we vaccinated approximately ten puppies a month during the previous year, our monthly average for the next year will be 50.

Also, we have to use the sales forecast when considering the purchase of equipment. If there are about ten consultations a day, they represent about 3,000 a year. Does this volume of cases justify the acquisition of a CT scan?

Another common mistake is applying inappropriate discounts. The gross margin of both services and products must be known before considering offering a discount. The following table shows the necessary sales increase, depending on the current profit margin and the discount applied.

Discount	Current margin			
	15%	20%	30%	40%
	How much more do I need to sell?			
5%	50%	33.3%	20%	14%
10%	200%	100%	50%	33.3%
15%		300%	100%	60%

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What is a business plan?

Purpose

A business plan is the basis of all decisions

Every company should have a business plan, and a veterinary practice is no exception. However, veterinarians often forget this aspect. Why waste time if we all know what a veterinary practice does? Make the animals feel better.

We are our own worst enemies and do not want to acknowledge our own limitations, and yet admitting our own limits is something that veterinary clients appreciate (Mellanby *et al.* , 2011). When we do not know how to do something, we ignore it. I speak from the experience of many years of working on cases where the clinical sign that did not fit with the most appropriate diagnosis was ignored. In most cases nothing happened, but in others, when things got ugly, that clinical sign became more important than we thought at first.

That is why I consider all practices should take their time to develop a business plan, which will be the basis for all decisions made regarding the company and will prevent it from trying to compete on price one month and on services in the next, for instance.

The first thing is to know why we are going to prepare a business plan. The first and most important reason is that it helps us define our objective, through the analysis of relevant information. In addition, it is the tool that enables us to present our project to potential investors or banks.

All ideas are worthwhile, but until we put them on paper and analyse them, we often do not discover possible weaknesses and deficiencies. This happens if, for example, we spend a significant amount of money on an endoscope for the practice, but then we realise that nobody really knows how to get the full potential out of it, or if we do not invest in marketing so that clients and neighbouring practices know that they can refer their cases to us.

Likewise, we can show our business plan to experts in the field who will give us their opinion on it. It is very common for veterinarians to want to do things their way, without considering that someone has already made the same mistakes. For example, deciding to locate the operating room on the top floor of the premises, because most of our clients will be animals weighing less than 20 kilos, until an emergency caesarean section of a Saint Bernard has to be performed at 1:00 in the morning, and our assistant vet who is on call is unable to lift the dog despite the owner's help, meaning that they have to go themselves.

What is a business plan for?

- It defines the objectives of our business based on the analysis of relevant information.
- It is the basis for the decisions to be made in the company.
- It helps to detect possible weaknesses or deficiencies.
- It can be presented to potential investors or experts who advise us.

Format

The business plan is a living document

Once we know what the objectives are, let us see what characteristics our business plan should have. The first requirement is to be a written document. A statement of good intentions is not enough, there should be a

hard or electronic copy of the document so we can check it when we need to make a decision. It should be, at the same time, a living and updatable document; we can and should change it since, like all working tools, we get better at handling them the more we use them.

When choosing the format of the business plan, we should consider the most appropriate based on the audience. The well-known "elevator pitch" is a short summary of the business plan that is used to capture the attention of investors; an oral presentation with slides will make a conversation with them possible or allow us to present the company to potential employees. In the case of a veterinary practice, it is necessary to deliver the plan in writing to investors, and to develop a more informal version for internal use as an operating plan.

Contents

Requirements of a good business plan

The main topics that should be addressed in a business plan include the following:

- **Objective of the company** . It should be a phrase that condenses the practice's aspirations. It does not consist so much in "seeking world peace" as in "providing pet healthcare, in the best possible way, without forgetting the need to produce benefits to improve the services offered and help NGOs for animal protection".
- **Personnel** . It is important that in this section we include all the people involved in the project, with their own experience. This will be, preferably, proven and demonstrable experience; since investors will take a close look at who and what they are investing in. Still, do not try to hide your weaknesses. If you are not able to do the accounting for the business, you can include that you plan to hire someone to take care of it, as is usual.
- **Business profile** . In the case of a veterinary practice, it is very important to make it clear what the value proposition is, since the lack of

differentiation is the main problem of businesses.

- **Business valuation** . This is where the market study carried out by a specialised company (if we did not do it ourselves) comes into play, and in which we explain why our practice will open in a certain area (the potential number of pets, the lack of competition or other reasons).
- **Cash flow valuation** . It is very good to think that the first year we are going to generate certain profits, but we may end up having to close after three months because we do not have enough cash to cover salaries, rent and other expenses. Many businesses with great profit potential have closed because they were unable to meet payments. It is vitally important to know how much money we will need each month and how we plan to deal with those expenses.
- We should also include an expansion plan and a section dedicated to the marketing of the business.

Elaboration

The business plan in six steps

When writing a good business plan, we should not forget the following six steps:

1. Give a brief description of your business concept, in this case your veterinary practice.
2. Collect all the information you can about the veterinary sector.
3. Polish and refine the concept based on the data collected. If in your area there are three specialists in behavioural medicine, perhaps you should think that there is no room for another. However, there is room for a practice with a specialist in exotic animals.
4. Start defining the specifics of your business. To do so, try to answer the questions what, where, why and how of each of them. Use tools such as the SWOT analysis or the blank canvas .

5. Present the plan in an appealing way, so that it is not only a working tool, but also an ally when looking for investors.

6. Use a standard plan if you are not able to start one from scratch.

Market vision

Knowing the sector is essential

Once we have started to write the plan, there are certain essential points that need to be considered:

- **A well-honed business concept.** Although a practice that cares about animal health is an ethically perfect concept, we should not forget that economic difficulties can lead us to make decisions with an eye towards the bottom line, rather than the patients (getting rid of staff, reducing the quality of service, etc.). It is advisable to work in the sector before starting your own business, since there can be a great difference between your business concept and the reality.
- **Understand the market.** In veterinary medicine, this point is fundamental. Veterinarians want diagnoses, owners want prognoses. They are not interested in knowing what is happening to their pet, they want to know if it will get better. All clients are special and require individualised attention. Although no one wants to spend money on diagnostic tests, they will be less fearful if they understand what they are for, what we are looking for and what the options are depending on the different scenarios. For example, an 11-year-old dog is taken to our practice because it cannot walk well on its hind legs. We suspect arthritis and report it to the owner. Since the treatment with and without X-rays is very similar, the owner will have trouble understanding why X-rays were done if the treatment does not vary. It is appropriate to inform them that the differential diagnosis includes other diseases that we wanted to rule out. As we can see, communication with the client is essential.
- **Sustainable growth** . We should remember that inflation causes the prices we pay to rise regularly. We should try to achieve the same with

our income, to be able to deal with inflation and possible expansions.

- **Skilled management** . If you do not know how to run a business, because you do not have the training, the interest, or the time, find someone to help you full-time or at specific times.
- **Financial control** . As veterinarians, we do not have the proper training to keep the accounts of our business, but we do need to know some basic concepts. After all, would you risk your money in a game where you do not know how the scoreboard works?
- **Prepare for the unexpected** . Not everything is black or white. In the same way that a business can go very well, it can also go very badly. So be prepared for change, especially at the beginning, even if it is difficult to conceive.
- **Leave room for technology in your business plan** . A veterinary practice cannot survive if it ignores the present. Learn to see business opportunities in new technologies (remote diagnosis, online sales, etc.).



The ten mistakes to avoid

I would not like to end this section without commenting on ten concepts that we should avoid when drawing up a business plan:

1. Never be too optimistic about your sales.
2. Never be too optimistic about your costs.
3. Do not ignore your weaknesses, show them to be able to tackle them.
4. Never set goals on a too long or too short term. It is better to consider the sales of the first year than those of the first three (you may not make it to the third).
5. Do not just depend on your great skills as a veterinarian. Very few people live off such a small field of business.

6. Do not think that you are capable of doing more things than you really can.
7. You do not want to be a veterinarian, an accountant, and a manager. Focus on what you are capable of and ask for help with the rest.
8. Never go into business without knowing something about accounting.
9. Do not base the business plan on something that makes sense in your mind, you must test it first. I have known many veterinary employees who looked suspiciously at their bosses who charged for everything, only to realise afterwards that when their house was at stake, they were equal to or worse than what they had criticised.
10. Do not hesitate to spend a day or a week preparing a business plan, as it may get you out of more than one problem situation in the future.

We should assume that being a business man or woman is not something that everyone is good at. Veterinary entrepreneurs are made, not born by accident.

And remember: better to say no to a customer than to say yes and leave them dissatisfied.

"*Si vis pacem, para bellum* ". Publio Flavio Vegecio.

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Controlling expenses

Where should we begin?

Reduce superfluous expenses.

The best way to increase profit is also the simplest: reduce expenses. However, cutting expenses should not impact the customer experience.

Reducing expenses is a complicated exercise in which many factors come into play. Therefore, in addition to optimising processes, we must take into account the payments the business has to make (fixed and variable). However, expenses are the only factor we can control to improve profitability, because the income depends on the customers, so it is necessary to create budgets and comply with them as much as possible.

The different expenditure items are calculated in relation to the total income (excluding VAT), which generates percentages that are easy to compare.

"*Be careful with small expenses. A little leak will sink a great ship* ". Benjamin Franklin.

Overhead costs

- **Personnel expenses**

  We have to keep the right number of employees and to do so it is essential to regularly monitor productivity. Many practices hire a new veterinarian because they think they need one, but in reality, adjusting

office hours and a nurse may resolve the problem. Performance-related remuneration should be the most important part of personnel costs.

In any case, the investment in personnel should be, except for specialised models of practices, between 35 and 45% of the total income (without VAT).

- **Operating expenses**
  - Supplies. The market for energy supplies and services is liberalised, so we can change our provider of electricity, gas, telephone, etc. Do it! On many occasions, for the mere fact of commenting that you are thinking of changing provider you get a reduction in the rates applied or a discount on the invoice.
  - Make your business more environmentally-friendly: install lights that turn themselves off (movement sensors in the corridors, for example), buy energy-saving light bulbs or LEDs, reduce paper consumption (printing on both sides reduces the cost of paper by half), install insulation to reduce the cost of heating, etc.
  - Advertising always suffers in times of crisis, but it is precisely at that moment when we have to make ourselves seen; you have to look for alternatives. You can start by sending your reminders via email, instead of regular mail, or collaborate with the local newspaper in exchange for advertising on its pages.
  - Negotiate with your bank with regard to commissions, loans, etc. If we are concerned about not losing clients, the same thing happens to them. We should find out if we can change our mortgage to make it cheaper.
  - Equipment maintenance. A device in good condition is less likely to break than one that is not well maintained (this applies to the X-ray machine, but also to clippers). In addition, fully functioning devices contribute to performing tasks more efficiently, which reduces our electricity consumption, for example.

Operating expenses should represent between 15 to 25% of the total income (excluding VAT).

Cost of the products sold

The products sold are those that only involve a variable expense in the event of a sale. If they are not sold, they are in the warehouse without producing anything. These include food, shop products, external laboratory tests, nutraceuticals and cremations. The percentage dedicated to these costs will depend a lot on the type of business (the greater the importance of product sales, the greater it will be), but the maximum should not exceed 30–35%.

Expenses in relation to gross income according to the business model.

Expenses			First opinion	Hospital in vicinity	Specialised hospital	Emergency service
Personnel	Fixed	Salaries				
		Social insurance				
		Training				
	Variables	Incentives				
		External staff				
Total			35–45%	38–42%	45–50%	45–50%
Cost of products sold	Shop					
	Medication					
	Nutraceuticals					
	External laboratory					
	Cremations					
Total			30–35%	25–35%	<20%	<15%
Operating expenses	Premises	Rent/ mortgage				
		Water, electricity, etc.				
	Financial	Interest				
		Commissions				
	Municipal taxes					
	Reviews					
	Loan principal					
	Renting/Leasing					
	Marketing					
Total			15–20%	20–22%	20–25%	10–15%

To start saving on sales-related aspects, we should have an effective warehouse system and an assigned budget. Everything that expires, is damaged or simply disappears, is an expense.

An effective warehouse system provides the following benefits:

- Less space is required for storage.

- Inventory management is easier and therefore does not require so much time.
- The risk of products expiring decreases as there is more movement.
- You will have better control over your annual expenses and you will be able to apply offers more consistently.

There are three basic methods to optimise your inventory.

1. Avoid duplicating products that contain the same active ingredient.
2. Is it necessary to have all the versions of the same product?
3. Do we have different products with the same function? The usual suspects are antibiotics and ear drops.

The elimination of certain medications can affect the veterinarians' freedom of choice (some will prefer ranitidine and others cimetidine, for example). Therefore, these decisions must be made in a team meeting. In addition, we should inform all employees so that products which have been removed from our inventory are not ordered again.

In some cases we need several types of products, such as flea treatments, because customers request them. However, we will prioritise the physical presence of our product of choice in the practice (efficacy + cost--effectiveness), keeping the rest in the stock room. In addition, we should review the advice we give to customers, if they end up choosing products that we recommended as a second best option.

If suppliers charge monthly, the quantity of products consumed in a month, as a general rule, is the maximum quantity that should be in stock. Any excess is unavailable money left sitting on our shelves. However, there are three exceptions to this rule:

- Products that are not frequently used. When the number of treatments or annual doses is less than 12, there will always be a stock higher than the average monthly use.
- Products with very large packs. Obviously, if the catheters are sold in packs of 100 and we use less, we will exceed the maximum limit.

- Special offers or price increases. Sometimes it is profitable to buy a product on sale or before a price increase, as long as it is used before it expires.

As perishable products are used in the practice, it is important to understand the following concept, related to inventory management; the **FIFO** (first in, first out) method, which means the first thing in is the first thing that should be sold. With this formula we try to ensure that the products do not expire. For example, it is very common to place new feed bags at the front of the shelf. So if we never get to have zero stock, the last bag in the row may belong to an order placed several months before and be out of date.



Application of commercial margins

A very important way of saving money is to charge appropriately (as well as try to avoid applying discounts). To do so we need to have a clear understanding of some concepts. Many people confuse the markup with the gross margin.

- **Markup** is the profit expressed as a percentage of the purchase price.
- **Gross margin** is the profit expressed as a percentage of the sale price. The sale price is calculated by dividing the purchase price by 1 minus the margin that we want to apply in decimal format. For example, to apply a 10% margin the cost is divided by 0.9 (1 minus 0.1), for a 20% margin it is divided by 0.8 (1 minus 0.2) and so on.

Gross margin (GM).

GM	X	GM	X
10%	0.9	60%	0.4
20%	0.8	70%	0.3
30%	0.7	80%	0.2
40%	0.6	90%	0.1
50%	0.5	99.9%	0.001

Calculation of the markup and profit margin.

Increase on the purchase price		Gross margin	
Purchase price	€20.00	Purchase price	€20.00
Profit	€10.00	Profit	€10.00
Sale price	€30.00	Sale price	€30.00
Sale margin	€10.00	Profit margin	€10.00
Expressed as a percentage	€10 profit versus €20 cost.	Expressed as a percentage	€10 profit versus €30 sale price.
50.00%		**33.33%**	

When results are compared, a distinction should be made between one and the other. Profit margins are very sensitive to changes in costs or sale prices, so they must be taken into account when applying a discount.

The following tables show how decreases in costs affect profit and what we can do to respond to changes.

In this example the paradox is that costs are reduced and despite this, less money is earned. To avoid this, in the event of a 10% decrease in costs, we

can use the options shown on the next page.

Sales price calculation using a 50% markup.

Cost price	€5.00
50% margin	50% of €5.00 = €2.50
Sale price	€7.50

Options to compensate for the decrease in profits.

Maintaining the same absolute sales margin (€3.5)		**Maintaining the same sale price (€10.50)**	
Cost price	€6.30	Cost price	€6.30
Original sales margin	€3.50	New sales margin	€4.20
New sale price **(6.66% savings for the client)**	€9.80	Original sale price **(no reduction for the customer)**	€10.50
Profit on the sale of 100 products **(no reduction in practice profits)**	€ 350.00	Profit on the sale of 100 products **(20% increase in clinic profits)**	€ 420.00

Considering what happens when applying a gross margin and a markup, for certain products it is interesting to apply a net increase and not a percentage. We can say that we want to earn 2 euros for each pill we sell, regardless of the purchase price. In this way, our profit will not change based on the price at which we buy the pills each month.

In order not to forget anything when preparing the client's invoice, we should write down the medications that have been administered and the

procedures and tests carried out on hospitalisation sheets. The entire team is responsible for charging properly and the system must be prepared for it. In the next chapter we will continue talking about costs, and we will see how to better negotiate better prices when purchasing products in the section dedicated to suppliers.

In conclusion

We must buy at one price and sell at a higher price; a gross profit is needed to recover the costs and make a return on investment.

Pareto principle

Stock system

When trying to reduce spending on consumables, we should keep in mind Pareto's law, which establishes that for a given product line, 20% of the products in that line will account for 80% of sales.

In our case, we should consider that between 5% and 15% of the inventory items will account for 80% of the inventory value. So when designing a stock system, we should start by controlling these products.

Let us take into account the following concepts:

- Average inventory = (inventory day 0 + inventory day 365)/2
- Inventory turnover = Cost of products sold/Average inventory value
- Inventory days = 1/inventory turnover × 365

The inventory turnover should be high, as this indicates that the inventory is selling well, while inventory days should be low, as this implies a high product turnover. The ideal scenario is one in which the inventory days are shorter than the supplier payment days. If this can be achieved, the products are sold even before they are paid for.

Initially, we need to determine which products are the most sold; this can be done by carrying out the following exercise. In a table we will place all the products that were sold month by month during the year.

Product sales month by month of the year.

Product	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Average	Standard deviation	Coefficient of variation
A	5	2	12	21	23	30	12	15	9	8	5	6	12.3	8.5	0.7
B	56	51	23	12	7	5	4	21	23	27	19	21	22.4	16.4	0.7
C	1	2	4	1	5	0	0	0	0	3	2	4	1.8	1.8	1.0
D	12	17	15	14	17	19	20	14	12	16	18	22	16.3	3.1	0.2
E	26	28	42	17	3	4	14	39	31	10	18	20	21.0	12.6	0.6
F	18	25	49	11	45	37	12	37	41	15	32	36	29.8	13.2	0.4
G	21	25	18	18	48	37	47	44	21	13	20	9	26.8	13.6	0.5
H	44	17	36	8	35	15	4	36	45	47	7	35	27.4	16.1	0.6
I	45	27	18	34	21	39	6	39	18	29	45	40	30.1	12.4	0.4

This allows us to calculate the monthly average amount of products sold and to order the products from the highest to the lowest average.

Sale of products month by month of the year ordered from the highest to the lowest average.

Product	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Average	Standard deviation	Coefficient of variation
I	45	27	18	34	21	39	6	39	18	29	45	40	30.1	12.4	0.4
F	18	25	49	11	45	37	12	37	41	15	32	36	29.8	13.2	0.4
H	44	17	36	8	35	15	4	36	45	47	7	35	27.4	16.1	0.6
G	21	25	18	18	48	37	47	44	21	13	20	9	26.8	13.6	0.5
B	56	51	23	12	7	5	4	21	23	27	19	21	22.4	16.4	0.7
E	26	28	42	17	3	4	14	39	31	10	18	20	21.0	12.6	0.6
D	12	17	15	14	17	19	20	14	12	16	18	22	16.3	3.1	0.2
A	5	2	12	21	23	30	12	15	9	8	5	6	12.3	8.5	0.7
C	1	2	4	1	5	0	0	0	0	3	2	4	1.8	1.8	1.0

Once the average amount of products sold per month has been calculated, their book value should be determined. To do so, the purchase price should be used, which will often vary from month to month, so we should calculate their average cost throughout the year.

Book value of the products.

Product	Average	Purchase price	Book value
I	30.1	€1.00	€30.08
F	29.8	€2.50	€74.58
H	27.4	€8.00	€219.33
G	26.8	€3.00	€80.25
B	22.4	€0.50	€11.21
E	21.0	€4.00	€84.00
D	16.3	€5.20	€84.93
A	12.3	€8.00	€98.67
C	1.8	€25.00	€45.83

After determining the book value of all the products, the products are reordered from the highest to the lowest book value.

Products ordered from the highest to the lowest book value.

Product	Average	Purchase price	Book value
H	27.4	€8.00	€219.33
A	12.3	€8.00	€98.67
D	16.3	€5.20	€84.93
E	21.0	€4.00	€84.00
G	26.8	€3.00	€80.25
F	29.8	€2.50	€74.58
C	1.8	€25.00	€45.83
I	30.1	€1.00	€30.08
B	22.4	€0.50	€11.21

Once the real book value of each of the products has been determined, they are grouped into three groups:

- Group A: products that account for approximately 70% of the expenses.
- Group B: products that account for 20% of the expenses.
- Group C: products that account for 10% of the expenses.

Group A will be the one to which the most attention is paid, much care will have to be taken when choosing a supplier, looking at offers, negotiating discounts, price decreases etc.; while C will be the least important when making such decisions.

Products grouped according to their percentage of expenditure

Groups	Product	Book value	Percentage of expenditure	Accumulated
A	H	219.3	30.1%	30.1%
	A	298.7	13.5%	43.6%
	D	84.9	11.7%	55.3%
	E	84.0	11.5%	66.8%
B	G	80.3	11.0%	77.8%
	F	74.6	10.2%	88.0%
C	C	45.8	6.3%	94.3%
	I	30.1	4.1%	98.5%
	B	11.2	1.5%	100.0%

This exercise not only allows greater control over the inventory with the consequent savings, but also makes it possible to know if a purchase volume offer is profitable by knowing the approximate time it will take for the products to be sold.

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Establishing business objectives

The veterinary practice, like any company, must set productivity targets (number of visits, average spending, etc.) and types of clients targeted (active, defectors). If the business does not produce enough, it fails, but if the users are not satisfied with the service, it will also fail. However, we should know clearly what we want to achieve.

We can feel lost in many different ways: if we do not know where we are, if we do not know where we are going, and if we do not know how to reach our goal. In Chapters 8 and 33, we learned how to create customer quality assessment tools and how to analyse our income (productivity). Thanks to this we know where we are, but now we have to find out where we want to go and how to get there.

> "*If you do not know where you are going, it does not matter which path you choose* ".
> Lewis Carroll (*Alice in Wonderland*).

Customers

Set adequate satisfaction goals

In a mature practice (that has been open for at least 2–3 years), 5–10% of the total monthly transactions should correspond to new (nonactive) clients. If this figure falls below 5%, in most cases, the business is in the process of disappearing. On the other hand, if it exceeds 15%, it may be that users do not return as often, perhaps due to a lack of communication with the team or a perceived problem in service quality.

If we do not attract a sufficient number of new clients, resources will have to be dedicated to attracting them. Investments can be made in marketing (advertisements in local newspapers, radio, etc.) or to increase the offer of products and services, hire a specialist veterinarian or buy a more modern ultrasound machine. Finally, pet owners are our best representatives, so we can encourage them to refer us to a friend by offering a benefit in return.

On the other hand, if what happens is that we have a large number of new customers, we should use the results of the satisfaction survey to find out in which aspects we are unable to meet their needs and try to solve the problem. In addition, our social media strategy should focus on presenting services and telling success stories. It is important to make the team aware of the importance of patient follow-up and to consider creating a specific client recovery plan (see Chapter 9).

The use of a quality survey requires setting satisfaction objectives in accordance with the parameters we assess: waiting times, general evaluation, etc.

Productivity

How to assess turnover easily

Veterinary clinical practice is changing and we can no longer just use inflation and growth percentage added to the previous year's figures to estimate increases in turnover.

The turnover depends on two factors: the number of transactions and the transaction value of each of them. The number of annual transactions is equal to the product of the number of active clients (active clients are those who have visited the practice in the last 12 months to make some type of transaction) and the number of visits per year of each client.

Therefore, when it comes to increasing revenue, it can be achieved by increasing one of three factors: active customers, annual visits per customer, or average spending per visit. We must understand that an increase in each factor will produce a total increase, but that actions to increase the number of customers can be antagonistic to those of increasing average spending, for example.

- **Increasing the number of active clients.** The best policy to increase the number of clients is not to lose the ones we already have (see Chapter 9), by working to achieve satisfaction. A business is in good health when 10% of monthly transactions correspond to new users. We also know that we have to use advertising and different health plans (prevention, geriatric patients or puppies) to increase the number of active users. The number of active clients per FTVU is something that should be monitored regularly. The product of active clients by the average spending per client is used to calculate the income per veterinarian, which will allow us to know if the FTVU bills the necessary amount.
- **Increasing the number of annual visits.** An open day can be held to attract both new and existing customers. Knowing the inside of the practice will help to dispel the fear of the unknown that owners experience when their pet is hospitalised for a period of time. In addition, it is a great opportunity to show the existing facilities and equipment. Knowledge facilitates decision processes. For example, it is easier for someone to pay for an echocardiogram when they know what it is and what it entails. The function of social media is usually to retain customers, allowing the presentation of services and success stories.

  Other types of activities that attract clients to the practice are educational talks, which can take place once a month and address issues such as diabetes, heart disease or separation anxiety. Conducting these talks live through social media or having them available in videos on the website is an interesting option. However, it is important that the topics are of interest to pet owners and focus on giving practical information.
- **Increase average spending per visit.** The last option to increase the revenue of a business is by getting customers to spend more each time they visit the practice. To achieve this we should train staff in customer service, have clear protocols that favour productivity and appropriate prices for the level of expenditure.

The control parameters will tell us where we should place our advertising efforts and these will vary from month to month. In addition, it may be time to do a makeover and upgrade the practice to accommodate our new services. Once again this requires a financial investment, but it is essential to retain customers and keep them coming regularly. To increase loyalty, we will make more frequent use of reminders (by preparing a periodic newsletter and making special offers) and promote interaction in social media, inbound marketing, etc.

To set financial goals, let us start by talking about prices and fees and see how they are calculated depending on whether they are products or services.



Tips for setting prices

Setting a price for a product is much easier than setting a price for a service for several reasons:

- Product prices can be compared with those of other veterinary practices or with those of other vendors such as pet shops or supermarkets.
- Products usually have a sales price recommended by the manufacturer.
- It is easy to determine the cost of a product.

Most product prices are calculated by adding an increment to the purchase price. Products have a diffuse hedonic value; it is difficult to give emotional value to a product depending on where it can be purchased.

Usually, the purchase price of a product is not the actual price. It can be lower, thanks to discounts for sales volume or promotions, or higher, if other additional expenses are not taken into account, such as maintenance or losses due to expiring products. All this complicates the pricing policy and the profit margin may not be what we initially thought.

Example of the effect of supplier discounts on the sales margin.

50% markup		True margin	
Cost price	€10.00	Cost price	€10.00
		Supplier discount (10%)	€1.00
		True net cost	€9.00
50% increase	50% of €10.00 = €5	Sale price (same as without discount)	€15.00
Sale price	€15.00		
Profit	€5.00	Profit	€6.00
		True margin	(6 x 100) / 9 = 66.66%

When the increase over the purchase price is calculated, the following is taken into account.

- Many products (especially food and other shop products) have a recommended retail price (RRP) that may even be printed on the package. It should be respected because it is difficult for customers to appreciate the added value of the product. However, it is easy for them to compare with other sellers.
- We must investigate what the prices of our competitors are. It is not advisable to start price wars with pet shops or other sellers who can probably lower them more than we can.
- Veterinarians have the knowledge that justifies a higher value in product sales such as food or parasite control treatments, but we must believe in that.
- The price of medication and other products sold in veterinary practices should have the same markup in all the product presentations, so as to avoid large differences in prices to customers.

Finally, I would like to remind you that the GM and the markup are two useful concepts for different products or services; neither is better than the

other to guarantee profitability. What should be remembered is that if a discount is made, it is done by valuing the GM and not the increase. This is logical; the markup can be 200%, but the discount can never reach those figures. Let us see the differences with an example: we will use a €50 product or service to which we apply a 30% GM or markup:

GM = 30 %; €50/0.7 = €71.43

Markup = 30%; €50 x1.3 = €65 (which would mean a real GM of 23.1%)

Profit = €21.43 versus €15



Setting and controlling prices

The fees for a practice's services cannot be calculated only once, they have to be adjusted to each circumstance. Many variables have to be taken into account: if a client asks about the price of sterilising their pet, we cannot answer with a simple figure. Instead, we should detail everything it includes (from the preoperative examination to gas anaesthesia, checkups and medications) and give value to our work before giving them the fixed price.

Calculating the fees for the services offered by a practice means the following:

1. **Deciding on the company's pricing policy** . The entire team must reach an agreement on the percentage of fixed expenses that should be charged as part of the fees of the different business units. Less competition and specialisation will allow a greater part of these expenses to be charged to clients and a greater GM, and vice versa. It is important to remember that not charging the appropriate part of the practice's expenses will make your clients happy, but you will not be able to maintain the facilities or relationships with your clients properly.
2. **Choosing a fee setting method.**

- Fixed price. It does not take into account the time spent or the material used. We can use it in the case of diagnostic tests or preventive surgery. This system makes it easy for reception staff to handle fees; however, calculating prices is time consuming.
- Time-related fees. It does not take the same time to remove a superficial lipoma as it does to remove a mammary tumour and, therefore, the costs are different. We can apply two scales to classify procedures. For example, anaesthesia is billed based on the size of the animal and time, and surgical operations based on their complexity and duration.
- A la carte. We can charge according to the induction medication, anaesthesia, type of material, surgery itself, etc., but this system can be too stringent and even include the payment of gloves and masks. The more items considered, the more risk there is of forgetting something. It is better to create a standard fee that covers all costs of "operating room use", for example.

In general, the mixed method is, as always, the most recommended.

Examples of the methods best suited for calculating the fees for different procedures.

Fixed price	Price according to time	A la carte
Routine castration	Anaesthesia (depending on size)	Exploratory laparotomies
Routine OHT	Tumour removal	Fracture repair
X-rays	Surgery (torn ligaments)	Complex surgeries
Pregnancy ultrasound	Hospitalisations	Biopsies
Echocardiography	Fluid therapy	

3. Adding hedonic value.

A common mistake is to confuse price and value; while the price is a figure that reflects the costs and the profit, the value is the amount that a

customer is willing to pay for a product or service and is composed of the functional value (calculated price) and the emotional or hedonic value, which is the extra that a customer can pay to own a product or enjoy a service. The hedonic value cannot be calculated; however, it must be taken into account. Preventive sterilisation, which allows little differentiation from our competitors and often poses a problem to clients (having to go to the practice, waiting, sometimes taking a day off from work), is not the same as emergency surgery due to pyometra. Although the procedure is actually the same, in pyometra there is a vital risk, and the owner is prepared to pay much more.

4. **Adapting the management system.**

A price and fee catalogue with hundreds of prices becomes inefficient, because it complicates its use. If we have four different types of consultations, how do we choose which one to use? In addition, we must value everything we do. The price of a 12-parameter biochemical analysis, which gives the idea of being a single service, is not the same as a 12-parameter biochemistry profile that includes sample collection, sample processing, sample interpretation, etc. What the client pays could be the same, but in the second case, all services have been valued. The management system should be able to show these elements in a predictive way. The veterinarian should not have to enter them all, but rather the system should automatically list what is included in our services when presenting them to the client.

5. **Calculating the fees.**

It is not enough to use the same fees as our competitors or those we already had and add a percentage of annual increase. There are different strategies for determining fees.

- X% increase compared to the previous year, with X being, at least, inflation and market growth.
- Cost + X%: it is useful in the case services for which little differentiation is possible. However, it gives a false sense of security, does not value the customer experience and is not adapted to all markets.
- Cost analysis. We will see how it is done in Chapter 37 .

- Based on the competition. The prices of certain procedures, such as sterilisations and annual checkups, should be consistent with those of other practices in the vicinity (no more than 20% discrepancy).

6. Fee adjustment.

The fee increase should be undertaken gradually (quarterly, for example) and not suddenly at the beginning of the year. Keeping fees static to ensure customer return is very dangerous if expenses are constantly increasing. It is easier to increase the price of a procedure by €1 a year (or even 25 cents every quarter) for 5 years than €5 when our accounts need it.

Effects of the annual and gradual adjustment of prices.

	10% annual increase		Quarterly increase	
	Fee	Income from 500 procedures	Fee	Income from 500 procedures
1st quarter year 1	€20.00	€10,000.00	€20.00	€10,000.00
2nd quarter year 1	€20.00	€10,000.00	€20.50	€10,250.00
3rd quarter year 1	€20.00	€10,000.00	€21.00	€10,500.00
4th quarter year 1	€20.00	€10,000.00	€21.50	€10,750.00
1st quarter year 2	€22.00		€22.00	
Total income year 1		**€40,000.00**		**€41,500.00**

The entire team should be informed of any fee adjustments (both their amount and their justification). The price is the single most important component of what we do, because our revenue and therefore our profit depend on service fees and the amount of services sold.

7. Control of fees charged.

Fees must be controlled; it is our job to check that the services are charged appropriately. For example, compare the number of blood samples taken

to the number of blood tests. It should be the same. Otherwise, veterinarians may not be aware that there are two different items to be charged or may believe the price is excessive and "tailor" it at their discretion. The parameters that can be controlled are varied, but in general, we should aim to relate the number of consultations with the number of tests and surgical procedures. This allows us to know if the cases are being handled properly.

Business objectives

Characteristics of a sales estimate

Once we have calculated our product prices and service fees, we are in a position to establish a business objective. As in any plan, the sales estimate has to be SMART: specific, measurable, action-oriented, realistic and with a time limit (see Chapter 1).

Example of a sales estimate.

	Current figures			Estimated income				
Procedure	Revenue	Sales volume	Average sale price	% Change in volume	% Change in price	Projected sales volume	New price	Expected revenue
Consultation	€45,000.00	3000	€15.00	5.00%	3.00%	3150	€15.45	€48,667.50
Puppy vaccination	€5,000.00	150	€33.33	-15.00%	3.00%	127	€34.33	€4,359.91
Preanaesthetic analysis	€2,500.00	50	€50.00	200.00%	-20.00%	150	€40.00	€6,000.00
Cat castration	€5,500.00	50	€110.00	100.00%	-30.00%	100	€77.00	€7,700.00
Pet food	€30,000.00			10.00%	3.00%			€33,900.00

As we can see, the sales volume increases or decreases depending on whether we consider that the demand grows or decreases: it is logical to think that the number of puppies will be less in times of crisis or that the use of a certain service will be more frequent when the price goes down. With regard to consultations or pet food, expectations have more to do with how much we want to grow (in financial studies, experts clarify that the data come from

estimates with no scientific basis) than with a demonstrable figure, and that is why we should not exceed realistic limits.

This sales projection should be shared with the team so that everyone is involved. It is easier to motivate someone who knows that an increase in income is necessary to maintain and renovate the business than someone who believes that the profits are for a boat that the partner wants to buy.

Finally, it is not enough to provide objectives, we should establish the means for an increase in turnover to occur: invest in advertising, training, improving processes, incentives, etc.

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Pricing strategy

"*Quality is remembered long after the price has been forgotten* ". Frederick Henry Royce.

Contrary to popular belief, prices are not set by the finance department of a company; it is the marketing department's job to establish them.

The pricing strategy can be defined as all the marketing resources that a company can use in relation to the adjustment of the prices of its products and services. The strategy will end up determining if the prices should be lower, higher or similar to those on the rest of the market.

The pricing strategy is derived from the practice's marketing strategy, that is, its positioning. Prices are a fundamental element in veterinary practice management because:

- They are responsible for the **income** .

Price x Units sold - Costs (variable and operating) = Profit

- They are the most effective tool for **consumer selection** . Price is a very relevant factor when it comes to choosing a service. It may only be the most relevant factor for a small percentage of consumers, but a vast majority of them will have to consider the price at some point during the purchase.
- They project a **brand image** . High prices are related to high value-added services and vice versa.

Factors

How should the pricing strategy be determined?

Considering these factors, the pricing strategy may be the most important management decision that a veterinary manager/entrepreneur must make when opening their business or when deciding on a strategic plan.

When deciding on your pricing strategy, there are four key factors to consider:

- **Costs** . These include variable costs, which are only incurred when a sale of products and services is made, and operating costs, which are recurring expenses that are incurred even when there is no income. On specific occasions, operating costs may not be charged when a service or product is sold. This is known as **short term pricing** and is used to meet the demand for a new product or service. However, **long-term pricing** should include operating costs in order to ensure the viability of the company.
- **Customer value** . Customer value refers to the amount a consumer is willing to pay for a product or service. It is easy to understand that if the value that a customer gives to a service is higher than what they have to pay, they will be satisfied and will perceive it as a quality service; whereas if the value is lower, they will be reluctant to buy the service and will probably not be satisfied. This value is usually also known as the **hedonic value** and varies from person to person. The final price is usually considered the sum of the functional value (the price that covers fixed and variable costs plus a profit margin) plus the hedonic value.
- **Reference prices** . Some prices have to be within a range that the public finds acceptable. These are the ones that are most affected by market changes and generally correspond to less differentiated services or products, such as preventive medicine or food. It is important to identify which prices are most affected by market changes and set them based on our value proposition.

- **Value proposition** . Each business will have a strategy and prices will be part of the method for the choice of consumers. If prices are low compared to the rest of the market, a certain type of customer will be attracted and, therefore, the entire service offer will have to be adapted. On the other hand, if high prices are set, they will generate certain expectations. The most important task of the veterinary practice manager is to find the prices which potential clients expect when they choose the service and to make the commercial decision that best suits the company's brand.

"*The price is what you pay, value is what you get* ".
Warren Buffett

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Financial analysis and types of financing

Introduction

Investment evaluation criteria

It is no secret that a veterinary practice needs capital to open; a large initial investment is required. We need an X-ray machine, an ultrasound machine, an endoscope, haematology and chemistry analysers, etc. However, many practices open with the basic equipment (stethoscope, refrigerator and thermometer) and add equipment as time passes.

> The biggest mistake in buying equipment is to let dust build up on the shelf, or, in other words, to purchase equipment in the hope that it will attract customers, instead of tailoring the equipment to the needs of our customers. On other occasions, the equipment is acquired, but not the knowledge to make the most out of it. There is no plan for making good use of it.

Instruments are often underused because, despite all the effort it took to obtain them, we do not tell owners that we have them. If only one veterinarian knows how to handle the endoscope, the rest may ignore its diagnostic potential and will not offer this test to clients. It is also uncommon to design plans to amortise medical equipment: if we purchase an electrocardiograph for the practice, we can offer ECGs to senior patients at a reduced price as part of the annual checkup. In this situation both parties

win; the device pays for itself and the team members gain experience in its use. Sometimes the issue is that some employees do not feel qualified to perform the tests. It is important for us to explain that 100 normal results have to be seen in order to recognise an abnormal one easily.

> "*I did not fail, I only found 999 ways not to make a light bulb*". Thomas Alva Edison

Therefore, it is very important to carry out a financial study prior to investing in new equipment. We must assess the following parameters, among others:

- Purchase cost
- Annual maintenance cost
- Cost of training for its use
- Cost of use
- Service life
- Number of expected transactions
- Costs of advertising
- Reduction of the use of other devices



How much does it cost to maintain our new equipment?

Let us take the example of a hypothetical diagnostic machine valued at €8,500 to understand how a new purchase is evaluated.

To the purchase price of any equipment, we must add the amount of the training courses necessary to know how to operate it, as well as that of all

the accessory materials. Consider, for example, the special forceps used with a rigid endoscope:

Cost of equipment	Cost of training course	Cost of accessories
€8,500.00	€1,000.00	€500.00

As we can see, the final price is not €8,500, but €10,000. The service life (before the device becomes obsolete and needs to be changed) is known as the **amortisation period (not to be confused with amortisation for tax purposes, which is set by governments and does not always correspond to reality)** . In this case, we will consider 5 years of service life.

Total cost	€10,000.00
Years of service life	5 years
Annual amortisation	€2,000.00

In this way, our machine has a cost of €2,000 per year. But is this the minimum amount of revenue to justify our purchase?

In addition to the annual amortisation expenses, we must take into account the maintenance expenses; for example, the annual inspection of an X-ray machine or the calibration fluids of a chemistry analyser. The sum of the amortisation and maintenance expenses will give us the annual cost.

Annual amortisation	€2,000.00
Annual maintenance cost	€500.00
Annual cost	€2,500.00

This is what it costs per year to maintain the new machine in our practice. Now let us move on to adding variable costs. First, we must estimate the number of times we will use the equipment throughout the year, as well as the expenses involved for each use (in the case of an ultrasound machine, electricity and gel, for example).

Annual cost	€2,500.00	€2,500.00	€2,500.00	€2,500.00
Variable cost	€1.00	€1.00	€1.00	€1.00
Number of uses	500	100	50	10
Total cost annual cost + (variable cost × number of tests)	€3,000.00	€2,600.00	€2,550.00	€2,510.00
Cost per test	€6.00	€26.00	€51.00	€251.00

It is clear, then, that the more we use the new equipment, the cheaper it will be.

How long does it take to amortise an investment?

Once we know the costs, we can calculate the payback time for the investment. To begin with, we should establish the rate for the new service offered by the practice.

Fixed costs	
Annual cost of the equipment	2,500.00
Annual operating cost	€12,000.00
Impact of the area occupied by the equipment	€600.00 (1/20 of the total)
Estimated number of tests	200
Fixed cost per test	€15.50
Variable costs	
Material costs	€1.00

Personnel cost (30 min)	€15.00
Total cost per test	**€31.50**

Logically, the number of tests we expect to perform should be a realistic estimate of the use of the equipment. With 300 active clients, it is unlikely that we will take 300 X-rays a year.

This calculation can also be done with devices that are already in the practice to find out whether they are profitable, whether it is necessary to increase the use or price of the service, or whether it is better to get rid of them. If the cost per day of hospitalisation is €25 and we charge €20, each time we admit an animal we are losing money. If using the endoscope involves an expense of €100, due to its infrequent use, but we charge €50 for the test, would it not be better to sell it and refer the few endoscopy consultations we receive to another practice?

Now we can decide on a price for the test, taking into account a reasonable profit margin.

Cost of test	Margin 10%	Margin 20%	Margin 30%	Margin 50%
€31.50	€3.50	€7.88	€13.50	€31.50
RRP	€35	€39.38	€45.00	€63.00

If we want to carry out 200 tests a year, it is appropriate to consider a margin of between 20% and 50%. In addition, it is unlikely that we will reach the expected number of uses in the first year, as it is normal for the increase to be progressive. Let us look at an example.

Example of cash flow estimations for the new equipment; margin 30%.

	Expenses (acquisition + maintenance)	No. of tests	Expenses per test (material + personnel)	Income per test (margin 30%)	Total income (income - expenses) × number of tests	Cash flow
Year 0	-€10,000.00					-€10,000.00
Year 1	-€500.00	100	€16.00	€45.00	€2900.00	-€7,600.00
Year 2	-€500.00	150	€16.00	€45.00	€4350.00	-€3,750.00
Year 3	-€500.00	200	€16.00	€45.00	€5800.00	€1,550.00
Year 4	-€500.00	200	€16.00	€45.00	€5800.00	€6,850.00
Year 5	-€500.00	250	€16.00	€45.00	€7250.00	€13,600.00

With a 30% margin, as the table shows, the new equipment will begin to be profitable to the business sometime in the third year.

Now we can reduce the profit margin (20% table) and expect that there will be an increase in the number of tests as a result. Let us check the impact this would have on the payback period.

Example of cash flow estimations for the new equipment; margin 20%.

	Expenses (acquisition + maintenance)	No. of tests	Expenses per test (material + personnel)	Income per test (margin 20%)	Total income (income - expense) × number of tests	Cash flow
Year 0	-€10,000.00					-€10,000.00
Year 1	-€500.00	100	€16.00	€39.38	€2,338.00	-€8,162.00
Year 2	-€500.00	150	€16.00	€39.38	€3,507.00	-€5,155.00
Year 3	-€500.00	200	€16.00	€39.38	€4,676.00	-€979.00
Year 4	-€500.00	250	€16.00	€39.38	€5,845.00	€4,366.00
Year 5	-€500.00	300	€16.00	€39.38	€ 7,014.00	€10,880.00

As we can see, not only does it take more time to recover the investment, but also the cash flow is lower after the 5-year period, despite the increase in the estimate of the number of tests carried out.

Let us see what happens with a higher profit margin, but with a slower increase in the number of uses of the equipment.

Example of cash flow estimations for the new equipment; margin 50%.

	Expenses (acquisition + maintenance)	No. of tests	Expenses per test (material + personnel)	Income per test (margin 50%)	Total net income (income - expenses) × number of tests	Cash flow
Year 0	-€10,000.00					-€10,000.00
Year 1	-€500.00	50	€ 6.00	€63.00	€2,350.00	-€8,150.00
Year 2	-€500.00	80	€16.00	€63.00	€3,760.00	-€4,890.00
Year 3	-€500.00	100	€16.00	€63.00	€4,700.00	-€690.00
Year 4	-€500.00	130	€16.00	€63.00	€6,110.00	€4,920.00
Year 5	-€500.00	150	€16.00	€63.00	€7,050.00	€11,470.00

If a 50% margin is applied, the final cash flow is similar to the example of cash flow with a 30% margin, without reaching the expected 200 tests. The fixed costs will be slightly higher and the profit will be less than expected. However, the investment is not recovered until the fourth year, which affects our financial situation, especially if we requested a loan to acquire the equipment.

Calculations are simplified with this method, which everyone can apply in their practice. Even so, a device that cannot be amortised over the course of its service life should not be purchased, because it will be a burden on the business.

How profitable is the new equipment?

Now that we know how to calculate the time necessary to recover an investment in new equipment, let us talk about the **return on investment** . The return on investment is expressed as a percentage (or in time) and gives an idea of the profitability of our purchase. To calculate it, it is necessary to know the **residual value** of the equipment at the end of the period of use. In our example we will set a residual value of €1,000.

The sum of the annual net income divided by the number of years shows the **mean annual income** . The **average capital employed** is the mean of the sum of the initial and final values of the asset. Finally, the **return on investment** is the percentage of the average annual profit divided by the capital employed.

Calculation of the return on investment for the machine in the example.		
Average annual income (50% margin)	€23,970.00/5 years	€4,794.00
Annual depreciation	(€10,000 - €1,000)/5 years	€1,800.00
Average annual profit	€4,794 - €1,800	€2,994.00
Average capital employed	(€10,000 + €1,000) / 2	€5,500.00
Return on investment	(€2,994/€5,500) × 100	54.43%

These calculations, like the repayment term, are simplified because we do not take into account money depreciation. With a return on investment of 54%, it makes sense to decide to buy a device. However, at other times the figure will be lower. Let us see an example:

Calculation of a return on investment.		
Average annual income	€19,500.00/5 years	€3,900.00
Annual depreciation	(€18,000 - € 500)/5 years	€3,500.00
Average annual profit	€3,900 - €3,500	€400.00

Average capital employed	(€18,000 + €500)/2	€9,250.00
Return on investment	(€400/€9,500) × 100	4.32 %

In this case, the equipment costs €18,000 and its residual value is €500. In 5 years it will produce €19,500 and the return on investment is just 4.32%. There are other investment products with better profitability and lower risk; it is worth considering whether the equipment is worth purchasing or whether it is better to buy government bonds and wait for better times to come.

In both models we have estimated that in year 5 money has the same value as in year 1, but everyone knows that the value of money depreciates over time. To resolve it, we will use what is known as **Net present value** . The net present value corrects the fact that €100 today will not be worth the same as €100 in 5 years (not even next year). For example, investing in government bonds has a 6% return on investment and practically no risk. Acquiring equipment is less secure, since no one promises that customers will demand the new service: we have to add a risk factor. If we assume that we can obtain a 6% ROI by investing in bonds, an investment in equipment should ideally give us a 16% ROI (the risk factor we apply is 10). Let us see how the net cash flows in the first example change.

Example of cash flow estimations, considering the net present value.

	Net cash flow (100% margin)	Present value factor (16%)	
Year 0	-€10,000.00	1.00	-€10,000.00
Year 1	€2,350.00	0.86	€2,021.00
Year 2	€3,760.00	0.74	€2,782.40
Year 3	€4,700.00	0.64	€3,008.00
Year 4	€6,110.00	0.55	€3,360.50
Year 5	€7,050.00	0.48	€3,384.00
Net present value			€4,555.90

The present value factor is obtained by dividing 1 by 1.16 (16% risk) first and the result obtained by 1.16, successively.

Although the profit obtained is still considerable, the return on investment is significantly reduced. We must be careful and always calculate the net present value; an investment that appears attractive may not be so after applying the risk factor and taking into account money depreciation. In addition, it is useful to compare the profitability of purchasing different devices: choose a similar device from different manufacturers (since they will have different maintenance costs and residual values) or different devices (is it better to invest in an ultrasound machine or a digital processor?). We should also remember that if we buy an ultrasound machine, for example, the number of X-rays we take will change.

Equipment depreciation.

Acquisition value	Years old	Current value
€5,000	1	€3,750
	2	€3,375
	3	€3,037.50

	4	€2,733.75
	5	€2,460.38
	6	€2,214.34
	7	€1,992.90
	8	€1,793.61
	9	€1,614.25
	10	€1,452.83

Types of financing

Choosing the most suitable option

If we plan to spend several thousand euros, we should of course spend a few minutes calculating whether or not the investment is worth it. Once we have decided to make a purchase, we should consider different financing options.

The purchase of the premises and the initial expenses can be financed by the bank by means of a long-term loan. We should take interest rates into account when calculating investment returns. In addition, once the loan is fully paid back, what has been acquired should be assigned a value so the value of the investment is still included in our calculations.

The equipment in the practice can be purchased in cash, on credit or by means of a leasing contract.

- *In cash* . If we have enough money, paying in cash is very tempting because we avoid interest, but we should bear in mind that the money can produce more benefits elsewhere or it may be necessary in an emergency. In this case it would be a reinvestment of the profit, which can be beneficial for the income statement by allowing amortisations.
- **On credit** . It allows us to use the product before we have paid for it in full. However, the price increases due to interest. We can request a loan from the bank if it offers us lower interest rates. It is advisable to check

which financing method is best from a tax point of view with your accountant.

- *Leasing* . The equipment is paid for periodically and the advantage is that this system allows the deduction of taxes on payments. The contract can be indefinite or definite. In the event of a defined duration, there is the possibility of acquiring the equipment for a previously agreed residual value.

In conclusion

Before purchasing new material, we must assess whether it is going to be amortised, provide the necessary means to ensure it is used as much as expected and, finally, weigh up the different purchase options.

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Suppliers

Organisation

How can we work together so that everyone wins?

Suppliers are those strange people who visit us regularly with a smile on their face and try to get us to buy the products they sell, even though we think that we do not need them.

Like all the expenses of a business, supplier-related costs must be studied in advance, not only in terms of the items that we purchase, as we have already seen, but also in relation to the way orders are placed and managed. To start with, we need to know the following about the supplier:

- Frequency of delivery.
- Shipping costs or minimum order.
- Delivery time since the order is placed.

Inventory management

Choosing the ordering system

Once we know the previously mentioned information and take into account the space available in our practice, we can set up an ordering system that is as automated as possible. It is enough to determine a lower inventory level

and a higher inventory level of a specific product. As soon as the minimum value is reached, the units necessary to reach the maximum are ordered. Some management programs already do this automatically.

> The maximum inventory level is calculated taking as a reference the number of product units that are needed during the period between orders.

If in recent months we have done an average of 96 vaccinations per month in dogs, it means that we use around four vaccines a day. Therefore, if they are ordered monthly, with a delivery time of two days, the minimum level should be at least ten units (two days of delivery means about eight vaccines, but we should have a margin in case the delivery is delayed) and the maximum 100. So, we will order 90 vaccines.

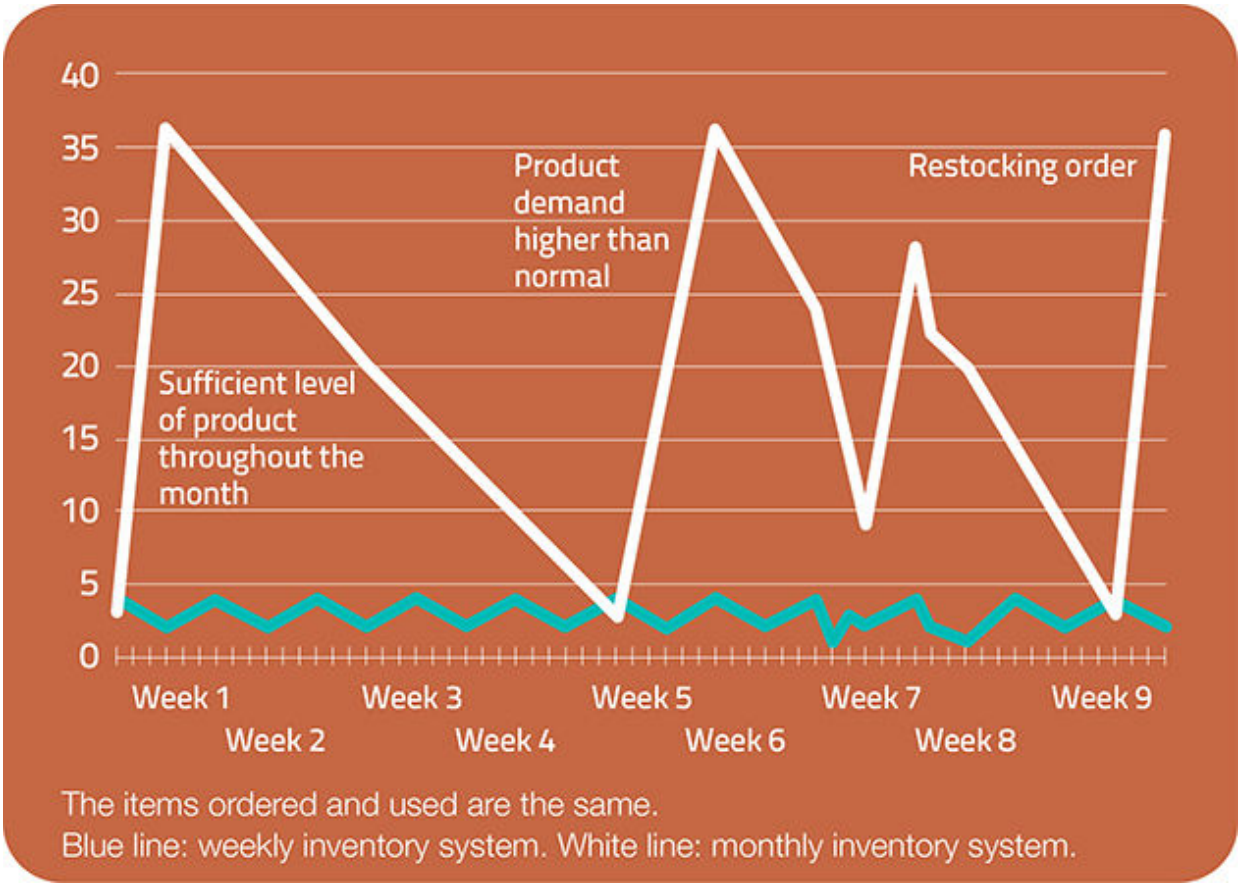
The minimum inventory of a practice should be equal to the necessary amount of product for 1–2 weeks, depending on the space available. In case the order is weekly, fortnightly or daily, the minimum storage is irrelevant. In addition, if you order an oral analgesic for cats every day, the chances that the item will be forgotten or that it will not be a priority for the supplier due to the need to meet a broader demand grows exponentially.

Most computer systems have an automatic reorder feature; they recognise when a product reaches the minimum level and place the order. If the program is used efficiently, the inventory available during the month will be more than enough. We will even have a margin in case there is an excessive demand for a certain item. We will then have to be ready to place an extra order and return to the usual level of that particular moment.

The system should be controlled to prevent orders from being made at the end of the month. If the quantity of a product reaches the minimum value on 30 March and is ordered immediately, we will have to pay for it at the end of April together with the March expenses. If the order is held back until 2 April, it would not be necessary to pay for it until the end of May and we would have almost two months of credit.

In this graph we can see that both methods (weekly or monthly orders) are feasible, but they need controlling. In periods of greater demand, the

inventory management method requires restocking orders to be placed. Monthly orders enable us to respond better to these periods of increased sales.



Once we have adapted the ordering procedure, the storage method has to be adapted in the same way to prevent products from expiring. To do so, it is best to enter expiry dates in the program at the time the products are received. The computer has a better memory than anyone, and it will be in charge of informing us of the items that are about to expire. In addition, the storage room should be rearranged so that new products are placed towards the back, in order to avoid using them first.

Placing all the medications in the same area allows us to know if any of them are about to or have already run out, especially when there are several people checking that the practice has everything it needs.

Planning purchases

Optimising supplier costs

It is important to use the discounts offered by providers properly. If we work with more than one, we should ensure that discounts are not missed by dividing our purchase potential. Perhaps it is reasonable to purchase a slightly more expensive product from Supplier A in order to obtain a volume discount that will make the item cheaper than if it is purchased from Supplier B.

Unplanned purchase from several suppliers in search of the best price.

	Supplier A	Supplier B	Supplier C	Total
Product 1	€200.00	Equivalent		
Product 2	€200.00		Equivalent	
Product 3		€200.00		
Product 4	Equivalent	€200.00		
Product 5	Equivalent		€200.00	
Product 6	Equivalent		€200.00	
Subtotal	€400.00	€400.00	€400.00	€1,200.00
Discount	3% = €12	3% = €12	3% = €12	€ 6.00
Total cost				**€1,164.00**

All providers offer the same discount:
€100 = 0 %; €250 = 3 %; €500 = 5 %; €750 = 8 %; €1000 = 10 %.

Planned purchase to maximise discounts.

	Supplier A	Supplier B	Supplier C	Total
Product 1	€200.00	Equivalent		
Product 2	€200.00		Equivalent	
Product 3		€200.00		
Product 4	€200.00	Equivalent		
Product 5	€200.00		Equivalent	
Product 6	€200.00		Equivalent	
Subtotal	€1,000.00	€200.00	€0.00	€1,200.00
Discount	10 % = € 100	0% = € 0	0 % = € 0	€100.00
Total cost				€1,100.00

All providers offer the same discount:
€100 = 0 %; €250 = 3 %; €500 = 5 %; €750 = 8 %; €1000 = 10 %.

Comparing these two tables we see that although more is paid for the products of the first supplier, thanks to the discount obtained, the total expense is lower. In real life it is not so simple: neither do the equivalent products cost the same, nor are the discounts they offer us the same. However, more will be saved if more money is invested in a supplier. The most advisable thing to do, therefore, is to work with a main supplier and a secondary one for possible emergencies, and to sit in front of the computer from time to time to compare prices.

The discounts that suppliers apply are usually based on historical purchases from the previous 12 months, so find out how to update these figures for each product or distributor in your system. It is easier to get a discount when you guarantee the purchase of 2,400 vaccines a year than when you buy 200 a month.

Beware of special offers that are based on high volume sales. Before making the purchase, ask yourself the following.

1. How long will it take to sell that extra amount of products?

2. What percentage of discount will I get?
3. How much interest could have been earned from the money spent if it had not been spent?
4. If the product is new, can an item of these characteristics be sold at the practice?

Let us imagine that we receive an offer to purchase 200 catheters at a 10% discount and that their cost price is €200. If we use them all the first month we will have saved €20; so maybe we should have bought some more. On the other hand, if during that period we only use 20 catheters, it will take 10 months to use them all. Considering a monthly interest of 1% on €200, in 10 months we will accumulate €20. In real terms, the discount is equal to the amount that we could have obtained with the interest provided by the bank; which means we would have purchased the catheters at a normal price and according to our needs.

Suppliers do not give anything away. If they offer you a discount, make sure that they are not products that are about to expire, that it is not the end of the line, etc. If they offer you 12 items at the price of 10, the discount obtained is not 20%, but rather the amount of 2 products is deducted from a total of 12, or in other words, you get a 16.66% discount.

Working with distributors is essential to promote information and communication with your customers. Go to them when you need support in promoting a product or want to explain to the public the importance of vaccination and deworming, for example. In addition, some providers offer incentive programmes to encourage the purchase of equipment for the business or training courses for the team.

Communication is essential. If you do not receive a prescription diet on time, the one who looks bad in the eyes of customers is not the supplier, but rather your business: you can lose the reputation that has cost you so much to achieve. On certain occasions it may be beneficial to negotiate some type of discount if delivery times are not met for a significant percentage of products.

In conclusion

It is necessary to optimise our ordering and storage systems and to work in collaboration with the suppliers to offer an excellent service to our customers.

However, we should not forget that the objective of distributors is only to make money and, therefore, we have to keep control of the stock and orders.

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