

Secrets for Chaos Control in Your Practice

“The value of your equity is directly proportional to how well your practice works. And how well your practice works is directly proportional to the effectiveness of the systems you put into place, upon which the operation of your practice depends.”

“The system is the solution.”

Michael Gerber

For many of us who grew up in the 70s and 80s, James Herriott provided for us a model of veterinary practice. Ironically, this model from the 1940s was being emulated every day in small animal practices, large animal practices and mixed practices all over this country and the world even through the 1990s and up until the present day.

As veterinary students we were provided information on a variety of diseases and conditions that many of us have never seen nor will ever see. At the same time, we were told how independent we were and how we all had this so called ‘entrepreneurial spirit’ that would lead us to open our own practices some day.

So, for decades the veterinary model or model veterinarian went something like this:

Work extremely hard to get into vet school; get into vet school and
Work extremely hard to get through vet school; graduate from vet school and
Work extremely hard as an associate for a few years; think that you can make more money by opening your own practice or by buying a practice and then
Work extremely hard as an owner to try to attain the veterinary dream; and then
Work extremely hard to find someone who will want to work extremely hard and buy your practice.

The veterinary model mimics beautifully the model reproduced thousands of times each day as professionals across the globe take on the world of small business. They put all their energy and talent into doing what they learned at school- providing professional service and hoping all along to be successful on all levels of life.

The model we are referring to is different. In this model, veterinary professionals realize they have a lot to learn once school is over to become truly successful.

Table 1 demonstrates the difference between the two models the way we see it.

| The Veterinary Practice Owners | The Veterinary Entrepreneurs |
|---|--|
| Build a business that depends upon them | Build an enterprise that liberates them |
| Build a business around their skills | Build an enterprise that creates endless amounts of energy |
| Build a business around their talents | Build an enterprise that increases their financial, emotional and mental capital |
| Build a business around their interests | End-equity |
| Build a business around their predispositions | Their enterprise runs itself in the hands of professional management |
| Devote their time, their energy, and their lives working for a living | They are free to invest in other enterprises using their acquired knowledge |
| Beginning-bought a job | Learned how to grow an organization |
| End- sell the job to someone else looking for a job | Learned how to utilize creativity |
| Treat animals | Learned how to add value to many people |
| Have a job | Have an enterprise |

Table 1: The difference between the veterinary practice owner model and the veterinary entrepreneur model

In light of this, is there any wonder that in the current situation in most veterinary practices there is a great degree of chaos? In fact, chaos is king in most veterinary practices. Along with chaos there is inconsistency, anxiety, frustration and many times, resignation.

Why?

Because the vast majority of veterinary professionals think it is enough just to work in their practices or careers to be successful. Little do they realize that working in one's practice is only part of the picture of success.

Everyone who does technical work of any kind makes an erroneous assumption: **that just because they know how to do the technical work of that practice, they understand how to build a practice that does that work.** Knowing how to do the technical work of a practice has nothing to do with building a practice that works.

When most veterinary students graduate from school they think more in terms of job and paycheck and paying down debt rather than in terms of building a blueprint for a successful career and life. Their only plan is focusing on, "Do I want to specialize or do I want to do general practice and where do I work?" Without a larger vision they many times find themselves caught up in just doing their work and little else.

Another distinguishing factor between just doing technical work and an being an entrepreneur is that in the former people don't really anticipate what's going to happen in their work and in their career. So many times, when things go in an unexpected direction, they are caught unprepared like a deer in the headlights. Whereas when people function as entrepreneurs, they plan and market, thinking ahead to what are the possible unexpected occurrences as much as possible. Even if unexpected things happen to them, they have planned in advance how to handle them.

Your Role in Your Practice

No matter what you do in your career, regardless of whether you have your own practice or you work as an associate, you wear three hats:

1. You do technical work
2. You manage
3. You act as an entrepreneur

When you wear your technical hat, all you do is being a veterinarian; you treat patients. This is important, but not enough. When you wear your manager hat, you manage your staff and do the daily functions that are non-technical. So far, all you are doing is getting through the day.

When you wear your entrepreneurial hat, you build your future; you think about what you want your practice and your life to look like and then you put forth the steps to get there. As long as you do your job under the first two hats, you are simply working **IN** your practice. If all you do is focus on the first two hats, in 10-20-30 years you will be doing exactly the same as now. While when you focus on the third hat, you work **ON** your practice; you change and grow rapidly and can even predict what the future of your practice will be and then prepare yourself so you are ready to take advantage of these changes when they occur.

In practices in which the quality of service revolves only around the talents of the people working in them, results tend to be unpredictable and inconsistent. Such practices have little equity to show for despite the hard work because the results depend on people and thus cannot be replicated or transferred. If the practice owner is lucky, at the end they sell their job to someone at break-even price. The most they can show for their time in their practice is the income they have earned and the very few assets they have accumulated with the income they have earned. Also practices that only depend on people can expect to go from issue to issue and problem to problem.

Here is another problem: If yours is such a practice, how can you ever leave it or take vacation? How can you ever trust someone else to do things in it the way you do? As long as you rely on people to do in the practice what they want, the results you and they get are going to be unpredictable and therefore inferior. Chaos reigns supreme in all these situations.

The single most obvious difference between businesses that rely on people (like most veterinary practices) and businesses that rely on systems is that in the former the owners and other key people work **IN** their practice while in the latter they also work **ON** their practice.

If you ever want to stop just working **IN** your practice and start to also work **ON** it to turn it into a profitable, predictable business, you need a system that will work without you having to be there all the time. Of course, this can be quite a challenge as most of us

love to name our practices after ourselves, “Dr. Smith’s Animal Hospital”, “Young Animal Clinic”, and we are so attached to it.

Working on your practice also means developing systems that operate effortlessly, accurately, repetitively, predictably, consistently, and uniformly. No matter who is there working the system, no matter who the client is, no matter the situation; things work close to perfection, every single time.

What does “working in your practice” mean?

Working IN your practice is spaying cats, removing fractured carnassials, hiring animal caretakers, filling out deposit slips, filing radiographs, etc. This is done everyday, all day, day after day. Until one day, they lose it, sell it, or have the big one while squeezing anal glands.

So here you are, you’re in the room, dealing with clients and pets while up front your receptionists and your technical staff are doing their own thing. You can’t control that, but you really want to, so you’re trying to do and be several things at once. The end result is you do none very well.

Let’s throw on top of that the fact that the world around you is changing, and the fact that you have to start to look down the road and start to see new things coming your way, new drugs are coming out, new computer software, new digital x-ray machines, and you want these as part of your “career”.

Is that how you envisioned your career?

If you are truly serious about your success, then you need to systematize your practice. Here is a good exercise you can do to get going:

When you go to work today make a list of the things that you do everyday. Put a “V” next to those things when you are acting as a veterinarian. Put an “M” next to those things when you are acting as a manager. Put an “E” next to those things wherein you are acting as an entrepreneur. What did you learn? Are you mainly a veterinarian/manager? Is there room for you to be an entrepreneur too?

Regrettably, without a system you either don’t think about wearing your entrepreneurial hat much or simply don’t have time to wear it because all you do is do it, do it. Also, without a system, practice owners can be 30 years in business, but that does not mean they have 30 years of experience. It most likely means they have 1 year experience 30 times over; not much cemented knowledge that can be transferred, trained or sold to others.

If you've been in this profession for some time, you can understand how difficult running your practice or even working in it can be. There is staff to manage, clients to wow, and overhead to maintain. What usually happens is people get so caught up in running a day-to-day marathon that they don't take the time to put order in the chaos reigning strong in their practices. However, because of this chaos they:

- **Must work harder**
- **Must work longer**
- **Lose potential cases**
- **Make mistakes more often**

The solution is...

The **anti-chaos** in veterinary practice is a SYSTEM. A system is a process that greatly alleviates frustrations in practice and helps staff build much more focused and successful careers.

A system will put an end to this chaos. No matter how big your practice is, implementing a system is critical to effectively managing it. Think about how quickly fast food restaurants are able to serve their customers. Consider how smoothly employees at an amusement park get people through the lines and onto the rides. Ever thought how they can do all this so effectively and apparently so easily? Their secret is that all they do is done according to a system.

Why not have a system run your practice too? With a functional system in place, you will:

- **Work more effectively**
- **Work more predictably**
- **Have more profits**
- **More accurately fulfill your clients' needs**

What is it about a system that makes it so effective? There is a saying that, "If you are not consistent, you are non-existent". The only way to be consistent is to have a detailed system for every area and aspect of your practice; where it is now, how to improve it, where you want to go and how to get there.

Once the system is in place it will run the practice. This will take away most of the unknown and unpredictability in your operations.

So people build the system, people run the system and the system runs the practice

As you begin working on your system, you need to realize that every aspect of your practice, every area in it has to be systematized. As you define the various areas in your practice you would like to see improve, you need to be very specific about the desired outcome. Saying "I'd like to have a better front office", is too broad. You have to be much more detailed about what specifically you would like to improve in this and all other areas. So imagine a practice in which everything you do goes well. How would it look?

Once you have a picture, say of an excellent front office, start describing how it will function, how the staff answer calls, how they interact with clients, what they say to

make clients' experience much better, what they say to get clients to come back more often and to refer, etc. Once you go through **all areas** of your practice, you can then build a specific system for each of them, starting with the most important ones. Once an effective system is created, it needs to be tested and amended according to how close to your desired results you are.

Another difference between a practice without a system and one with a system is that practice owners who have no system, go to work, and work hard they do in their practice without a **Vision**; a picture of what they want their practice to look like when it is done. They may have an approximate vision, a vision of being on their own, even a vision of financial independence, but they really don't know what it means. They, therefore, hold only a dream of making it the way they imagined. This dream is almost never realized.

Veterinary entrepreneurs, however, build enterprises that liberate them, all the while increasing their value. In the end they have significant equity to show for their time investment. If they are truly entrepreneurial, their enterprises run themselves and have real value in the world. Veterinary entrepreneurs also have learned to increase the value of the people in their practices. These entrepreneurs have income for which they no longer have to work, not to mention the equity their practices have acquired which can be sold at top price. Same amount of time invested, significantly different return on investment.

In a practice without a system most of the revenue produced is generated by the practice owner, and if the owner is not there to do the work, most of the time their income drops precipitously. In this case, they have only two choices: produce or not, work or not. This inevitably causes stress and anxiety. They also don't have the time and energy to give their families what, in their hearts, they know they want and deserve.