

PODIATRY GROUP Case Study

SITUATION

A podiatry group with five doctors, a physical therapist, and six locations contacted **DoctorsManagement** (DM). The group was doing well; however, they lacked structure in their business operations and financial reporting systems. They also needed help developing and implementing a strategic plan to support the growth they wished to achieve. The physicians were unable to take the practice *from good to great!*

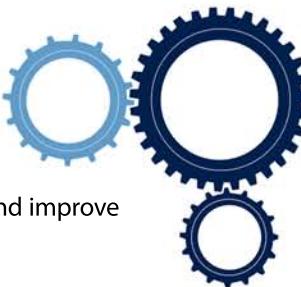
CHALLENGES

The group's profit percentage was less than 30%, and their core business revenue was beginning to stagnate. In addition, there was some tension among the providers that left staff members conflicted and unfocused. The practice was at risk for long-term problems that often lead to financial decline. The physician owners were apprehensive about hiring a consultant; however, they agreed to retain DM to institute a more reliable financial reporting system and implement a growth plan.

The biggest challenge for DM was to renovate the financial and operational management systems in a way that would not distract the providers from day-to-day delivery of patient care. DM needed to help the providers apply leadership strategies when managing staff. DM also recognized that in order to achieve long-term success, they would have to reduce unwarranted suspicion among the physician owners, which was due to the lack of a reliable financial reporting system.

STRATEGIES

DoctorsManagement educated the physicians on how a large, multi-location medical practice operates. The physicians made modifications to the existing mission statement and reaffirmed their commitment to it. DM began implementing a plan to increase efficiencies, grow revenue and improve employee morale.



DM put into effect operational systems to provide internal controls as well as reporting protocols to monitor cash flow. DM also equipped the doctors with financial reports that clearly depicted how revenue was generated and exactly what expenses were incurred each month. The visual representation of financial performance was easy to interpret and motivated the physicians and managers to continually strive for even greater results.

With a solid infrastructure in place, the group was well-positioned for growth. They added employed physicians and integrated two local providers (and their patients) into the practice. To further expand revenue, they added physical therapists, ancillary services and five new locations. DM helped the physicians apply leadership skills that were crucial in supporting the management team of this growing practice. As a result, the physicians created a relaxed yet productive atmosphere where each team member understood the importance of their role in delivering exemplary patient care.

DM continues to help the providers and managers maintain focus on a common goal of practice growth and patient satisfaction.

RESULTS

The revised business practices had an enormous impact on the culture and financial success of the practice. Trust and cohesion grew among the owners and staff. Within three years, revenue went from the 75th to the 90th percentile as compared to peer practices¹ and operating profits increased from less than 30% to over 40%. In that same time frame, the practice's average monthly revenue increased more than 35%.

With greater confidence in the practice, the physicians recruited talented providers who were energized to work toward the shared goals of the practice.

The group added six new locations as well as ancillary services. Operations continued to run smoothly and the physicians and staff maintained a trusting and respectful relationship. Studies conducted by the group indicate that patient satisfaction is at an all-time high.

The group truly embraced the journey of going *from good to great!*

RESULTS RECAP

- Average Monthly Revenue Up 39%
- Performed in 90th Percentile of Peers
- Profit Up 40% with Ancillary Services
- Grew from 6 to 11 Locations
- Integrated a 2-Doctor Podiatry Practice
- Added 4 Employed Physicians
- Added 2 Physical Therapists

1. National Society of Certified Healthcare Business Consultants Annual Statistics Report