

Small Animal Practitioners Symposium Summary

Thinking About Your Business

You are the CEO of your veterinary business, says Mark Middleton who presented a new perspective on approaching your veterinary practice.

This session's discussion on the three forces that may be shaping the future of animal health: product introductions featuring generic active ingredients; consolidation affecting ever smaller companies; and China. Contrast this with the blockbuster mentality of the past 25 years, and you can conclude that the world has changed. As we look at our businesses, we have to ask if we have changed sufficiently to thrive in the new environment.

Mark discussed the four fundamentals of a successful business that include:

1. Making your office/hospital the best place to work
2. Creating an exceptional customer experience
3. Operational Excellence
4. Financial Strength

Much of the discussion was about financial strength. Mark asked *“Do you prefer to have 20% profit of a 1 Million Dollar Practice or 10% of a 2 Million Dollar Business?”* This started the conversation about profitability in veterinary clinics and industry standards. Mark showed (with a number of in-depth charts) how using the margin vs. mark-up pricing approach will bring a higher net profit. Calculating your net profit centers is critical in running a financially strong business and understanding the “Time Value of Money.” Most pricing strategies directly relate to how the veterinarian communicates their value to their clients, showing how many DVMs consider discount vaccine providers competition when in fact how the veterinarian communicates and prices their services often sends their own clients to the competition. Mark outlined the difference between leaders and managers, stating good leadership was necessary for business growth. He warned everyone should develop a plan for their business or they will become a part of someone else's plan.

