

What Is Your Time Really Worth?

By Tom Necela, DC

As much as I hate to say it, a lack of fundamental business knowledge is a primary culprit in the significant struggling and wasted time in chiropractic. It's the reason why many docs will fail to achieve their dreams even if they attend lots of seminars, study religiously and work extremely hard. What's worse is that this lack of business knowledge is not an isolated problem only appearing in the most eccentric or poorly prepared chiropractors. This problem has reached epidemic proportions in chiropractic. The good news is that we can eliminate this cancer with some strategic thinking and a laser-like focus on our time.

Opportunistic vs. Strategic Thinking

The way I see it, there are two diametrically opposed ways of thinking when it comes to building a profitable chiropractic business: opportunistic and strategic. The opportunistic approach revolves around seizing every new idea that comes into the profession in an attempt to make lots of money by being in the right place at the right time. The opportunity seeker's mantra is: "Can I make money from this?" One month it's lukewarm ultrablue light. Next month it's long-axis toenail distraction. The month after that is something else, and yesterday was some other fantastic idea long since forgotten.

"Opportunity docs" attend lots of seminars and buy many gadgets, but use only a fraction of what they get. The ones they do use are abandoned when the next so-called "easy" way to make money in chiropractic comes rolling in. To these docs, time spent (or wasted) chasing these rainbows is irrelevant; when their "timing" is right, they will ride the bandwagon to success.

The strategic approach, on the other hand, requires a clear vision of what you want your business to be. When you possess a vivid mental picture, you can analyze your own strengths, your competitors and marketplace preferences. You can devise different strategies for achieving your vision. Most importantly, "strategic" chiropractors recognize that the biggest opportunity does not necessarily require perfect timing. Rather, it's always within their practice, following their ideal strategy, and not the latest craze every other

DC is trying.

Poor Business Design Leads to Rapid Burnout

A second issue that plagues chiropractors and limits their success is poor business design. Don't believe me? Just look at the contrast between the organizational structure of a chiropractic office and a hospital.

A hospital CEO concerned about revenues will turn to their team of specialists, each of whom heads up a separate department dedicated to billing, coding or collections. If it's new patients they want, the hospital CEO doesn't try to make flyers in their spare time; a marketing department handles it. In any industry, the leaders all know the value of delegating, creating a team of mentors and experts to bounce ideas off of, and eliminating the aspects of their job that they are not good at.

We chiropractors are no exception to this rule, but we act like we are. Obviously, due to our size, most DCs can't afford a team of credentialed specialists, MBAs or other such experts to employ in our practice. However, our faulty business acumen often leads to the chiropractor being the chief cook and bottle washer of the practice. We rationalize our position by saying we can't afford to pay for decent staff or send our employees for training. To save a few more bucks, we afflict our untrained spouses with the title "Billing Person," "Office Manager" or "Bookkeeper" and joke that we are keeping the money in the family.

At first, wearing many hats makes the doc believe they are being lean and mean. A few years later, the number of jobs a DC performs is ridiculous and tiresome. They are doctor, marketing director, billing department supervisor, chief financial officer and the human resources department. They are director of rehab, massage department supervisor, landlord to independent contractors, mentor to associates and compliance officer. This practice sends DCs rapidly tumbling toward burnout.

Worse, this do-it-yourself model isn't serving us well as a profession. Look at our dismal rate of errors for claims submitted to Medicare. Do you think a paid billing or coding professional would be able to keep their job if 94 percent of their claims were submitted in error? Not likely in the corporate world, but spouses of chiropractors everywhere are doing this on a daily basis and keeping their jobs.

Let me clue you in on a small piece of advice. If you are like the docs described above and have an organizational chart that looks like a map of Boston's maze of side streets, you will always be spinning your wheels wondering why you are not achieving the level of success you desire. Now, before you jump to the conclusion that I am recommending you triple the size of your staff, I want you to recognize that the

problem goes deeper than that. The solution is not more.

Standing Out Slowly

You've undoubtedly heard the famous Albert Einstein quote: "Insanity is doing the same things over and over and expecting different results." To truly stop and get off this ride of chiropractic madness, you need to come up with a strategy unlike that of many of your peers. I call this "standing out slowly" (SOS).

Most chiropractors are stuck in a volume model that needs constant feeding of new patients and increasing patient visits to generate higher revenues. Please note that I am not saying this is the wrong way to practice. If you are presently satisfied with the results you are getting using this model, then perhaps you should stick with it. However, if you are looking to practice in a different manner or have been struggling under this model, there is another way.

Before you try to get more new patients in your door or decrease your visit times so you can see more people, I propose that you maximize the revenues from the patients you already have. This model is actually less costly (lower marketing expenses), more efficient (the solutions are already in your practice) and more profitable (decreased expenses + increased revenue = higher profit margins). But to do this successfully, you will have to slow down and analyze what is working in your practice and what makes you stand out from the crowd.

Avoiding the Path of Least Resistance

Although most chiropractors have the ability to accept this contrarian model of chiropractic, few take it because they are stuck in their "old school" methods. They follow the path of least resistance and do what everyone else is doing. They feel safety in numbers. They falsely believe they are below the radar by dwelling in the middle of the pack and quietly trying to see more patients than their neighbor DC.

Regrettably, the fatal mistake that causes many chiropractors to fail in this model is the value of their time. Unlike Wal-Mart, Costco or other warehouse clubs, DCs have no ability to make up for what they do by increasing their volume. Since you are not a product, one of the vital aspects of your service is your time. Sure, you can go faster, but you eventually still run into the limits of the clock or the patient's tolerance for a speedy adjustment. It's a two-edged sword because if you don't go fast enough, you won't generate enough income to support the model, either.

What Is Your Time Really Worth?

The only logical choice left for our contrarian business model of chiropractic is to create a business that is unique enough to attract patients and is intentionally designed to be profitable. To achieve this, you first need to know what an hour of your time is truly worth. If you don't know what your time is worth (and what it needs to be worth), then you cannot make effective decisions regarding which activities you should be spending your time on and which activities you should delegate.

When you view time from a financial aspect, hiring a specialist to maximize your current revenues may make sense, whereas spending money on marketing may not. Knowing what your time is worth helps you evaluate whether creating a new staff position (e.g., an X-ray tech, clinical CA or simply someone to run your errands) would provide a good return on your investment.

Calculating the value of your time also allows you to set your fee schedule for profitability rather than randomly guessing, helps you make critical decisions on insurance plan participation, and defines who will be your most desirable patients.

The Science of Creating Chiropractic Success

There is a "hard science" to running a profitable chiropractic practice; we just didn't study any of it to obtain our degree. The good news is that when you apply this science, it makes practice much more liberating. You do not have to copycat someone else's practice, but you do need to develop a sound business model of your own.

To help you along the way, I would be glad to share a "magic number" formula I use with my clients to help them determine an income target and calculate the true value of their productive time. E-mail me and let me know you read this article in *Dynamic Chiropractic*, and I will gladly forward you this formula.

In the meantime, start thinking about the current model of practice you use. Is it supported by your fee schedule, your billing and your coding? Could you operate just as well with less staff and outsource some tasks, or do you need to increase spending in weak areas? Do you need outside assistance in determining how to work smarter and not harder? I can guarantee you this: Any time you spend analyzing the intricate details of your practice will be time well-spent and will add to your bottom line.

Dr. Tom Necela maintains a private practice in Washington state. He is also the founder of The Strategic Chiropractor, a consulting firm for chiropractors. Dr. Necela can be contacted with questions or comments via his Web site, www.strategicdc.com.

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