

# Marketing Strategies for New Practice Owners



Article by Roxanne Hawn

## Often, less is better.

Originally, I thought this article would be about systematically introducing yourself to a community of clients, as a new veterinary practice owner, through overt marketing efforts. I imagined announcement letters, retirement parties, open houses, video introductions and more. I began my research fully prepared to explain how to make a big deal out of a change in ownership.

I was wrong.

The more I spoke to the new generation of practice owners, the more I realized that it is often a quiet, understated transition; not an affair requiring a big fanfare.

It's not that the change in ownership process isn't systematic and deliberate. It's just that many new owners choose to leverage one-on-one interactions – with a heavy vote of confidence from the legacy staff, if possible – to introduce themselves to clients.

Before we look at three new owner case studies, let's review a few key points about practice ownership transitions:

- **Bad Timing:** Some associate veterinarians definitely want to purchase a practice, but there often is a mismatch between when they are ready to buy and when their boss is ready to sell. This results in practice buyers going on the hunt for something to purchase elsewhere.
- **Short List:** Surprisingly, many of these new buyers look seriously at only a few practices (one to three), often near or in communities where they already work.
- **Total Secrecy:** Doyle Watson, DVM, owner of Simmons Veterinary Practice Sales and Appraisals, cautions both the buyer and the seller to keep quiet about the pending sale until after the closing, because things may happen to derail the deal.
- **Almost No Exodus:** All practice buyers fear a major exodus of clients after the sale. However, Watson's team follows practice outcomes and says that only 1% of practices experience any decline in revenue, and none see clients fleeing en masse.

“The amazing thing is how much glue is between the staff and the clients, the location and the clients, the facility and the clients. The pets are accustomed to the facility. The clients are accustomed to the facility, so there is a lot of glue there that's part of the good will,” he explains. “You'd think it's all about the doctor, but it is not. So, we hardly see any loss in revenues.”

- **First Year, Second Year:** In fact, Doyle's research shows that recently purchased practices experience growth in the double digits the first year, but not the second, necessarily. “Now in an economy like this, double digits might not be as common as it was, and the significant gross increase wouldn't last beyond the first year. It's just that rejuvenation and enthusiasm with the new buyer coming

in that wasn't there with the seller. So, dramatic things happen,” Doyle asserts.

- **The Letter:** Traditionally, after the closing, the seller sends out a letter to clients, announcing retirement and introducing the new practice owner. It's usually written and approved by both buyer and seller, with the help of their agents or practice consultants. Buyers today, however, often skip this step and quietly take over the reins.

## Case Study: Clear Lake Animal Hospital, West Palm Beach, Florida

Steffani Morris, DVM, bought her practice in July 2011. The practice Morris bought had been for sale for quite a while. The previous owner was older, and clients knew he was going to retire soon. In fact, they seemed happy for him when he finally did.

Rather than send a letter about the pending ownership transition, as tradition dictates, Morris trained the hospital team to inform clients about the change when they called to make an appointment. They encouraged people to come in and meet with Morris soon.

Most of the staff stayed after the practice sold, and they served as voices of confidence about the transition. They actively reassured clients that the previous owner wouldn't have sold to someone he didn't trust and respect. They reassured clients that Morris was exceptionally competent and compassionate.

Reaching full client awareness of the ownership change took about a year, as routine exams came due.

“We ended up doing it one on one,” Morris explains. “We thought about sending letters. It's just such a large client base, and we decided let's just handle it one on one and make it more personal. It worked out better in my mind; being able to talk to the pet owners, as opposed to people just getting a letter and panicking because their veterinarian isn't there anymore - and go looking for a new one rather than seeing that the same staff is still here. It worked out really well.”

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A close-up photograph of a hand holding a large, dark blue, three-dimensional letter 'T'. The hand is positioned above the word 'MARKETING', which is written in large, dark blue, three-dimensional letters. The letters are arranged in a row, and the 'T' is being held in a way that it appears to be part of the word. The background is white, and the letters have a slight shadow beneath them, giving them a 3D appearance.

MARKETING



The retiring owner only saw patients from 8 a.m. to noon. Morris expanded to a full day of appointments. She also computerized the practice, purchased several pieces of new equipment, and added staff to handle the expanded office hours.

“The first year, income was honestly far more than I expected – up \$70,000-\$80,000,” she admits. “I was really just hoping to break even the first year.”

### **Case Study: East Cooper Animal Hospital, Mount Pleasant, South Carolina**

Marci Sauls, DVM, bought her hospital in March 2013, and while the previous practice owner did send out one of the traditional letters upon his exit at the sale closing, Sauls jokes that otherwise she did no marketing at all. Why? She has simply been too busy with patients and with building her own team. Just one legacy staff member remains.

“The letter was a little bit vague,” Sauls says. “It basically said there was a change in ownership and that he would try to help me with the transition. It contained some basic information about my experience, what I’ve done in the past, and how I ended up here. He thanked clients for their support over the years and encouraged them to stick with us.”

How did Sauls handle the worry over the uproar among clients that caused her to lose sleep? Nothing. None of it happened.

“The phones didn’t stop ringing. We were busier than ever,” she says. “No one really noticed that there was a change. A few people asked questions. We may have lost a total of five clients. We actually had mostly positive feedback. People were very excited that there was going to be a change, and actually a lot of people who were thinking about leaving before decided not to.”

Other than September, which was a little slow, Sauls reports monthly income increases of 15%-18%. Primarily, she attributes that growth to: More thorough workups; new rules about exams prior to vaccines; what’s required before boarding; hospitalizing pets when needed; and, more routine surgeries like spays and neuters. Before the sale, the hospital did almost no hospitalization or surgery.

Sauls changed the name of the practice recently to East Cooper Animal Hospital. She created a new website and is posting to Facebook. She changed the Yellow Pages ad and put up a beautiful new practice sign, but that’s about it, so far, for marketing.

To those looking to buy their first practice, Sauls offers this advice:

- From the beginning, find a good accountant with good practice valuation experience.
- Use a broker who works for you, because there are just too many things you cannot do on your own.
- Hire a practice manager you know and trust - you cannot do it all by yourself.

### **Case Study: Laurel Veterinary Clinic, Broomfield, Colorado**

Ken Bixel, VMD, bought his first practice in 2007. Since then, he has purchased a total of five hospitals – all in Colorado. After combining two of them, he now owns four practices. He sees patients three days a week at one of them. The rest of his time goes to management responsibility for all the hospitals.

Bixel has found that having the previous owner phase out over years, not months, provides a smooth transition for possibly wary clients – going from four days, to three days, to two days over a long period of time.

“In almost every instance, the previous owner has eased out over years,” he says. “I find that they kind of like that too. They usually are in no hurry to retire. They are kind of nervous about what they are going to do now and how much time they are going to have, so it also works to their benefit.”

At the most recent hospital Bixel purchased, the owner had already retired. He says, “We just sent out a letter announcing his retirement to all the existing clients, so that’s the only one that we’ve really announced with fanfare, but he was elderly.”

Sometimes the previous owner will send cards to super-long-term clients about his retirement. Sometimes, the practice publishes a goodbye Facebook post, but in general, the slow transition doesn’t require fanfare.

“Once they get down to two days a week,” Bixel explains. “Many people use a lot of the other doctors in the practice also because they have had to get to know them because their previous doctor isn’t always there, so now they have a good bond with that current doctor.”

Bixel’s practice teams don’t hide anything, but they also don’t make a big deal about the new ownership. “It’s not something we feel is an important part of our client’s medical decisions,” Bixel says.

In Bixel’s experience, the business growth new owners experience comes because even small efforts pay off. Often these older practices don’t have a great website or a website at all. They don’t do any social media. They don’t advertise effectively.

These practices also need some equipment upgrades and facility makeover or expansion – things sellers may have put off. Changes may have more to do with hospital efficiency and upgrades rather than gung-ho marketing about new owners.

### **Conclusion**

The take-away message is that while good marketing is required for all veterinary practices. The change in ownership likely doesn’t need a lot of hoopla. In fact, today’s new practice owners find that taking a low-key approach to building relationships and making hospital improvements works.

Improve the website. Send out some emails. Post things on social media. Just don’t make a big deal about a change in ownership. Simply continue to educate clients about quality veterinary care and continue or bolster the legacy you inherited.

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Roxanne Hawn is a professional writer and award-winning blogger based in the Rocky Mountains of Colorado. A former writer/editor for the American Animal Hospital Association and the American Humane Association, she has written about veterinary medicine and pet topics for nearly 20 years. Her work has also appeared in The New York Times, Reader’s Digest, Natural Home, Bankrate.com, WebMD, The Bark, Modern Dog, and many high-profile outlets.