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Alternative Medicine & Rehabilitation as Growth Opportunities

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These are difficult times for many small businesses, and veterinary practices are no exception. Prior to the actual recession, industry reports already indicated a declining trend in several metrics including patient visits, transactions, and new clients. Confirmation of this decline came earlier this year with the release of the Bayer Veterinary Care Usage Study; this study compiled industry data, extensively surveyed pet owners, and presented it in a format that left little room for interpretation. The study also confirmed that declining veterinary metrics are not a result of a shrinking potential market base. Consider that from 1996-2006 the number of pets owned in the U.S. grew incrementally at a steady rate of approximately 10M per year, but the number of veterinary visits, which had matched or exceeded this rate of growth until 2001, fell flat and began a slow decline. Clearly, in order to reverse this trend, the onus is on our profession to evaluate our declining ability over the last ten years to convert pet owners into active, educated clients.

If there is a bright side, it is that the average per transaction dollar amount has continued to grow, in most cases as a result of incremental fee increases. Yet even these increases have been unable to make up for the declining volume of patients and patient visits. While it would be simple if the current discrepancy could be solved merely by further increasing fees, the results of the Bayer Study clearly indicate that in most cases this option has been “maxed out.” With 53% of pet owner respondents indicating that veterinary costs are higher than expected and 28% stating that they would consider changing veterinarians for a lower cost option, continuing with significant fee increases can do more harm than good. With anything more than inflation-based increases out of the picture, small animal veterinarians are being forced to reevaluate their business model and pursue new avenues of growth. This includes looking at additions to a practice’s current “menu of services” and potentially building a service-based niche as a point of differentiation from other practices within the same locale.

Physical rehabilitation and integrative medicine (which for the purpose of this article encompasses acupuncture as well as other services such as herbal medicine and chiropractic) are two very specific value-added services that not only present new opportunities for treatment amongst current patients, but offer a rare and valuable opportunity when it comes to attracting new clients. While including either one, or both, of these treatment modalities can act as a point of differentiation to elevate a practice’s overall reputation in the minds of both consumers and colleagues, it is the existing and increasing consumer demand which is driving the growth of these services that presents a unique opportunity. Thanks to the availability of information on the internet, both scientific and anecdotal, as well as a media that fully recognizes the value in catering to pet owners, these specific treatment modalities are being actively sought out, regardless of the economy. Additionally, providing a service in for which there is an existing market demand lessens the risk associated with a return on investment, and potentially reduces the time between an initial service offering and profit realization.

There is also a tremendous opportunity, which is often overlooked, for practices that not only offer physical rehabilitation and/or integrative medicine, but make a conscious decision to market them as “specialties” within the walls of a general practice. Just as specialists obtain clients from veterinary referrals, these niche services offer a similar avenue of revenue stream for general practices. This doesn’t just mean casting a wider net than the typical 5-7 mile radius used as a “mental block” for marketing and practice promotion, although this is important too. It requires adding an entirely new element to the marketing mix by pursuing relationships with, and encouraging referrals from, other general and specialty practices. While these patients are technically “new” the goal is not to convert them into regular clients; in fact the opposite mindset is necessary if you want to ensure continued referrals. Another element of maintaining a healthy referral business includes providing updates to the pet’s primary care provider, which will require a system to ensure that this communication occurs in a timely fashion. When handled with finesse and diplomacy, an entirely self-sufficient “practice” as it were can actually be built around professional referrals for either or both of these services.

While physical rehabilitation and integrative medicine have the potential to open doors with regard to growth, quality of care and revenue generation, implementing either program involves a significant commitment of practice resources, of which time and money are the most obvious. Where the aspect of time becomes significant is the period between the decision to move forward with a service offering and the actual ability to offer that service. What makes this such a significant consideration is that both disciplines can only be performed by veterinarians certified in that modality, and it can easily take upwards of a year to complete and achieve either a CCRT (Certified Canine Rehabilitation Therapist) or CVA (Certified Veterinary Acupuncturist) designation, for example. While there are several certification programs offered, each involves the completion of course work, externship hours and a case study, and in most cases have to be fit in around a full-time work schedule (note: technicians can also receive the CCRT designation, but check state practice acts to determine whether they can function under a non-certified veterinarian).

Time and money are always interrelated, and even removing equipment purchases, possible practice renovations and marketing from the equation, the potential educational investment is considerable. There are only two ways for a practice to acquire a CCRT or a CVA: either provide certification training to a current associate, or recruit and acquire a veterinarian that has already received certification. While hiring from the outside may sound like a quicker, less costly option, finding a qualified, certified veterinarian in one, or preferably both, of these disciplines can take a lot longer than that. Also, if there is no other need for an additional doctor, choosing to offer the opportunity internally is not only more cost-effective but a great loyalty incentive. In many cases there is an associate that may have already expressed interest and is willing to make a specific commitment to the practice in return for sponsorship. Recent graduates are extremely eager to achieve these certifications, but often cannot afford to pursue it on their own. They are well aware that competition for positions in small animal medicine is on the rise, and recognize the opportunity that obtaining these skills can provide as a point of differentiation to set them apart from their colleagues.

For practices or individual veterinarians currently on the fence regarding whether or not to offer these services, or to take the steps necessary for certification, there is truly no better time than right now to make a commitment. Client demand continues to grow faster than it can be met; there are CCRTs and CVAs in some regions of the country that are so busy that they can no longer take new patients. With current market demand providing such an identifiable “edge,” it is hard to imagine that a saturation point for either integrative medicine or physical rehabilitation exists in the near future. Nevertheless, timing is everything, and due diligence means knowing where the line between maximum need and overabundance exists and getting on board at the most opportune time.

While there are myriad of considerations, if the elements of time and financial investment can be managed and balanced against the long term objective, both physical rehabilitation and integrative medicine are excellent opportunities for growth. The key is for every step in the implementation process to be well orchestrated to ensure the best return in the shortest time possible. Choosing to join the growing number of practices that provide these value-added services displays an understanding of the benefits in meeting client demand, capitalizing on complimentary avenues of revenue generation, and ultimately providing the highest standard of care to patients.