



Why Your Plastic Surgery Practice Needs a Business Evaluation

By Terri Ross, Terri Ross Consulting

One of my favorite Chinese proverbs is: "If you don't change the direction you are headed, you'll end up where you're going."

The quicker you respond to a web lead; the less time prospective clients have to research your competitors.

This resonates with me so much as I travel and speak at aesthetic industry conferences across the country and see so many plastic surgeons struggling and asking questions, such as:

- Why aren't we growing as fast as we hoped?
- Why aren't we generating more revenue?
- How do we know which procedures or surgeries are the most profitable?
- Why are we busy, but our revenue doesn't seem to be growing?
- Why are our patient conversion rates low?
- How do we determine our patient acquisition costs and retention rate?
- What reports should we be running and how do we interpret them?
- What key performance indicators should we monitor?
- How do I coach my team to change based on this information?
- What should I be paying my team?
- How can we reduce expenses?

My answer is always the same: Have you ever performed a business evaluation where you've analyzed your entire business and all your data to identify the gaps to identify the areas of opportunity for growth?

WHAT IS A BUSINESS EVALUATION?

A business evaluation is like a comprehensive, diagnostic exam that will analyze the health of your plastic surgery practice. It involves gathering all your data and answering a series of questions about every area and department within your practice such as your team, training, services, compensation, pricing, marketing, systems, payroll, financial data, operations, and more.



Have you ever performed a business evaluation where you've analyzed your entire business and all your data to identify the gaps to identify the areas of opportunity for growth?

While you may intuitively know what's not working, or you may think you can do this on your own, let's be honest, your zone of genius is being a physician and by seeking outside expert advice can get you further faster, saving you time and money. It's usually most effective when performed and analyzed by an outside expert consultant who can look objectively and make recommendations.

Once all the data is analyzed, you'll receive a comprehensive formal business report with thorough recommendations for actionable steps to implement immediately that will have a profound impact on your business.

HOW WILL A BUSINESS EVALUATION HELP ME?

Once your practice has been evaluated, you'll be able to understand the overall baseline and health of your business; see what's working and what isn't; uncover missing revenue; identify areas of opportunity for growth; make informed, data-driven decisions and course correct; know the industry benchmarks and what to measure; compensate your team to motivate them yet stay within your budget; take action to implement changes immediately; and increase overall profitability and efficiency.

You'll also gain invaluable insights to help you:

- Analyze your expenses and cash flow.
- Determine your revenue per hour compared to industry benchmarks.
- Evaluate your conversion metrics with suggestions for improvement.

Click to Read
**"A Guide to Creating
 an Exit Plan for your
 Plastic Surgery Practice"**
 also by Terri Ross.

- Improve your consultation process and create follow-up protocols.
- Build long-term treatment plans to improve patient outcomes, increase revenue, and improve patient retention.
- Establish a sustainable compensation plan that will reward productivity and merit and is aligned with important benchmarks.
- Channel your marketing dollars in the areas that generate the most ROI.

Having a Business Evaluation performed is not an option but a must if you want a sustainable and profitable practice. You'll understand your business in ways you never have before.

My team and I are always here to support you and your team. To learn more about performing a business evaluation or our programs, please visit www.terrirossconsulting.com or please email us at terri@terriross.com.

Terri Ross is a world-renowned, strategic practice growth consultant, author, international speaker, thought leader, and high-performance sales coach for both medical aesthetic practices and Fortune 500 medical aesthetic companies. She is the Founder and CEO of Terri Ross Consulting.



A Guide to Creating an Exit Plan for your Plastic Surgery Practice

By Terri Ross, Terri Ross Consulting

Private Equity (PE) firms are out there calling many aesthetic practices about acquisition. This is a hot topic that is very relevant in the market now.

If you think about the aesthetic business, it's cash-based, pre-paid, retail medicine and for the most part, has proved to be recession proof. Practices with loyalty programs, packages, and treatment plans have recurring revenue which is very attractive to buyers.

If a PE firm approached you today, would you know what they would be looking for?

10 FACTORS PRIVATE EQUITY FIRMS LOOK FOR

When PE firms consider acquiring a plastic surgery and medical spa practice, they typically evaluate several key factors to ensure the investment aligns with their financial and strategic goals.

1. Financial Performance and Growth Potential.

They will want to know your revenue and profit margin. Consistent and growing revenue streams with healthy profit margins are very attractive to potential buyers. They look for strong, stable, and predictable cash flow. This is critical. Also, they look at your opportunities for organic growth (increased patient base, new services, and scalability).

2. Market Position and Competitive Advantage.

PE firms want to see a well-established practice with a strong brand and reputation for quality care. They are looking for practices with leading or significant market share in the geographic region as well as a loyal and diverse patient base with potential for expansion.

3. Operational Efficiency.

PE firms are looking for practices with efficient operations, (including appointment scheduling, billing, and inventory management); skilled, experienced and stable staff (including both medical and administrative personnel); and up-to-date medical equipment and electronic health records (EHR) systems.



PE firms want to see a well-established practice with a strong brand and reputation for quality care. They are looking for practices with leading or significant market share in the geographic region as well as a loyal and diverse patient base with potential

4. Compliance and Risk Management.

Your practice should adhere to health care regulations and standards and have policies and procedures in place to minimize legal and operational risks.

5. Scalability and Expansion Opportunities.

They seek practices with potential for expanding services or locations without a proportional increase in costs. They also look for additional revenue streams or opportunities to introduce new treatments or products and the potential to upsell existing services.

6. Synergy with Existing Portfolio.

Another factor PE firms consider is how well your practice fits with their existing portfolio and the ease of integrating your practice into their operational framework.

7. Valuation and Deal Structure.

They look for practices that are priced appropriately relative to their financial performance and market conditions. They will look at favorable deal terms, including purchase price, payment structure, and post-acquisition support.

8. Management and Leadership.

They will want an experienced and competent leadership team that is willing to stay post-acquisition. If current leaders intend to exit, they want to see succession planning for the transition.

Click to Read
"Why Your Plastic Surgery Practice Needs a Business Evaluation"
also by Terri Ross.

9. Reputation and Brand Equity.

They are looking for high levels of patient satisfaction and positive reviews as well as a strong, recognizable brand that can be leveraged for growth.

10. Geographic Location.

They want practices located in a region with high demand for plastic surgery and medical spa services and that has favorable demographics to support sustained demand for aesthetic procedures.

By carefully evaluating these factors, PE firms can identify plastic surgery and medical spa practices that not only align with their investment criteria but also offer the potential for significant returns on investment through growth, efficiency improvements, and strategic enhancements. If you have questions, please email me at terri@terriross.com.

Terri Ross is a world-renowned, strategic practice growth consultant, author, international speaker, thought leader, and high-performance sales coach for both medical aesthetic practices and Fortune 500 medical aesthetic companies. She is the Founder and CEO of Terri Ross Consulting.