



NEWSLETTER

Issue 1 November 2005

What makes a successful marketer?

We all now live in a world dominated by marketing. Many of us participate at various levels of marketing with quite a wide variance in the rate of success for our efforts. Often we see or read about companies that in very short spaces of time grow to become huge and successful companies in markets that have been very competitive and often dominated by mainstream players. An extreme example of success is Michael Dell who in 1984, at the age of 19, started as a small backyard operation named simply 'Dell Computers' and grew within a short space of time to compete with, and eventually beat, companies like IBM, Compaq, Hewlett Packard. We might think that the veterinary industry is 'different' to other types of market but it is amazing the similarities of various success stories albeit on a much smaller scale. There have been many surveys conducted to find the common 'success factors' that seem to make the difference between those that are successful in marketing versus those that are not so successful. These surveys have consistently come up with a number of common key characteristics of success, some of which are just as relevant in the veterinary industry as in other industries.

Two Almost Mandatory Success Factors

In all of the studies two characteristics have consistently been present in virtually all major success stories and have often been lacking in those that have not been so successful. These factors are likely to be major success criteria within the veterinary industry.

1. A desire to succeed backed by consistent effort!

Even when times are tough the successful business is the one that constantly seeks out successful business strategies. For those that find their veterinary practices are stagnating then it is time to get out and see what others are doing and revitalize the keenness that we all have had at various times. Get some inspiration, look at ways of improving, listen to others that may know more than you. You may be surprised that some new vigor might well inspire your staff to new levels as well!

2. A core business ideology that is even more important than profit!

This characteristic does not mean that profit is not important, what it means is that your belief in business cannot be solely driven by financial gain but must have a true belief in what you are doing. Many veterinarians have been through stages of doubt and some have left the profession as the result. The net outcome is that for veterinarians to be successful in business in the long-term they must have a 'belief' in what they do and this belief must also be fostered in their staff.

Message from Rob White



Welcome to the first FREE E-Newsletter from MPV Consulting. This is the first of many that will address topics on all aspects of veterinary practice marketing and will hopefully assist you to develop your own marketing skills. These newsletters will be complimented with lectures at various centers the locations of which will largely be based on the demographics of those that have returned the attached Expression of Interest Form. An MPV Newsletter will be occasionally sent to all practices Australia-wide but the MPV E-Newsletter due each 3 month period will only be forwarded to those practices that have forwarded their e-mail address to MPV Consulting. If you have any questions relating to marketing issues please feel free to give me a call. As a service to veterinarians, all incoming telephone calls relating to marketing and of less than 10 minutes duration are FREE OF CHARGE. You will be fully advised of charges for service prior to a charge being made. So feel free to call!

We look forward to assisting you in "using business principles in veterinary practice".

Rob White B.V.Sc. CDE

Next Issue!

- ▣ Pricing veterinary services
- ▣ Annual MPV Fees Survey

Four other factors relating to success

Whilst the items listed previously are necessary for a high degree of success, the studies have shown that other factors, whilst not mandatory, often bear a strong relationship with success. I have taken the opportunity to select factors that seem most relevant in the veterinary industry.

1. The quality of the products and/or services delivered

Studies have consistently shown that those that compete primarily on price or rely heavily on advertising without ensuring consistent quality standards have limited long-term success. This definitely applies within the veterinary industry and it does not apply just to the actual veterinary services but applies to all the augmented services provided by your business, right from the first impressions, the initial telephone contact through to post-treatment services. Quality does not always mean the 'highest' standard, what it means is that you choose the standard of service you wish to deliver and make sure you deliver it consistently. Future newsletters and lectures by MPV Consulting will be addressing what a client 'perceives' as quality as well as what is 'delivered' quality.

2. A strong relationship between market share and profit

This is a topic that I have found is a sensitive area for many veterinarians. On one hand we are encouraged to slice expenses in order to make a practice more profitable but the reality is that the most profitable veterinary practices will generally have a larger slice of the market than the smaller ones. This does not mean that continuous growth is always desirable but veterinary practices need to have a 'reasonable market share' in order to reach an optimal profit zone.

3. Performance is heavily influenced by starting position

For example: let say you have two veterinarians taking over two different practices, one practice has been stagnant for some years and the other has

been growing rapidly but both are currently equal in size. Assuming both new veterinarians have equal skill and ability, as veterinarians and marketers, it will be more difficult for the veterinarian acquiring the stagnant practice to expand the practice initially than for the veterinarian acquiring the practice that is already growing. A similar rule applies if you currently have a low profitability in practice - a greater level of effort will be required to improve the profitability than for a practice that currently enjoys a higher level of profitability. If you start working on changing your position now then down the track when you are readdressing your business direction you will find it much easier because the 'new starting position' begins well above the original base line.

4. High investment or fixed cost intensity is a powerful drag on profit

Many practices that have committed themselves to high fixed costs will have to increase turnover dramatically to maintain satisfactory profit and justify the level of investment (includes high rents, some equipment or building costs). Once committed to these fixed costs they are often difficult to reduce and very often means the bank or others will make the profit rather than the veterinarian. Investment must always be based on good ROI (Return on Investment). Single veterinarian practices have relatively high fixed overheads and as a result struggle to maintain a high level of profit unless they can increase turnover. It is not uncommon for veterinarians to not invest at all, invest heavily on projects that have poor ROI and/or fail to invest in projects that have a larger ROI. Try not to be emotional when making these investment decisions!

These factors are worth consideration in your veterinary practice marketing. Marketing does require effort and it also requires an intelligent approach so that your efforts and investment in practice development are effectively placed.

The next MPV Consulting Newsletter will include the

Annual MPV Fees Survey

where you will be able to compare your fees with the rest of the veterinary profession.

Want to receive these E-Newsletters again?

Then you need to fill out the **Expression of Interest Form** and send it back to MPV Consulting