

Utilizing the value proposition in dairy practice

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Abstract

How well do you understand what your dairy farm clients need and want from your practice? The value proposition can be a useful tool for identifying current and future needs of clients and then assessing how well your practice meets those needs. Valley Veterinary Clinic, SC is a large private practice serving the diverse dairy industry in north-eastern Wisconsin. This presentation will outline several relevant attributes of the practice and highlight how Valley Veterinary Clinic is using the value proposition to better meet the needs of its dairy clients.

Key words: dairy, veterinary practice, value proposition, service

Résumé

Comment comprenez-vous ce que vos clients de fermes laitières demandent et veulent de votre pratique? La valeur proposée peut être un outil utile pour identifier les besoins actuels et futurs des clients et d'évaluer si votre pratique répond bien à ces besoins. La *Valley Veterinary Clinic* est une grande pratique privée au service de l'industrie laitière diversifiée du nord-est du Wisconsin. Cette présentation soulignera plusieurs attributs pertinents de la pratique et mettra en lumière comme cette clinique utilise la valeur proposée afin de mieux répondre aux besoins de ses clients laitiers.

Introduction

When the program committee announced that the general theme for the 50th Annual Conference of AABP would be "Things We Know That Ain't So," Dr. David Welch, the veterinary practice sustainability project leader, outlined his ideas for the practice sustainability portion of the program. In one section, Dick Lewis, a business consultant, would introduce the strategic management tool, value proposition, and share how it can both engage everyone in the practice in the planning process and revolutionize the way we think about creating value for our clients. Next, Dr. Welch envisioned one beef and one dairy practitioner highlighting how his/her practice evaluated client services and employed the value proposition tool. Upon receiving Dr. Welch's invitation to present, I initially had little interest because I didn't want to seem like another practitioner boasting about the success of his practice in a room full of eminently successful veterinarians. However, he reassured me that the goal for these presentations was to highlight a practice's thought process,

for better or worse, when evaluating potential new services and not for bragging about cash flow, management structure, or business acumen. So, the following is an overview description of my practice and its dairy clients and then a summary of how the practice evaluates existing services and plans for future service offerings.

Founded in 1971, Valley Veterinary Clinic, SC (VVC) has steadily grown to a full-service, progressive private practice serving the dairy industry over an extensive geographical area of northeastern Wisconsin. Currently VCC is composed of 14 full-time doctors, one certified veterinary technician, and four office staff, and the practice routinely serves dairy farms in 11 counties in the greater Green Bay area. VVC is currently owned and managed by a group of 8 partner veterinarians. The practice is specialized to provide service to dairy farm clients, regardless of farm size or management style, and strives to protect farm businesses from risk by effectively working with farm managers and employees to implement strategies that ensure animal health, responsible medication use, and food safety. Regular herd health visits focused on reproductive exams, medical and surgical case management for individual animals, and various consulting services contribute the bulk of the practice's revenue. Each of the veterinarians works with a group of regular herd health clients and emergency duty is shared equally by all doctors. Additionally, many of the doctors have developed special interests so that the practice can offer consulting or specialized services in health management, milk quality, advanced reproductive techniques, residue avoidance, genetic evaluation, records set-up and analysis, barn facility design, and farm employee training.

Northeast Wisconsin hosts a bustling agricultural economy with thousands of registered livestock premises, including hundreds of licensed dairy farms. The dairy industry in this region is unique in its marked diversity with numerous farms representing each end of a spectrum ranging from single-family traditional operations to multi-family partnerships with thousands of cattle spanning several sites. Plentiful continuing education opportunities offered by the University of Wisconsin-Extension and energetic producer organizations, like Professional Dairy Producers and the Dairy Business Association, have contributed to make this region one of the most progressive dairy areas in the country. The diversity in dairy farm clientele presents a challenge for veterinarians serving in this region because of the requisite diversity in services that must be offered to satisfy the needs of clients. In a very general sense, smaller, single-family farms tend to demand VVC's technical services, like individual sick cow medical or surgical management, and larger, multi-family

farm partnerships tend to demand VVC's consulting services, like protocol development and employee training.

The following mission statement embodies the culture of VVC well: "At Valley Veterinary Clinic we strive to have a cohesive team of veterinarians and staff whose mission is to develop relationships with our clients where we provide excellent service, advocacy for their cows, and a positive influence on their profitability." Three points from the mission statement generally relate to the practice's decision making process regarding service offerings: 1) a cohesive team, 2) relationships with clients, 3) striving to provide excellent service.

Building a Cohesive Team

As VVC has grown over the years, additional positions for doctors and office staff have been advertised and filled to meet the needs of the practice's clients. The hiring process at VVC is designed to identify individuals with credentials and skills that meet or exceed the job description. However, VVC's owners place equal importance on an applicant's potential to be a cohesive member of the existing team of veterinarians and support staff. One advantage that VVC enjoys in being a relatively large practice is the opportunity to wait for the "right fit" during the hiring process instead of being forced to hire out of necessity. Each newly hired veterinarian is partnered with a practice owner mentor who eases the transition, answers questions, and provides support. Annual reviews are focused equally on retrospective evaluation of practice owners' and the associate veterinarian's expectations and on planning future needs. Weekly doctor breakfast meetings allow VVC's veterinarians to consult on challenging or unique medical/surgical cases, discuss management issues on client farms, and build consensus on practice services and activities. With the ambulatory nature of the practice, these meetings reinforce the importance of being a cohesive team and allow the doctors to stay current on practice and client issues, to discuss a recent win by the beloved Packers, and to boast about success in the Hooves and Tails League, VVC's competitive fantasy football league.

Developing Relationships with Clients

Developing strong, lasting relationships with farm owners and their employees is an important goal for all VVC employees. Another advantage that VVC enjoys in being a relatively large practice is the opportunity to match the personality and management style of a farm client with veterinarian(s) of record who share similar or complimentary personalities and views on dairy husbandry and management. For potential new farm clients, one or two VVC veterinarians make an initial farm visit to interview the owner(s) and manager(s) and tour the farm facilities. If the VVC owners believe that the farm is a good match for the clinic, then the veterinarians discuss who would be a good fit to serve as the

farm's veterinarian(s) of record. Generally, smaller farms are placed on a bi-weekly or monthly herd visit schedule and one veterinarian serves as the farm's primary contact for the entire practice team. Larger farms are usually placed on a once or twice weekly herd visit schedule, and there are typically two veterinarians assigned to provide alternating primary contact with the farm. The farm's veterinarian of record is considered the primary point person for coordinating services for the farm. Farm owners are informed from the outset that the primary herd veterinarian has the backing of a team of VVC experts and are encouraged to employ all of the necessary resources and services offered by the practice.

Providing Excellent Service

By retaining a talented, cohesive team and emphasizing strong, lasting relationships, VVC is positioned to offer excellent service to its dairy farm clients. The "bread and butter" of VVC's service offerings are the traditional veterinary roles in reproductive examination and individual sick cow management. However, the practice has steadily built a range of consulting and management service offerings that provide additional value for the farms and allow individual veterinarians to develop personal interests. Apart from a few standardized fees for individual services, like surgical correction of left displaced abomasum, all services are billed based on time at standard hourly rates. VVC provides a complete pharmacy stocked with medicines, biologics, and other supplies that are available to farms where the practice holds a valid veterinary-client-patient relationship, but this service is no longer a primary source of revenue for the practice. Additionally, the clinic houses a busy laboratory service that has seen substantial growth over the last several years with many new service offerings, especially in milk microbiology.

In general, VVC is relatively conservative and deliberate when considering new services to offer beyond the practice's core areas of strength. VVC owners usually meet on a weekly basis to discuss any issues related to the management of the practice. During evaluation of potential new services, VVC's owners discuss in detail potential pros, cons, and risks for the practice and its clients. In general, it's uncommon for these discussions to focus heavily on formal data analysis, partial budgeting, or other quantitative tools. Instead, the partners rely on their strong relationships with dairy clients and extensive collective experience working in northeast Wisconsin to evaluate the potential value of new service offerings. An emphasis is placed on building consensus among the partners and formal votes are rarely necessary to make a decision regarding an appropriate course of action.

Utilizing the Value Proposition

Constructing a value proposition offers VVC the opportunity to assess its current service offerings in an organized and comprehensive way. AABP's Veterinary Practice Sustain-

ability Committee provides a four-part webinar series on the steps of creating a value proposition, and AABP members may access each of the videos through the “Member Center” tab on the AABP website. Each of the videos delivers a concise description of an important stage in the process, and it’s ideal, though likely not realistic, to expect each veterinarian or other member of a practice’s team to watch all of the videos before beginning the value proposition exercise. At a minimum, it’s important for all practice members to watch the first video, titled “Constructing a Value Proposition” so that they are informed on the four steps of the process. In any group practice, it will be helpful for one or two individuals to commit to leading the effort. These project leaders can coordinate meeting times, organize discussions, and summarize the meetings to gauge progress. I serve in this role for VVC, and we have primarily taken advantage of our weekly breakfast meetings to advance the project. To make best use of our limited time, I’ve found it helpful to email the group before the meeting with a few key discussion topics and then email a summary of the discussion immediately after the meeting.

The challenge for VVC, or likely any veterinary practice, is to critically evaluate its service offerings through the lens of clients. Previous speakers at AABP Annual Conferences have also reflected on the challenge of assessing one’s practice from the clients’ perspective. It’s common for practitioners to determine what our clients want, need, and are willing to pay for and then direct the momentum of the practice without really knowing what the clients honestly want or need.¹ The mentality that the veterinarian must be “the answer man” for his/her farm clients stems from the fact that veterinarians are trained primarily in the model of a physician health care delivery system where the patient seeks medical care for an injury or ailment, the physician conducts an examination, orders some diagnostic procedures, and recommends some intervention.² This model serves companion animal practice well and historically worked well when veterinarians primarily served traditional small dairy operations.² If a problem arose, then the successful veterinarian would provide the “answers.” However, practitioners will need to shed this deeply entrenched notion that they know what’s best for their clients if they are going to productively develop the value proposition. If a practitioner intends to keep doing what he/she has always done, then he/she should expect the same results. However, an open mind and willingness to critically evaluate the practice are likely to yield opportunities for growth and improved client service during the construction of a value proposition.

The first step in constructing a value proposition is to identify individual services/products that clients need or want and then describe them with action verbs *from the client’s perspective*. This list may grow lengthy during brainstorming discussions because practice members will likely recount all of the various services that they’ve performed for clients in recent memory. However, it’s important to

recall that this list should not simply be a list of what the practice is already performing but instead should focus on all of the services/products that a veterinary practice could provide to its clients that will return value for the investment of using them. For VVC, it was helpful to imagine that we were farm owners so that we could consider all the tasks that must be accomplished on our operations in a day, a week, a month, or even a year. Then, we identified if or how a veterinary practice might be able to provide a valuable service to assist or perform those tasks. Note that clients’ to-do lists could vary considerably depending on the size and management style of the farm operation, and the practice would need to account for these differences during this step of the project.

There are many areas of a farm owner’s to-do list that are likely beyond the scope of veterinary involvement and those obviously need not be considered. However, take care to avoid examining a situation from a narrow perspective. For example, consider the daily delivery of feed as one of the tasks that might provide opportunity for additional service offerings. At first glance, practice members might discount this task as beyond the scope of their expertise, but there may be helpful ways for a veterinarian to provide the farm owner with valuable service, even if the veterinarians have little knowledge of nutrition or feeding equipment. Perhaps, the farm owner simply needs another pair of reliable eyes to ride with the feeder from time to time to ensure he/she is in compliance with the farm’s SOPs for mixing and delivering feed. So, a service that the practice may include in its list would be “Periodically monitor feed delivery to ensure ration is consistent and delivered as formulated.” Certainly this service wouldn’t be necessary on all or even most of a practice’s client farms, but it might be quite useful on a few of them and represents an opportunity for a practice to provide additional value for farm owners. Additionally, this service may lead to additional previously unrecognized service opportunities like writing, implementing, and monitoring feeding SOPs.

The second step is to summarize into several broad categories the previously assembled list of individual services/products that clients want or need. Avoid the temptation to define numerous categories and instead attempt to simplify what is likely to be the long list generated from the previous step. From our work at VVC, the following examples could work well for a dairy practice: technical services, analysis/business planning services, management consulting services, and compliance/regulatory services. However, these categories could certainly vary between practices and should represent a practical way for the practice to organize its specific service offerings. It may also be helpful to use subheadings for further organization. For example, reproductive, sick animal, and routine tasks might be additional divisions of the technical services category.

The third step in constructing a value proposition is to separate the services within each category into one of three different levels of service: Base, Level 1, or Level 2.

Base level services are those that must be provided to meet minimum expectations. Next, Level 1 services are those that may distinguish the practice from competitors or improve the current situation for the practice. Lastly, Level 2 services are those “home run” services that make a practice stand apart from others and represent the pinnacle of service, even if it’s unknown how to deliver them currently. Again, these designations may vary depending on a practice’s geographical location, its farm clientele, and its current situation. “Strategically using embryo transfer to enhance genetic base of herd” could be categorized as a Base, Level 1, or Level 2 service depending on a practice’s unique situation and for VVC it was considered a Level 1 service.

The final step in constructing a value proposition is to assess the practice’s merits for each service relative to the practice’s competitors and the practice’s own current situation. For a nice visual display of the value proposition, VVC found it helpful to use the color coding system outlined in the Practice Sustainability Committee’s webinar. Services in green are those that the practice is performing satisfactorily, services in yellow are those that could use improvement, and services in red are deficient or not currently offered. Again, it is important to consider this evaluation from the practice’s clients’ perspective and for the practice to be honest and accurate in its assessment. Upon completion, the practice will have created a roadmap to guide current and future decisions regarding service offerings. The value proposition should periodically be reviewed to determine progress in moving services from red or yellow towards green.

Practitioners may find it helpful to evaluate potential services (Step 1) and the practice’s offerings (Step 4) by seeking client assessment through surveys or focus groups.

A candid evaluation by the practice’s clients may be difficult to digest but would likely reveal further opportunities for improvement and future growth. By one approach, a practice could construct a value proposition and subsequently request client feedback on particular sections or parts. Conversely, a practice may elect to involve client participation from the outset so that each step is completed by a team of practice members and its valued clients. Historically, VVC has relied on close relationships with clients to evaluate service instead of formal surveys or other methods. However, the structured process of constructing a value proposition revealed weaknesses and opportunities that we plan to have valued clients further elucidate.

Conclusion

Valley Veterinary Clinic is a large progressive practice serving dairy farms in the greater Green Bay area of northeast Wisconsin. The value proposition exercise has motivated team members to continually improve service offerings so that the practice can fulfill the ideals described in its mission statement: cohesive team, strong relationships with clients, and excellent service.

References

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