

Pooling Resources to Achieve Financial, Professional and Personal Success

Brian Reed, DVM, MBA

Agricultural Veterinary Associates, P.O. Box 190, Denver, PA 17517

Abstract

Veterinarians, as well as many other people in our society, tend to lead very busy, active lives. We strive for success in our professional lives, try to reach our individual and family financial goals, and somehow try to blend all this with a successful personal and family life. Success in these three areas is necessarily unique to every person, based on their own individual goals and interests. There are many things that interfere with our success, however you may define success. Barriers to success may be time constraints, energy constraints, educational constraints or conflicts between the different foci of our lives. Pooling resources between and within veterinary practices can sometimes help to ease these various constraints and help us to achieve the success we strive for in the different facets of our lives.

Résumé

Les médecins vétérinaires, comme plusieurs autres personnes dans notre société, mènent des vies très occupées. Nous voulons avoir du succès dans notre vie professionnelle, rencontrer nos objectifs financiers de même que ceux de notre famille, et d'une façon ou d'une autre mélanger le tout avec une vie personnelle et familiale comblée. Le succès dans ces trois domaines est nécessairement unique à chaque personne compte tenu des intérêts et des objectifs différents de chacun. Plusieurs choses peuvent contrecarrer notre succès peu importe comment nous le définissons. Ces obstacles au succès peuvent être des contraintes de temps, d'énergie ou de scolarité ou des conflits entre les différentes facettes de nos vies. Mettre les ressources en commun dans une pratique de même qu'entre pratiques peut souvent aider à résoudre certaines de ces contraintes et mieux nous permettre d'avoir le succès tant recherché dans les différentes facettes de nos vies.

Introduction

My background is predominantly dairy, food animal practice in southeastern Pennsylvania since 1987. Our practice has grown over the years, and currently there are eight veterinarians in the practice, five of whom are partners. My responsibilities include some

of the business management of the practice along with the work I do for our clients. I was always interested in the business side of practice, as well as the dairy farms I serve, so I completed my MBA in 2001 to help in these areas. I think we have done a pretty good job of managing our business and meeting our clients' needs over the years, but maybe I'm biased. We certainly have our struggles, just as all of you do.

I bring this up to help you understand my surprise when the planning committee asked me to speak about pooling resources in veterinary practice. My first thought was that we do not pool resources and are a very self-sufficient practice. What can I possibly offer anyone concerning pooling resources? The more I thought about it however, I realized a group practice pools many resources. We just do most of it within our practice. We all have some of the same basic needs and desires. We just deal with them in different ways in different practice situations. I decided the best way to discuss this topic was to start at the basic needs level to identify what we desire for success, and then move to ways veterinarians are working together to fill these needs now and what we may be doing in the future.

How do we define success?

To talk about pooling resources to achieve success, we first have to consider what success is. This is going to vary for everybody based on their abilities, interests, goals and beliefs. We also can be successful in one part of our lives, but unsuccessful in other parts. This is where the idea of balance comes in. I think most people would agree that for them to feel successful, some semblance of balance between professional, financial and personal aspects of their lives must be struck. For many professionals who love their jobs, this balance is sometimes hard to achieve.

Even though we all define success differently, I will suggest most veterinarians would agree these are some of their goals in the different parts of their lives:

Professional goals:

- Interesting, fulfilling work.
- A sense of purpose and helping people and animals.
- Ability to pursue training, new challenges.

- Involvement in the veterinary and/or agricultural community.
- Respected by clients, peers and members of the community.

Financial goals:

- Ability to maintain the desired standard of living.
- Retire debt.
- Save and plan for retirement.
- Have the financial means to pursue personal interests and goals.

Personal goals:

- Fulfill family goals, whatever they might be.
- Ability to pursue hobbies and special interests.
- Ability to travel and take vacations.
- Maintain physical and mental health.
- Allow time and resources for spiritual growth and missions.

These things all sound good to most people, but in reality, it is difficult to achieve and maintain balance between these different, sometimes conflicting, goals. With this in mind, it is time to take personal stock of how you are meeting your life's goals. Are you achieving the success you want in all the different areas of your life? Is there a certain area or goal that is not getting met? Why isn't that goal being achieved? What is the constraint that is preventing that goal from being met? After you answer these questions, you are then ready to consider how pooling resources in practice may help you to better meet some of your goals.

Pooling Resources

As I said in my introduction, I am part of a group practice. A group practice is not for everyone, nor should it be. But a group practice serves as one model for pooling resources to help its individual members meet their goals for success. In our practice, pooling of resources helps us to better meet our financial, professional and personal success in the following ways:

- Efficient use of office staff helps financially.
- Shared on-call duty helps allow time for personal goals.
- Adequate vacation time and days off while still serving our clients helps maintain quality of service to clients and allow time for personal goals.
- Opportunities for sabbaticals and part-time work, helping to meet personal goals.
- Continuing education opportunities help professionally.
- Multiple doctors allow better call efficiencies, helping financially.

- Allows individual doctors to pursue and focus on their particular interest areas, helping them to grow professionally and providing a higher level of service to clients.
- Partners can focus on their particular area of management, helping financially and professionally.
- Built-in group of colleagues to discuss cases with, helping professionally.
- Potential to "harvest" the business by taking in new partners and retirement options, helping financially.

By no means am I saying everything goes smoothly in a group practice situation. There are numerous headaches as well, such as having strong willed, independent thinking veterinarians and staff get along. That is one of the reasons why many veterinarians choose to work in a solo situation.

The next step is to figure out how pooling of resources could allow for the advantages of a group practice without being in a traditional group practice. The first item I listed, efficient use of office staff, can and has been dealt with by sharing of office staff between solo practitioners. Use of answering services accomplishes a similar goal. Outsourcing of accounting, billing and payroll functions could also be used to help the efficiencies of a small or large practice, especially if it isn't anyone's prime interest and focus within the business. This could be done between veterinary practices or done with a business of any type. These functions are fairly similar for all businesses. The advantages could include financial gains, but also could improve things on the personal side because it can free up time for overworked veterinarians and staff that have this responsibility now.

A common constraint on personal goals in a small business of any kind, and a veterinary practice in particular, is time off. This includes on-call duty, vacation time, other time off during the week and time to attain continuing education. Traditionally, two or more practitioners might alternate some weekend duty or nights on call if they are in a close enough proximity to cover for each other. This type of arrangement can work, but it takes a commitment from both or all parties to really make it work long-term. Conflicts can occur if one party feels the other may be trying to recruit their clients or if they feel service is not being provided adequately. Relief veterinarians can be hired to cover for longer periods of time to give a practitioner some time away for personal or professional reasons.

The small animal side of our profession has dealt with this issue by using emergency clinics, but I'm not aware of this happening on the bovine side, although someone could potentially be hired to cover on-call duty

for a large practice or group of small practices in a tight geographical area. This person would be a very special person. If you find him or her, let me know! There may be some potential for a part-time employee in some locations to help with on-call or extended part-time duties to relieve the pressure on the other doctors.

Another situation to consider would be for a larger practice to provide some on-call service for a solo practitioner. This happens frequently to cover personal emergencies and health issues. It is important to discuss this with the practice covering the duty ahead of time so they don't feel dumped on and can also make sure they have enough on-call staff to cover adequately. Some type of long-term situation could be developed, but realize there must be something in it for both sides. I do not know of many practices who want more emergency work to do, especially for someone else's clients. A possible solution might be for the solo practitioner to cover some time occasionally for the larger practice so all the vets in the larger practice could get together for a planning meeting, educational event or social gathering without being called away. For any of these methods of pooling resources, both parties should benefit in some way.

Another area where pooling of resources may help is in retirement. As a solo veterinarian nears retirement, they may have conflict between their personal and financial goals. On the one hand, they would like to slow down a little bit and not work so hard, maybe even enjoying their last few years in practice more at a slower or part-time pace. On the other hand, because the value of a practice is based on its profitability, they want to keep working hard to keep the value of the practice high. Even then, it may be hard to sell the practice because there will be no continuity of service so clients are free to call whomever they want, and a prospective buyer would rather just hang up his or her sign and not pay anything for the practice. If the retiring veterinarian was counting on selling his or her practice to fund their retirement, they may be left short.

A possible solution is to plan ahead a few years and work with another practice in the area that will ultimately fill the void of the retiring practitioner. The retiring practitioner may sell his practice to the second practice, and agree to work full or part-time for them for a number of years. This allows a smooth transition of clients, a gradual reduction in responsibilities and more personal time for the retiring practitioner, and the chance to sell the practice. Because of the continuity of service to clients, this scenario is worth more to the re-

maining practice than buying the first practice at the time of retirement.

One last example of pooling resources that I will discuss is the possibility of many veterinarians working together under some type of corporate ownership or umbrella organization. I am not aware of any examples of this at this time in food animal practice, but they may be out there and I'm not aware of it. For the sake of discussion, let's assume there will be 10 practices in this organization. Ownership could be all under one umbrella or it could be set up as a management organization that would provide certain services to the member practices on a contract basis of some type. Certain pooled resources would be provided by the central management that would help the individual practices meet their financial, professional and personal goals. These might include centralized bookkeeping, communication, business management and inventory management to improve efficiencies. Continuing education and training could be brought in for the group to improve the level of service provided. Permanent "relief vet" services would be provided to allow member practices to take time for vacations, personal days and continuing education away from the practice. Perhaps human resource management functions including recruitment, hiring, training and ongoing reviews could be handled centrally. If we consider this type of practice from the basis of meeting the financial, professional and personal needs of the veterinarians and employees involved, it might make sense.

Conclusion

The purpose of this presentation is not to have all the answers. Rather, it is to help you realize areas of life where you may presently fall short, identify why it is happening, and figure out a way to improve the situation. Every one has different needs and situations. The solutions will probably take some real creativity to find.

If you ask most people what is important in life, most of the answers will deal with family, relationships, purpose and enjoyment. Yet, when you look at how we spend our time, our actions say otherwise sometimes. Being in veterinary practice can be an all-consuming kind of lifestyle. It does not have to be, however. A certain balance in life is important for most people to feel they are successful. There are times when pooling resources can help veterinarians to better achieve their goals in one or more of these areas.



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