Secrets of a Successful Medical Business Partnership

Conference for General Practice

28 July 2018

Presented by Leicester Gouwland
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Why did I decide to present on this topic?

So let’s explore the topic title a little more?

(Have a pen and paper handy to write ideas down)
Secrets

- Blueprint
- Design
- **Framework**
- Recipe
Successful

• **Prosperous**

• Famous

• Eminent

• **Flourishing**

• Thriving

• Fruitful
Business

• **Commercial activity**

• **Commerce**

• **Trade**
Partnership

- Co-operation
- Collaboration
- Relationship
- Fellowship

(We are not talking about a legal structure here).
Joint Venture

A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
So to restate the topic:

A framework for a prosperous and flourishing medical commercial collaboration and relationship.

In my view this is a framework for leadership.
So what makes up the framework?

- The **essential** framework (commercial collaboration and relationship).
- The **defining** framework (prosperous and flourishing).
The Essential Framework
Three + Three Fundamental Elements of Owners

Successful Medical Partnership

These elements form the framework that is the foundations of the business structure. The framework of collaboration and the relationships between owners.
One Legal Operating Entity

• No allocation of revenue per GP
• No expense allocation per GP
• Fair remuneration for work performed
• Profit allocated per shareholding
One Legal Operating Entity

**QUESTION:** What is stopping your practice being one legal operating entity? Is it you?
Leadership and Governance

- **Mission** – a statement of purpose, e.g. to participate in the creation of healthier lives in the community.
- **Vision** – a statement of objectives, e.g. to be the medical centre of choice in our community by enhancing the health of our patients.
- **Values** – the foundations of how we operate, e.g. patient centric, respect, patient service
- **Strategy** – a plan of action
- Constitution
- Shareholders Agreement
- Leadership roles defined
- Regular meetings
- Advisory Board
- CEO (if large enough)
- Independent board members
Leadership and Governance

**QUESTION:** Have you put enough effort into these leadership and governance fundamentals?
Trust

- If you do not trust your business partners
- If a business partner does not tell the truth
- Then remove that business partner, or if you cannot remove them, then leave yourself.
Trust

QUESTION: Are you in the right place?
Capital

A business must have enough capital put in by the owners so that it can operate effectively.
QUESTION: Are you solvent?
Collaborative Mindset

Each business owner must have a mindset of working together
Collaborative Mindset

**QUESTION:** Do all your partners have a collaborative mindset?
Technically Competent

All business owners must be competent in their area of expertise.
QUESTION: Do you have any doubts over the competency of your partners?
The Defining Framework - Six Elements of the Operating Business

Successful Medical Partnership

- Monitoring
- Service and Client Engagement
- People
- Quality
- Communication
- Innovation & Technology

These elements turn an average business into a successful one.
Monitoring

• Financial KPI’s, e.g. revenue, cost of service, profitability, trends.

• Analysis KPI’s, e.g. efficiency of consulting rooms use, patient time, waiting time, patient visits.

• Qualitative KPI’s, e.g. happiness of staff.

Benchmarks should be established.

You must act upon what the KPI’s tell you, otherwise monitoring is meaningless.
QUESTION: What should you monitor in your practice?
Service and patient engagement

Service
- Know the services you provide
- Friendliness
- Train your people about service
- Be respectful
- Show gratitude
- Listen
- Be proactive, not reactive
- Deal with questions or issues quickly
- Ask for patient feedback
- Do something with the feedback
- Look at service through your patients’ eyes

Engagement
- Encouraging your patients to interact and share their experiences of your business with you
- Make patient engagement as easy as possible
QUESTION: How do you rate your patient service and engagement?
People

• Having the right culture (a great place to work)
• Celebrating
• Hiring the right people
• Investing in people
• Regular feedback
• Having traditions
• Community
People

QUESTION: What are you doing to make your practice the best place for your people to work at?
Quality

- Best practices, do not let anything be missed
- Continuing education
- Clinical and non-clinical
- Health and safety
- Be anal about quality
QUESTION: How do you feel about the quality of all your systems and processes?
Communication

• You cannot share enough with your staff
• Communicate with patients regularly
• Community – let them know what is going on
• Regular meetings
Communication

QUESTION: What can you do to improve communication between partners, staff and patients?
Innovation and Technology

• Use most up-to-date technology
• Have a great website
• Constantly ask how you can do things better, quicker etc.
• Be proactive
• Ask for advice
Innovation and Technology

QUESTION: Is your technology as good as it should be?
# Leicester’s Scoreboard

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
<th>Range</th>
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<tbody>
<tr>
<td>One legal operating entity</td>
<td>25</td>
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<tr>
<td>Leadership and governance</td>
<td>20</td>
<td>0 to 20</td>
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<tr>
<td>Trust</td>
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<td>0 or 10</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>55</strong></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>5</td>
<td>0 to 5</td>
</tr>
<tr>
<td>Collaborative mindset</td>
<td>5</td>
<td>0 to 5</td>
</tr>
<tr>
<td>Technically competent</td>
<td>5</td>
<td>0 to 5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>15</strong></td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
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<td>0 to 8</td>
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<tr>
<td>Service and client engagement</td>
<td>6</td>
<td>0 to 6</td>
</tr>
<tr>
<td>People</td>
<td>6</td>
<td>0 to 6</td>
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<tr>
<td>Communication</td>
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<td>0 to 4</td>
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<tr>
<td>Quality</td>
<td>3</td>
<td>0 to 3</td>
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<tr>
<td>Innovation and technology</td>
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<td>0 to 3</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<tr>
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# Leicester’s Scoreboard Grading

<table>
<thead>
<tr>
<th>Grade</th>
<th>Score</th>
<th>Description</th>
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<tbody>
<tr>
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<tr>
<td>A</td>
<td>85+</td>
<td>Very Good</td>
</tr>
<tr>
<td>A-</td>
<td>80+</td>
<td>Good</td>
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<td>B+</td>
<td>75+</td>
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<tr>
<td>B-</td>
<td>65+</td>
<td>Pass</td>
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<tr>
<td>C+</td>
<td>60+</td>
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<tr>
<td>F</td>
<td>0-29</td>
<td>0-29 or not one legal structure</td>
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</table>
Case Study – ABC Medical Centre

- The ABC Medical Centre has four partners – three GPs and one Practice Manager.
- ABC is one legal operating entity
- ABC has published it’s Mission Statement, Vision Statement and Values
- The owners have a Shareholders Agreement and Strategic Plan
- The owners have regular meetings and defined roles
- The owners all trust each other
- ABC struggles to pay its creditors each month
- One owner is difficult and only wants to do clinical work and is always late with non-clinical projects
- All owners are very competent
- The Practice Manager monitors the financial statements only
- ABC is reactive to patients needs and does not initiate interactions with patients. The practice receives patient complaints
- The staff do not turn over regularly, and they all get on well
- ABC does not have a communication plan
- ABC is a cornerstone practice and all staff regularly attend relevant courses
- The technology is up-to-date but tends to be reactive.
### ABC’s Scoreboard

<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
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</thead>
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<tr>
<td>One legal operating entity</td>
<td>25</td>
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<tr>
<td>Leadership and governance</td>
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<tr>
<td>Trust</td>
<td>10</td>
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<tr>
<td>Capital</td>
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<td>Collaborative mindset</td>
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<tr>
<td>Technically competent</td>
<td>5</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong> out of 15</td>
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<tr>
<td>Monitoring</td>
<td>3</td>
</tr>
<tr>
<td>Service and Client Engagement</td>
<td>2</td>
</tr>
<tr>
<td>People</td>
<td>4</td>
</tr>
<tr>
<td>Communication</td>
<td>0</td>
</tr>
<tr>
<td>Quality</td>
<td>3</td>
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<tr>
<td>Innovation and Technology</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong> out of 30</td>
</tr>
</tbody>
</table>

**Total** 71

A satisfactory grading
ABC’s Scorecard (continued)

Some easy and immediate things ABC could do to improve:

• Put in more capital 5
• Improve monitoring 6
• Improve communication 4
ABC’s Scorecard (continued)

What I have not included:

• Marketing
• Location
• Lease
• Range of Services
• Profit
• Reputation
The Outcome

Prosperous and Flourishing = Success
Summary

• This is my view of the framework for success
• It all starts with the leadership of the owners
• You cannot delegate leadership
• All owners can choose to lead their business to success, or not
• Please choose to lead
• Remember to work **ON** your business, as well as working **IN** your business
• What is your **Action Plan**? Write it down **NOW**!
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