



iVET360°

MANAGING YOUR PRACTICE AFTER COVID-19

WEBINAR

Agenda:

- Analytics: Lindsay Rudder, iVET360 Analytics Manager
 - *Weathering the storm and emerging stronger*
 - *Where should I focus?*
 - *Now and later, what to consider*
- HR and Training: Heather Romano, SPHR, SHRM-CP, iVET360 Managing Director of HR and Training
 - *Getting the gang back together*
 - *What to do with all these people*
 - *Transitioning from curbside to hospital side*
- Marketing: Kate Goudschaal, iVET360 Senior Marketing Manager
 - *Crisis Response: Tools and practices you should already be leveraging*
 - *Positioning your hospital for success*

ANALYTICS

MANAGING THE STORM
AND EMERGING STRONGER

How to weather the storm and emerge stronger

Know your numbers!

- What's happening across the industry
- Where should I focus and which strategies should I put in place?

What's happening across the industry?

Industry decline driven through precipitous drop in transactions in late March & April

	Revenue	Transactions	New Clients
April Month to Date	↓ 19.1%	↓ 25%	↓ 12.9%
Year to Date	↓ 1.4%	↓ 6.5%	↓ 7.6%

	2019 % of Rev	2020 % of Rev	Weight	YOY Change
5000 - Professional Services	32%	33%	0.7%	-4%
5100 - Pharmacy	25%	26%	1.1%	-2%
5200 - Dietary Product	2%	2%	-0.1%	-12%
5300 - Laboratory	16%	16%	0.3%	-4%
5400 - Imaging	6%	7%	1.0%	12%
5500 - Surgery	9%	9%	-0.1%	-7%
5600 - Anesthesia	3%	3%	-0.2%	-11%
5700 - Dentistry	3%	2%	-0.7%	-29%
5800 - Ancillary Products & Services	0%	0%	0.0%	-2%
5825 - Boarding	2%	1%	-1.6%	-70%
5850 - Grooming	1%	1%	-0.4%	-35%

April
Month to Date

Boarding, grooming and dentistry are the revenue categories that have been most affected

What’s happening across the industry?

Of the 800 plus hospitals we support the ones that weathered the storm the best were our full service, Base+ clients.

Industry Data Recap – Base+ Clients versus Other Hospitals

April Month to Date	Service Level	Revenue	Transactions	New Clients
	Base+	↓ -16.9%	↓ -19.8%	↓ -3.6%
	All Others	↓ -19.3%	↓ -25.6%	↓ -13.7%

Year to date, Base+ clients are still tracking above prior year in revenue and new clients

Year to Date	Service Level	Revenue	Transactions	New Clients
	Base+	↑ 1.7%	↓ -2.4%	↑ 0.7%
	All Others	↓ -1.8%	↓ -7.0%	↓ -8.3%

Where should I focus and which strategies should I put in place?

Cost of Goods

- What are they?
- What does 'good' look like?
- How do I impact them?

Labor

- What is my labor expense?
- What does good look like?
- When to rehire?

Recapture Revenue

- What can I do now to prepare?
- Now and later, what to consider?

Expense Management

Cost of Goods - ensure we're planning & managing expenses

- COGs – What are they?
 - Expenses relating to practicing medicine
 - Professional Services Costs, Pharmacy Costs, Dietary Costs, Laboratory Costs, Surgery Costs & Imaging Costs
 - AAHA Chart of Accounts – resource which clearly defines expense categories
- Have confidence in your numbers
 - Ensure COGs expenses are not combined with OPEX in your P&L
 - Importance of a good bookkeeper and accountant
- What does 'good' look like? - 20% COGs benchmark
 - 20% of revenue spent on COGs
 - For example: \$100K in revenue, \$20K spent on COGs

How can I impact my cost of goods?

01. Inventory Management

02. Revenue Mix

03. Fees

- **One person in charge** of ordering – Inventory Manager
 - Reduces excess product and redundancy
 - Focus on running lean
- **Limit number of orders** per week and amount of vendors
- **COGs Budget Tool**
 - Utilize last weeks revenue and target percentage to return ordering budget
 - Target should be adjusted for items which will not be tracked such as external labs
- **Limit Bulk Purchasing**
 - Recommend not taking advantage of bulk purchasing
 - Inhibits your ability to benchmark and negatively affects cash flow

How can I impact my cost of goods?

01. Inventory
Management

02. Revenue Mix

03. Fees

- COGs impacted by the makeup of a practice's revenue
 - Clinics with high proportion of revenue from **boarding, surgery** or procedures should benefit from **lower COGs**
 - Due to **low margin** on pharmaceuticals, parasiticides and diets, practices more reliant on these areas will potentially have **higher COGs**
- Shifts in revenue mix
 - With the **reduction in boarding and other procedural revenue** across the industry, **COGs may have increased**
 - **Know Your Numbers** – benchmark Jan and Feb COGs to see normal trend
 - Keep in mind **20%** industry benchmark
- Putting a focus on growth in high margin areas such as surgery, dentals and imaging as we come out of this can have a positive impact on a clinics COGs %

How can I impact my cost of goods?

01. Inventory Management

02. Revenue Mix

03. Fees

- **Adjust prices to clients as vendors increase their prices to you**
 - Setup a protocol to **automatically defend margins** when fee increases occur from vendors
 - E.g. Cost of Rimadyl increases by 5%, practice enters new fee into the practice management system and it maintains margins by automatically increasing price
 - If prices are not increased at the same rate as your costs increase, your COGS % will grow
- Implement **annual non-shoppable services fee increase** – approx. 3% – 5%
 - Should be done in the first couple months of the year to line up with vendor increases
 - If haven't done already this year, set up protocol so this can be undertaken when appropriate and annually going forward
- Undertake **mystery shopping for shoppable services**
 - E.g. Vaccines, exam fees, spays and neuters
 - Knowledge around where prices sit amongst competitors

What is my labor expense?

- Labor expenses for our definition encompass gross wages for staff
 - Owners
 - DVMs
 - Support Staff (techs, assistants, CSRs, kennel & management)
- 38% benchmark for labor expenses
 - 19% DVMs (associates and owner)
 - 19% Support Staff
- Utilize a payroll tracking tool to know support staff labor expenses and be able to hours based on revenue

When to rehire?

- Rehiring staff begins when you feel comfortable bringing staff back in to work, when it's deemed safe and when hospital revenue can support the added expense
- Can I afford to rehire? – Daily Breakeven
 - In addition to benchmarks, knowing your daily breakeven and daily average revenue will allow you to assess when you can afford to start bringing staff back
 - How to calculate your breakeven <https://covid19.ivet360.com/ppp-funds-are-gone-what-do-you-do-now/>
- PPP Loan Considerations
 - To maximize loan forgiveness you may choose to rehire staff even without revenue to support a fully staffed hospital
 - Weigh up long term viability of practice with maximizing forgiveness
 - If revenue is still suffering after 8 week “forgiveness period” may need to lay off staff that you’ve rehired

What can I do now?

- Devise a plan for any vaccinations/wellness visits your hospital has had to cancel that haven't been forward booked
- Wellness Visits/Vaccinations
 - Utilize practice management software or reminder platform to extract list of those overdue
 - Contact clients via phone or email when ready to rebook
 - Conversion rate for bookings generally higher via phone
 - Client email addresses essential for clinic communications – make it a priority for your hospital to collect emails
- Forward Booked Appointments
 - Ensure sending pre-appointment reminders to limit no-show appointments

What can I do now?

- Devise a plan for any surgeries or procedures that were cancelled or postponed and haven't been forward booked
- Surgeries/Procedures
 - If cancellations aren't currently being tracked, consider adding a reminder or code to patients file
 - Enables reports to be run when ready to reschedule surgeries
 - Similar to vaccines, clinic can use this list to contact clients via phone or email to book in
- For clients who've already been cancelled and have not been tracked, consider contacting practice management software support or analytics manager for assistance
 - **Spays/Neuters** – Could you run reports which show pets who are within a certain age and not indicated as spayed or neutered?
 - **Dental Procedures** – Could you run reports which show pets who have visited within a certain time period and have dental disease indicated on their files?

Now and later, what to consider?

- Missed Charges

- Change in way we practice plus additional stress amongst teams may lead to breakdown in communication and an increase in missed charges
- Check in with team members to discuss measures that would limit the risk
- Consider undertaking random chart audits now and going forward to verify this isn't an issue

- Discounts

- Discounting indicates to clients that they are being overcharged at other times – ask yourself “What benefit does discounting bring my practice?”
- You may be feeling sympathetic to clients, but we should not allow this to increase our rate of discounting
- Review current discount policy or put one in place if it doesn't already exist

Now and later, what to consider?

- Payment Plans

- Utilize companies such as CareCredit and Scratch Pay as payment plan options for clients who cannot afford veterinary care
- We DO NOT recommend allowing client accounts in hospital! Leveraging the above means that your \$ is guaranteed even if client defaults

- Wellness Plans

- If you currently offer wellness plans, confirm that staff are offering these to every client
- Promote to clients that they can help spread costs out on an annual basis
- Benefits for your practice: Establishes recurring revenue and allows you to keep up with optimal patient care

Summary, Supporting Tools & Reference

By knowing your numbers, utilizing cost management tools to make timely decisions and focusing on recapturing revenue, you will put yourselves in the best position for the long-term health of our practice.

- iVET360 (no charge)
 - COGs Ordering Budget and Payroll Tracking Tool <https://covid19.ivet360.com/expense-tracking/>
 - Calculating Clinic Breakeven <https://covid19.ivet360.com/ppp-funds-are-gone-what-do-you-do-now/>
 - Maximizing PPP Loan Forgiveness <https://covid19.ivet360.com/whats-next-after-ppp-approval/>
 - 3 Months Pulse Dashboard Access (operational data) <https://ivet360.com/covid-three/>

A woman with blonde hair is sitting at a desk in an office, looking at a laptop screen. The background is slightly blurred, showing office shelves and another person in the distance. A teal bar is at the bottom of the image.

HR AND TRAINING

MANAGING YOUR TEAM
THROUGH DIFFICULT TIMES

Getting the gang back together

The team has been living in a strange world

Now we have to bring them back to reality.

But they may not get along.

Getting the gang back together

So, what do we do?

- Create a culture of understanding and kindness.
 - Hold an all-hands meeting
 - Disallow any negative comments about co-workers from here on out
 - Require anyone who has an issue with someone come to a member of the leadership team
 - Discuss the emotional effect of the recent pandemic

Getting the gang back together

So, what do we do?

- Your role is no longer hospital owner/ manager/ etc. You need to be the CEO: Chief Empathy Officer
- Start asking the difficult questions
 - Ask yourself: Am I leaving each member of this team genuinely cared for?
 - Ask yourself: Are there any team members who have been disproportionately affected by this crisis?
 - Ask your team: "How can I be more supportive of you while you make this transition?"
 - Ask your team: "You are important to me and to this practice. Tell me how you are feeling right now."
 - Ask your team: "What do we all need to do to make sure we are being supportive and empathetic right now?"

Getting the gang back together

Emotional Intelligence in the Era of COVID-19

- Self-awareness
- Empathy and Understanding
- Labeling fear and frustration

Getting the gang back together

Emotional Intelligence in the Era of COVID-19

- Changing internal thoughts:
 - NOT: Yelling or snapping at people
 - INSTEAD: Asking others for creative solutions
 - NOT: I can't believe Suzie is taking more time off
 - INSTEAD: Suzie must have a lot that she is dealing with
- Label your emotional reactions
- Focus on the things you can control, let go of the rest

What do I do with all these people?

Paycheck Protection Plan meant you had to bring furloughed employees back

But you probably don't have enough work for all of them to do.

What do I do with all these people?

Downtime Tasks and Training

- In the handouts part of your webinar control panel, there is a down time task list.
- Most of these tasks are not fun, but they need to get done.
- The list is a Word document, so it is completely customizable.
- You can assign tasks or have the team select them.

What do I do with all these people?

Downtime Tasks and Training

- Now is the time for training and performance conversations!
 - Behind on performance evals? Get them going!
 - Not doing routine one on ones? Never a better time to start!
 - Team doesn't have any defined goals? Start defining them and helping them work towards them!
 - Train, train, train
 - Cross training
 - Doctor or Supervisor led training sessions
 - Drug reps
 - Online
 - LearningVet.com
 - AtDove

Transitioning from curbside to hospital side

When do we return to “normal”

As we mentioned earlier, this will vary from hospital to hospital

Key considerations:

- State and local restrictions
- CDC recommendations
- Team comfort returning
- Ability to continue to safely distance (no repeating Spanish flu!)
- Clients wanting in-hospital care

Transitioning from curbside to hospital side

When do we return to “normal”

Some hospitals will be able to start seeing in-practice clients sooner than others

Some hospitals may want to continue offering curbside service

- Be cautious with this on a permanent basis
- May be better to make it an option
- Can start by allowing emergency, sick pet or euthanasia clients in, then slowly transition to well pets

Transitioning from curbside to hospital side

The decisions are yours

There is no precedent, no right or wrong answers.

Just be sure you have a plan!

- Timeframes?
 - Do we continue curbside even after restrictions are lifted?
 - What are our indicators/ benchmarks to move towards hospital-side care?
- Slow-integration or full steam ahead?
 - Do we start with some clients, or just let all clients in?
 - Which groups do we start with? When do we continue to the next group?
- Continue split teams, or slowly transition back to full staff?



MARKETING

RE-ENGAGING CLIENTS AND POSITIONING
YOUR PRACTICE FOR SUCCESS

The Impact of COVID-19 on the Industry

- **Adaptability:** Quick and effective crisis response, client/community engagement and technological innovation
- **Consumer Behavior:** New expectations for communication and interactions
- **Corporate Consolidation:** Systematic and data-driven marketing is the key to being competitive.

The industry can no longer afford to be slow to adapt to a changing world and must take an objective and holistic approach to marketing and practice performance.

Crisis Response Checklist. What Should Your Practice Already be Doing?

- **Hands-Free Client Interactions:** Curbside pick-up, Drop-off appointments, Online pharmacy, Telemedicine or TeleTriage
- **Managing Digital Presence:** Business listings, Website, Digital ads
- **Reputation Management:** Maintaining client service standards, open communication, responding to positive and negative reviews.
- **Client/Community Engagement:** Client newsletters, COVID-19 advisory alerts, Compliance tracking, Social media engagement

Practices that acted quickly and holistically to the pandemic were better able to mitigate losses in revenue and dips in new client growth.

Positioning Your Practice for Success, Post COVID-19

- **Client and Community Safety**

- Heightened awareness will lead to new expectations
- Effectively demonstrate standards and quickly communicate changes in protocols
- **Take Action:** Safety SOPs, Survey your clients, Adjust service interactions

- **Maintaining Flexibility**

- Being nimble allows you to stay ahead of the competition
- Don't waste time being reactive, plan for a proactive approach now
- **Take Action:** Establish strong chain of command, Develop SOP's, Centralize critical information, Invest in a trusted partner

Positioning Your Practice for Success, Post COVID-19

- **Increase Accessibility**

- Diverse communication options increase your likelihood of client acquisition and retention
- Adapt to the shift in consumer behavior and recognize economic impacts

- **Take Action:**

- ***Searchability Quotient:*** SEO, SEM, Social Media, Business Listings
- **Bring it Online:** Appointment requests, Pharmacy and prescription foods, Client forms, Payment portals, Telemedicine
- **Robust Client Communications:** Reminder platform with >40% adoption and client email capture rate >70%
- **Payment Methods and Options:** CareCredit, Scratchpay, QuadPay, Apple Pay, Wellness Plans

Positioning Your Practice for Success, Post COVID-19

- **Embrace Innovation**

- Don't be resistant to new technologies or concepts and listen to your clients
- Rely on *facts* over *feelings* and let the data tell you what is working
- **Take Action:** Call tracking, Digital analytics, Data aggregation and visualization, Promotional offers that drive results

- **Engage Your Community**

- The loyalty of your client base is a key factor in the success of your practice
- Understand the *know/like/trust* concept to create and communicate value
- **Take Action:** Strong education content, Engaging social media, Loyalty and referral programs, Dedicated compliance communication, Re-engagement campaigns, Video and live streaming, Real-life social interactions

Q&A with Heather

Question and Answer time with
Heather, Kate and Lindsay!

iVET360°

Question 1

I have a team member who needs to take leave to care for a child who's daycare closed. She is refusing FFCRA and wants to apply for unemployment instead. Is this even possible?

Answer:

No, this is considered a misuse of unemployment

Many people realize they can make more money on unemployment, but it's not OK.

You can give this employee two options:

1. Take the provided FFCRA leave
2. Resign her position

Question 2

Some of our exam rooms are very small. How should we manage that when we have clients back in the hospital?

Answer:

Until social distancing guidelines are removed, we would caution against using these rooms if team members can't be 6 feet away from clients.

Some hospitals with exclusively small rooms are setting up gates and chairs, where a gate is placed across the doorway and the client sits in a chair outside the room. While it isn't ideal, it could work for patients who need to be seen in hospital

Question 3

What other recommendations are there to keep staff and clients safe when we reopen?

Answer:

We would recommend the following:

- Don't allow clients in the hospital until the CDC states it is safe to do so
- Ensure team members stay at least 6 feet away from any clients
- Team members should wear masks whenever possible while at work
- When possible, team members should wear gloves when handling patients
- Exam rooms should be thoroughly sanitized after each exam
 - *May need to schedule longer appointments to accommodate this
- Clients who are showing symptoms of illness should be asked to stay in their vehicles
- Create a policy that the hospital staff may ask any client to wait outside the clinic if they are symptomatic

Question 4

We are one of the lucky practices that are so busy that we have waiting lists for clients who want an appointment. How can we ever catch up?

Answer:

It depends...

- You may be able to find people who want a temporary position
- You may be able to find doctors on furlough who want to work relief shifts
- You may want to expand your hours or open on Sundays (or expand weekend hours)
- You may want to pay overtime for people who want to work the additional hours
- You may want to ask your doctors if they want to work additional shifts in exchange for days off in the future

In extreme cases, you may need to shorten appointment times for rechecks, vaccine boosters, etc.

Question 5

Our state has a clause in the law that says that employees who do not feel safe may stay home. Will that affect our Paycheck Protection Plan repayment?

Answer:

Unfortunately, yes. 😞

You may want to try to find temporary workers to fill those slots to keep your FTE numbers at the appropriate level.

We recommend speaking to your lender to get additional details.

Question 6

Some of our team members FFCRA leave will run out, but their children still won't have daycare. What can they do?

Answer:

This is a hard one, they only have a few options:

1. Resign their position (they won't be able to collect unemployment)
2. Find alternate child care (parent, friend, etc)

Refusing to return, even if it is due to lack of child care, is not an acceptable reason for collecting unemployment.

We don't recommend furloughing, as this is a misuse of unemployment funds.

Question 7

How do I motivate my team to work harder/ faster while we try to catch up?

Answer:

We have several recommendations:

- Be honest with your team.
 - “Yes, this is going to be difficult, but we are in it together for better or for worse.”
- FOOD! (be sure to take credit!)
- Wage increases when possible
- Gift cards
- Appreciation events
- Team building

Question 8

We furloughed many employees. Can we pick and choose who we have come back?

Answer:

TECHNICALLY yes.

BUT...

You must be careful not to make choices based on any factor that could be used as a discrimination claim.

Check out “Recalling Furloughed Employees” at COVID19.ivet360.com

Question 9

How do we hold on to new clients who came to visit us because their old clinic was closed?

Answer:

- The key is to effectively integrate them into your client/community engagement and communication strategy.
- Make sure that you have all of their contact information captured in your system (especially cell phone numbers and email)
- Make sure that they are actively using your communication tools including reminder platforms and pet care apps.
- Circle post COVID-19 client communications back to your differentiators and key service points

We made it!

Thank you so much for attending our Town Hall.

Ensure you stay tuned to our COVID Resource Website here:

covid19.ivet360.com

Visit the website below to sign up for additional HR Support regarding COVID-19

<https://ivet360.com/hr/>

Heather's email address: hromano@ivet360.com

iVET360°