



RACE-Approved, 1-Hour CE Course

OOOOH THAT SMELL, CAN'T YOU SMELL THAT SMELL?

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KEY POINTS

- **Smell matters** to your employees, your clients, and your patients.
- It's important to **ask outsiders** to evaluate the smell of your practice and offer candid feedback.
- **Client retention** is the #1 critical success factor in small animal practice.
- Your practice – your physical facility and your people – must consistently deliver client experiences that **exceed expectations**.
- **First-impressions** for clients – the first few seconds – matter.
- Practitioners should employ **tactics and strategies** to augment client retention.

Business is tough. Costs are rising, but revenues are not. Transactions and new client numbers are flat, along with the pet population. Unprecedented competition in the pharmacy threatens a once-solid income stream. Dr. Google is increasingly prominent. Pet owners have more choices than ever on where to buy products and services. Veterinarians and practice managers are anxiously looking for solutions as never before.

When things aren't going right, revisiting the basics is always a good idea. Slumping athletes usually go back to the fundamentals, and nothing is more fundamental than the smell of your veterinary clinic!

A veterinary clinic can be an awfully smelly place. The cause of the unpleasantness ranges from urination "accidents" by incontinence or unhousebroken animals, to odors from relieving anal sacs, to male Tomcat spray, to your everyday kennel and laundry room stench.

Odor's not a problem in your practice? Don't be so sure.



What is olfactory fatigue?

A person working in an area contaminated with a malodor can become completely oblivious to it yet the odor could be highly offensive to someone just entering the area.

If you have the courage, ask the next three sales reps that visit your practice if they detect any malodor whatsoever. Ask them to be totally candid in describing exactly what they smell. Ask them if it might smell better. These people call on 100 clinics in your area, so listen to them.

“I think pet owners equate clinic malodor with a host of negatives, including but not limited to: uncleanliness, germs, infectious disease, apathy, carelessness and laziness.”

Lest the floors, walls, countertops and cages be kept sparkling clean and fresh smelling, pet owners are much less likely to return again-and-again – let alone refer others. Today, more than ever before, your people and your physical facility must convey quality and value. Remember, pet owners have lots of choices.

DOES IT REALLY MATTER? YES, MORE THAN YOU MAY KNOW.

Your survival – the very existence and value of your practice – depends on client retention. Consider this famous and classic logic chain from the Harvard Business School.



The Service Profit Chain:

Employee Satisfaction



Employee Retention



Outstanding Client Service



Client Satisfaction

Client Retention



Profit

How do you achieve a profit in a service business? In short, happy employees stay with your practice. Satisfied, experienced employees consistently deliver outstanding service to clients, making them happy. Satisfied clients return to your practice again and again – spending more money each year.

Said differently, your veterinary practice produces a healthy profit from happy, returning clients who received great service (had a great experience) delivered by happy, tenured staffers.

IT ALL STARTS WITH A HAPPY STAFF

The first step in The Service Profit Chain begins with Employee Satisfaction, and there's no doubt about it — the workplace's physical environment is a key factor in whether employees are satisfied and content or dissatisfied and stressed.

Unpleasant animal-related odors are a common, daily occurrence, and managing them safely and effectively is an important part of keeping your work environment pleasant and your staff happy. Unfortunately, veterinarians, technicians and other healthcare team members can become oblivious to the severity of odors, so it's important to ask others.



TRUE OR FALSE? Smell is the only sense that directly impacts emotion, memory and associated learning.

Answer: True!

Odor problems can negatively impact mood and productivity. Odor problems negatively impact the perception clients and employees have of the practice. Business is hard enough; you can't afford odor problems on top of everything else.

Google searches of 'aroma marketing,' and 'scent marketing,' and 'science of smell' produced tens of millions of results. Included was a recent Wall Street Journal article titled: "Using Scent as a Marketing Tool, Stores Hope It—and Shoppers—Will Linger How Cinnabon, Lush Cosmetics, Panera Bread Regulate Smells in Stores to Get You to Spend More"

Smart companies know smell is important, and they actively manage it. So, besides an odor-free work environment, what else makes employees happy?



According to consulting giant McKinsey:

1. **Praise and commendation** from manager/owner
2. **Attention** from company leadership
3. **Opportunity** to learn, grow, and lead
4. Performance-based **cash bonus**
5. Increases in **base pay**

Remember the languages of appreciation in the workplace:

1. **Words of affirmation** – Encouraging and affirming words make people feel wanted and needed
2. **Acts of service** – Pitching in to help staffers get tasks done or working collaboratively on projects evokes a sense of teamwork and purpose
3. **Quality time** – One-on-one time with others is valuable and important
4. **Physical touch** – This could be a high-five, fist bump, or congratulatory handshake
5. **Gifts** – Gift certificates are always appreciated – catch people doing things right!

CLIENT RETENTION IS THE KEY

Did you know that (on average); your clients spend more each year they return to your practice?

By year three, a client contributes nearly twice as much as he/she did in year one. Replacing the income lost from a long-term client who defects due to a poor experience necessitates three or four new clients – a virtual impossibility today. Why do clients spend more year-after-year?

Consider the following:

- Over time, a relationship is built. The client gains **rapport and trust** with key people in the practice
- The pet is aging. On average, pet **spending increases with pet age**

- Over time, **professional fees** generally increase
- Over time, veterinary medicine introduces **new/improved products and services**
- Repetition of a message. Most of us need to **hear a message more than once**. By the way, if a client declined a service in the past, I think you're obliged to bring it up again – he/she may hear it for the very first time.

Existing clients likely account for more than 90% of your gross income. New clients probably account for less than 10%. Retention of existing clients is the key to practice health.

Finally, consider that the lifetime contribution to your practice of a typical pet owner may be measured in the tens of thousands of dollars. Wow, it's important that they come back, have another good experience and tell their friends about you!



HALFWAY THERE!

You're 50% through this course and halfway to earning 1 hour of CE credit. **(Keep going, you can't stop now!)**

MEASURING CLIENT RETENTION

Every time a client visits your practice, they instinctively know four things:

1. Was it a **good value**?
2. Did I get my **money's worth**?
3. Will I **come back**?
4. Will I **recommend** this practice **to others**?

Since return visits by existing clients and referrals by existing clients are the lifeblood of every practice, it's important they answer a resounding "Yes" to each of these questions.

How do clients arrive at this "gut feel?"

Consumer scientists say we're continuously taking in experiences, and comparing them to our expectations. If the experience in total is better than expected, consumers tend to feel the price was fair and are likely to return.

According to long-time CEO and author Jan Carlzon, there are three powerful "Moments of Truth" in every business transaction (this is when a client determines whether the price was good, whether they'll return, and whether they'll refer).

These "Moments of Truth" are:



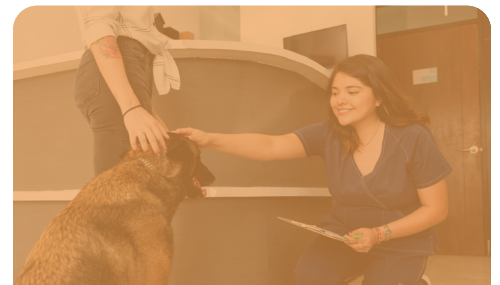
MOMENT OF TRUTH 1

The very first interaction (very likely a telephone call)



MOMENT OF TRUTH 2

The very first live interaction




MOMENT OF TRUTH 3

The very last interaction

No surprise here, the reception staff controls all three. From a customer service perspective, the receptionist is the most important person in your practice. Even while clients like their doctor, it's the receptionist who largely impacts client retention. I strongly encourage a Mystery Shopper to keep your finger on the pulse of what's happening at these critical touch points.

"To me, the single most important number in a small animal veterinary practice is the Year-To-Year Client Return Rate (sometimes also called the Bonding Rate)."

Very simply, what percentage of the clients you saw in 2013, were also seen in 2014?




If you practice in a stable (non-transient) community, I would expect your practice to be around 68%. If it's lower, your number one objective is to learn why clients are not returning to your practice.

Too many of clients do not perceive value. They don't feel like they got their money's worth. They believe they gave more than they got. They are either not receiving veterinary care at all, or they're getting it elsewhere.

Why might that be so?

- Your practice **smells bad**
- The **receptionist isn't warm, friendly, empathetic** and **helpful**
- Clients get a **busy signal**, or are put on **hold too long**
- Clients **can't make an appointment quickly**
- The **physical facility falls short** (parking, landscaping, general interior and exterior appearance)
- The client has to **wait**
- The client feels:
 - **Rushed**
 - **Not affirmed**
 - **Not heard/listened to**
 - **Like not all questions were answered**
 - **Overwhelmed**
 - **Like they're** being pressured to buy
 - Like they're **being sold**
- Physical exam **not communicated/articulated** very well
- Client **doesn't feel special...**feels **taken for granted**

The Bonding Rate measures client retention. Because (on average) clients spend more each year they return, relatively small changes in the Bonding Rate can have a significant and out-sized impact on your bottom line.



If you're above average, you probably regularly exceed client expectations, you practice in a reasonably stable geography, and perhaps enjoy a relatively younger clientele. If you're below average you may be falling short of client expectations.

Are you falling short?

- Is there any **malodor**?
- Is your **receptionist friendly**?
- Is the **telephone handled well**?
- Can **clients get in relatively soon** with a sick pet and **make wellness appointments in the near-term**?
- Do you have **adequate parking**?
- Is the **exterior** of the building **neat, well-kept and up-to-date**?
- How are clients **greeted upon arrival**?
- Are they **seen at the appointed time**?
- Is the **interior neat, well-kept and up-to-date**?
- Do clients **have to wait to pay** upon leaving the practice?

SIMPLE CLIENT SURVEY

Ask clients: "Would you recommend our practice to a friend?"

I've read many books on client surveys, and I've determined this is THE critical question. It's not my idea...it's courtesy of Fred Reichheld in 'The Ultimate Question' (2006). He recommends respondents choose on a scale between 0 (Definitely Would Not) to 10 (Definitely Would).

You're aiming for 9's and 10's (Promoters or Advocates)...NOT 7's and 8's (Passives...passively satisfied) or 0-6's (Detractors or Critics). Most companies are pretty happy if 30-40% or respondents answer 9's and 10's. Compare you-to-you, aiming for continuous improvement.

SUMMARY

- Staff and client retention are **key success factors**
- **Malodors negatively impact** both staff and clients
- Your practice – your physical facility and your people – must consistently deliver client experiences that **exceed expectations**
- **You can't afford malodor** in your practice – it's an all-around deal killer
- You need an **outstanding front office staff**
- You'd be wise to **periodically gauge front office performance** (e.g. mystery shoppers provide evaluations and feedback)
- You **must continuously improve** as consumer expectations are rising



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LAUNCH THE QUIZ!**

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LAUNCH THE QUIZ