

Dr. Gyl's Guide

to a Successful
Hearing Care Practice

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to a Successful
Hearing Care Practice

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Preface

You Become What You Believe You Are.
Change Your Thoughts and You Change
Your World.

This guide is a collection of business and life lessons I have found to be valuable throughout my career as a business owner. It is also a compilation of many articles I have written over the years. It is dedicated to anyone who dreams of becoming an entrepreneur and building a happy, successful, and rewarding life as a business owner, and also to all the practice managers who continually search for new ways to build a stronger and more profitable practice.

—Dr. Gyl



Purpose of the Guide

My degree in audiology neither taught nor prepared me to operate a successful business. I have faced many challenges over the past thirty plus years as a business owner. When faced with difficulties, I have sought advice from the best and brightest professionals in hopes they could help teach me how to create and sustain a profitable practice. What I have learned is that business is business, no matter what type of business you are in. This guide will focus on ways to assess the health of a business and explain how to make a few, simple changes that can have a dramatic impact on the profitability and productivity of a practice.

Owning and operating your own business can, and most certainly will, be fraught with obstacles and challenges. Most hearing health care practices employ one professional and one support person, which usually means that the hearing professional spends the majority of her or his time seeing patients, and then has to find some additional time to complete the tasks that are required to insure the business run smoothly. Consequently, the owner can't always devote, or doesn't want to devote their "free time," to make certain the business is as profitable or efficient as it could be.

For many years, hearing health care professionals have had the luxury of being in a high margin, low volume business. Consequently, most practices have been able to survive despite a lack of attention to key performance indicators of the business. Sustainability in this economy is commendable, but imagine increasing profits by as much as 50% or more while operating the same business and doing only a slightly better job. It doesn't take many changes to accomplish just that. This guide highlights some of the easiest ways to improve the profitability of a practice.

I recall an article written by my colleague, practice management expert Brian Taylor, which reported the results of an investigation into the business practices of a small group of hearing health care providers. His investigation revealed that the average

practitioner thought their business was doing much better than it actually was. Self-impressions can be inaccurate, but numbers tell the real story of how well a business is doing. Once you know the facts, implementing just a few simple changes can substantially increase profitability.

One thing is certain—the business of health care is changing and hearing health care is no exception. Most hearing health care practices have depended on the sale of hearing aids to generate the majority of gross revenue for the business. In today's market, consumers can literally go anywhere to purchase hearing aids, even to a low-cost wholesaler, not to mention the endless opportunities to purchase hearing aids on the internet. In addition to many purchasing options, insurance companies are cutting reimbursements, eliminating coverage for hearing health care services, and promoting discount programs to their subscribers, which usually further reduces revenue for private practitioners. Furthermore, most hearing aid manufacturers have increased their presence in the retail market. Although these observations may cause concern, I am reminded that with obstacles come opportunities. However, to maximize opportunities, you must be prepared and willing to modify and/or change the way you conduct business. If you notice that your bottom line is shrinking but are unsure how to assess what the problem might be, this guide may be just what you need to determine the health of the practice, and will hopefully provide ideas on how to infuse new energy and life into the business.

In today's tough, economic climate, even experienced practice owners can't rely on what worked in the past to guarantee success in the future, and must continually monitor the health of the business and search for ways to improve and to maximize profitability. I hope this guide will help readers do just that!

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Getting Started in Private Practice

I am often asked what it takes to start a private practice. Married and living in a small town with no hope of local employment, I started my practice immediately following graduation from graduate school because I didn't feel I had much choice if I wanted to work as an audiologist. What I lacked in experience I made up for in ambition. I have experienced numerous highs and lows throughout my career, but I have never regretted the decision to start my own practice. Although technology, management styles, hearing aid distribution, and the economy have changed, the necessary requirements of being an entrepreneur remain the same today as they were many years ago when I started my business: keep an eye on the key indicators of profitability, market to the general public and current patients, keep your referral sources close, adhere to best practices, and hold any and all employees accountable for doing their jobs.

Starting and sustaining a business takes the same level of commitment and desire it takes to maintain a successful relationship. If you want your business to be successful, you are going to have to work at it and make it a top priority. Once you decide to start a practice and set the wheels in motion, there is no looking back—only ahead. If you do things right, the future can be very bright and profitable.

Step One

The first step in starting a business is to develop a good plan that will serve as a solid foundation for the practice. Writing a business plan is the best way to gauge whether or not *your* business is viable for *your* marketplace. The business plan will become the blueprint for the practice and the driving force for many years to come. Most contractors wouldn't start building a new home without first having a good house plan, and starting a business without a business plan would be just as foolish.

Although having a well-written and thought-out business plan is an essential first step in starting a practice, you will also need enough working capital to cover operating expenses and your salary for at least the first six months of operation, and preferably a year. The business plan will serve as the foundation for obtaining possible funding for the venture.

It is also paramount that you are a top-notch, knowledgeable, hearing health care professional who possesses solid, technical skills to provide the highest quality of care in diagnosing and treating hearing problems. The aspects of business you don't know you can learn. You can also hire people to teach you the things you don't understand, but your professional expertise is what will attract and keep patients. Whereas business and professional skills are important, an entrepreneur must possess the internal fortitude to know success *can* and *will* happen. When times get tough, you may reflect, but you must focus on existing or future opportunities. I once read that good entrepreneurs have their feet firmly planted on the ground, their hearts in the business, and their heads in the clouds. If you don't believe that opportunity exists and you have what it takes to uncover it, you may not survive the hard times that are sure to come along in the life of a business. My father used to say he never saw anyone who could be as stubborn as I could be. That quality has proven to be invaluable for me over the years.

When things aren't going well, think about what you CAN do and not about what you CAN'T do. Every obstacle can become an opportunity.

Although there are many advantages to owning your own business, in the beginning you will have to be prepared to sacrifice things such as paid vacations, and perhaps, even necessities, like a salary. Being an entrepreneur involves taking a risk and operating without the safety net that salaried employees are used to, such as paid insurance coverage, PTO for holidays and vacations, and funded pension plans, but if you persist and the business becomes profitable, you will realize many more benefits than any employee ever will.

Before starting a practice, you should ask yourself if you like being in charge and enjoy making decisions. If you don't, private practice may not be for you. Successful business owners are continually forced to make snap decisions and must live with the results of those decisions. Being the decision maker is actually one of the aspects of owning a business that inspires many entrepreneurs, but some people just don't have the internal fortitude to handle such responsibility. It's a good idea to explore how you feel about this aspect of entrepreneurship before you enter into business. The website, <http://www.Entrepreneur.com>, has many good articles and assessments that may help you assess the feasibility of starting your own business and whether your personality style lends itself to being an entrepreneur.

An insatiable drive alone is not enough to start and maintain a successful business. You must also have the discipline and determination to weather the storms that will come, and the endurance to do whatever it takes to survive and thrive after the storms. Successful business people are tenacious; obstacles simply represent temporary barriers to overcome on the road to greater opportunities. They may take "no" for an answer, but only for as long as it takes to reframe the question from another perspective.

Having a good support system is helpful when you start a new business. I would recommend that a neophyte find an experienced practitioner to serve as a mentor during the early years of business. Whereas going it alone and running the show may sound attractive, being a business owner can be a lonely road, especially during the early years of a business. It is very helpful to have someone to bounce ideas off of when faced with the uncertainty of a major decision. It's no coincidence that many successful small business owners have some type of partner, whether it's a business partner or a life partner. I could

never have succeeded in practice all these years without the tireless and unconditional support of my husband. Although he questions some of my crazy ideas, and that can be a good thing, he is my biggest advocate when the ideas are implemented (Figure 1–1).

When you own your own business, you are the person who is ultimately in control of everything. Although that can be empowering, it also means that the buck stops with YOU. At the end of the day, it will be up to you, the business owner or practice manager, to solve problems and to make sure the business succeeds. Some people start their own practice because they are tired of being at the mercy of a boss, but a business owner is at the mercy of the business. An owner is able to control their schedule and have the flexibility to work around family or personal obligations, but may also have to work more than 40 hours a week to get the job done. On the flip side, an owner will never have to ask permission to take a vacation or to take a day off.

For some people, owning a business is part of the American Dream, not to mention that it can offer increased earning potential and many tax advantages. A business owner can write off items that employees can't. However, being the business owner means you must be prepared to give up the security of a regular



Figure 1–1. My husband, David, and our fur baby, Eddie.

paycheck. You will never have to ask the boss for a raise, but you may not be able to afford to give yourself one. If you think you can handle this sort of uncertainty, that's good, because be assured that a business owner is faced with uncertainty on a daily basis. Business owners are rarely faced with boredom because they are so busy wearing many different hats, which may include marketing wizard, HR manager, bookkeeper, IT director, secretary, and president all rolled into one. However, when you are the boss, you have the independence to create your own policies and procedures. You won't have to ask anyone's approval when you want to create a new policy or redecorate the office. You can do things *your* way. You literally have the opportunity to create the practice of your dreams, but sometimes, dreams can come with an occasional nightmare.

In the beginning, you may not be able to afford to hire an employee, but as the business grows, you will certainly be faced with the job of managing, training, and motivating employees, a job for which most hearing health care professionals have little or no training. You may end up spending a lot of time attending to the details of running a business and less time on things you really enjoy doing, such as playing golf, coaching your kids' sports, or entertaining. It's not uncommon as a business owner to be forced to undertake tasks you find unpleasant, such as firing someone or refusing to hire a friend or relative. Employee management continues to be a challenge for me. I like to believe that a person will just "do their job" but that is not usually the case. Employees need to be managed and held accountable for the tasks they are responsible for, and when they aren't held accountable, performance is certain to slide, and that will most definitely affect business. When you start a practice, you have the opportunity to gain experience in every facet of business, and when the business succeeds, you will have the unparalleled joy of knowing your management and direction were responsible for that success.

Entrepreneurs often have many traits in common; chief among them is a willingness to take a risk. Not a blind risk, but a calculated, prudent risk for which you must be prepared. If you are considering venturing into private practice, it is crucial to take some business courses and find a good mentor who will agree to guide you in the beginning. I have found that a good