

Strategic Practice Management

Business Considerations for Audiologists
and Other Healthcare Professionals

Fourth Edition

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A Conversational Foreword

Mueller: First, we'd like to express our appreciation to Drs. Traynor and Taylor for inviting us to be a part of this great effort. We are indeed honored. As seasoned authors and editors ourselves, we fully understand that compiling a textbook of this magnitude is no easy task. Congratulations to you and your contributors for this outstanding fourth edition.

Northern: The contributions of your first three editions to the management of private practices cannot be overstated. Congratulations on this new fourth edition as we are sure it will continue to provide substantive information for those audiologists faced with private practice and clinical management issues.

Mueller: I have to say, I usually skip forewords, and this is my first stab at writing one, but I do remember reading a couple that stood out. One was for Michael Pollack's 1975 *Amplification for the Hearing Impaired*, where Raymond Carhart wrote a 17-page foreword, packed with many pearls that are still relevant today. Another that I recall was by J. D. Harris, again from the 1970s. He cautioned about problems related to the clinical selection of the "best" hearing aid, resulting in some audiologists just throwing up their hands. He summed it up by saying: "If you think that repeated

speech testing is a reliable method, you should not only throw up your hands, but also your lunch!"

Northern: We won't even attempt to compete with those two icons. What does make this foreword a little unique for both of us is that a book like this wouldn't even have been written when you and I were getting started in audiology. While there is something here for most everyone practicing audiology, much is geared toward audiologists in private practice and clinical managers. In many cases, private practice in audiology is linked to hearing aid sales.

Mueller: For you younger readers, understand that in the "old days," the Academy of Audiology didn't exist, and neither did state licensure. Hence, the only game in town was to join the American Speech and Hearing Association (ASHA) and obtain the Certificate of Clinical Competence (CCC-A). If an audiologist "sold" a hearing aid in those days, it was considered unethical behavior by the ASHA and resulted in membership expulsion and loss of professional certification. Kenneth O. Johnson, Executive Director of the ASHA, believed that audiology, as a profession, should not profit financially from selling a hearing aid (or any other commercial product)

and that the sale of products would certainly compromise and influence our clinical decisions because of the monetary reward. This all changed in 1978, when the ASHA ethical practice rules were changed to permit audiologists to “sell” products, which in turn, encouraged the move of many to enter private practice.

Northern: I recall that Jim Jerger stated at our first American Academy of Audiology Convention in Kiawah Island (1988): “There can be no doubt that the dispensing of hearing aids by audiologists represents one of the most important milestones in our profession. We are all indebted to that handful of courageous individuals who first proposed that audiologists should dispense aids, persevered against formidable opposition, and succeeded in creating what has become an important step forward for the profession.”

Mueller: So here we are, almost 50 years after the ban on selling hearing aids was lifted. We are most certainly in a better place. Both for us as professionals and for our patients.

Northern: Drs. Traynor and Taylor indeed have assembled a cadre of experts with broad expertise in practice management that will be useful for readers at every business level. Although this is not a text that one likely reads from cover to cover, it will serve as a solid reference with practical solutions to management problems, and certainly will become the go-to text for AuD courses on this topic.

Mueller: This new edition contains an impressive range of topics covered that

provide ample suggestions and guidelines for private practice owners and clinical managers. You will find information on topics such as business planning, policy, procedures, office management, management systems, insurance, accounting, billing and coding in these chapters. You’ll also find useful chapters on such innovative topics as audiology assistants, teleaudiology, forensic audiology, and ethics. This fourth edition is packed with tons of new information and new topical areas. And the mega-list of contributors is like a “Who’s Who” of practice management.

Northern: From my point of view, practice management is a continuous and ongoing process, much like working on your skiing and golf skills: you can always find ways to improve your *status quo* performance. The successful entrepreneur is constantly seeking a better system for improving efficiency, effectiveness and, of course, profitability.

Mueller: In their opening chapter, Editors Traynor and Taylor discuss why the word “Strategic” is part of their book title. They mention that in the business world, strategic means taking the time to develop a plan, as well as a method of achieving that plan. To analyze, to communicate, to deliberate, to think, to debate, and, perhaps most importantly, to act after doing those tasks. This book is the perfect companion for that journey.

H. Gustav Mueller, PhD
Bismark, North Dakota

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Acknowledgments

Welcome to *Strategic Practice Management, Fourth Edition*. The text began in 2008 with its first edition. That first edition had only 374 pages, reflecting the knowledge of practice management at the time. Since then, there has been a second edition of 556 pages and a third edition of 768 pages. This fourth edition will meet or exceed 1000 pages of the most up-to-date practice management material written by experts on their specific topics. The text was conceived by Dr. Robert Glaser and myself in the early 2000s as it was obvious that audiologists needed to have a basic orientation to business and effectively build upon that information to be successful. At that time of the third edition, an Academy of Doctors of Audiology survey found that only about 20% of audiology training programs offered their students a course in this area as part of their Doctor of Audiology program. However, with the expansion of audiology private practice, over 40% of AuD programs now offer a business orientation to their students.

As I prepared to write this edition of the text, I learned that my good friend and colleague, Dr. Robert Glaser, former President of the American Academy of Audiology, former professor, VA clinician, 30-year private practitioner at Audiology Associates of Dayton in Dayton, Ohio, and my partner for three previous editions, was unable to participate

in this revision. Dr. Glaser's expertise, writing skills, and general collegiality were greatly missed as this volume was created. While Dr. Glaser could not be a co-editor for this fourth edition, he remains a special contributor.

Dr. Brian Taylor and I are extremely grateful to the 20 participants who graciously agreed to improve the profession with this newest edition of one of the most used textbooks for audiology practice management courses in the United States. To Gus Mueller, my longtime friend and colleague, and Jerry Northern, a career-long mentor, my deepest appreciation for writing the Foreword for this edition. Another essential individual to the success of virtually all of the *Strategic Practice Management* editions, but especially this fourth edition, was Krista Buckles Traynor as a contributing editor. We recognize the efforts and special contribution of Krista, who was essential to the completion of this revision with her attention to detail, third-person writing, and offering general suggestions as a former Regulatory Affairs audiologist.

For this fourth edition, my co-editor, Dr. Brian Taylor has been a true partner in its preparation. Dr. Taylor's assistance in offering his experience, expertise, hearing industry, and business orientation to the profession was not only appreciated but added substantially to the discussion of contemporary issues within

the area of audiology practice. His daily contact with practitioners kept the essential topics relevant and timely to create an understanding of the current concerns in the ownership and management essential for successful audiology practice.

Robert M. Traynor, EdD, MBA
Fort Collins, Colorado

This book is about time and money: how to allocate your time so you can optimize *both* patient outcomes and revenue in your business. Toward those ends, this book taps into the expertise of some of the best business minds in our profession. I am grateful for the opportunity to work with each of them.

A lot goes into writing a textbook. First, I would like to thank my co-author, Bob, for generously inviting me to partner with him on the fourth edition. A special thank you also goes to Krista

Traynor for her editing expertise. I think Bob would agree that this book would not exist without her efforts. Second, I would like to thank each contributor. Each of them brings a wealth of knowledge and skills that are sure to enlighten even the most experienced reader. Finally, I would like to thank my family, especially my wife, Rebecca, for her patience as I completed this project. Writing a book, especially as a “side project,” takes time away from doing other things, and I appreciate all her support.

From soup to nuts, everything you need to operate a successful audiology practice can be found between the covers of this book. I hope each reader can take something of value from these pages, apply it to their practices, and enjoy the fruits of their success.

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Prologue

Leadership and Successful Practice Management

Robert G. Glaser, PhD

*“Management is doing things right;
leadership is doing the right thing.”*

—Peter Drucker (n.d.),
Founder of Modern Management

Introduction

Unquestionably, leadership skills permeate all that we do as clinicians. Patients rely on our professional skills as audiologists for the leadership needed to appropriately manage their hearing loss. Leadership skills are equally important in both matching their auditory needs with advanced technologies and managing the critical counseling interface with their family members and significant others in their lives. Leadership is critical to the success of our profession.

There are as many definitions of leadership as there are leaders. In a simple amalgamation, leadership can be defined as a process set into motion by an individual or a team of people to create a meaningful collaboration of focused thinking resulting in action(s) for a common purpose. Agreeing on a definition helps to focus on the topic; however, it

is the varied critical elements, the components that create the opportunities for leadership to work its particular magic.

Leadership is complicated, and the process of developing these skills does not evolve overnight. Leaders demonstrate many, distinct characteristics: competence, commitment, positive attitude, emotional strength, vision, focus, discipline, relationship building, responsibility, initiative, people skills; the list goes on. Many of these intermingled factors are intangible, and that is why leaders require so much seasoning to be effective in the venues of their influence.

Clinical Training and Leadership Skills

Talent is never enough (Maxwell, 2007). The fact is that no person reaches their potential unless they are willing to practice their way there. Preparation positions talent and practice, sharpens it. Practice enables development in the clinical domain. Clinicians get better at what they do when they have opportunities to see more patients. That is true, but there must be an important proviso:

Practice creates a better clinician as long as there is a guide, a mentor, a coach straightening the wrinkles and providing feedback on the functional characteristics of their interactions with patients and their families and significant others. Change is never easy but seemingly always essential to success. Guided change is essential to improving clinical skills and, in the long haul, improving patient outcomes. The difficult changes must be done in concert with direction and feedback from another source skilled at evaluation and promotion of better tactical use of whatever talent you bring to the mix. Max DePree, a preeminent leadership expert, recognized that people, in general and no matter the situation, are resistant to change: “We cannot become what we need to be remaining what we are” (DePree, 2004). His directives were clear: To sharpen your talent through guided practice, you need to do more than just be *open* to change; you have to *pursue* change. And that pursuit must be consistent and vigorous and never ending because your competitors are on the same track to improve their talents. Those who sit and wait for change to happen will be covered in dust as those determined to excel on a diet of change and improvement roar pass them in a thunderous stampede.

Selected Characteristics of Leaders

Positive Attitude

*“A successful man is one
who can lay a firm foundation*

*with the bricks others have
thrown at him.”*

—David Brinkley,
Television Journalist
(Maxwell, 1999, p. 88)

Every profession enjoys a cadre of successful people, whether teaching students, managing a productive research laboratory, or creating opportunities in the many and varied venues where we practice. There will always be those who accelerate the profession by example. Of the individuals who have achieved lasting success in our discipline, there seems to be a singular thread: their positive outlook on life and their profession. Each has overcome difficulties in some fashion, yet each has excelled despite the “bricks others have thrown” in the course of their path to contribution. Maxwell (1999) made two important points about attitude being a matter of personal choice and that attitude unequivocally determines your actions. No matter what happened yesterday, your attitude is your choice today. Attitude becomes the decisive factor for success, because it determines how you act.

Competence

Competence can be defined in a word as “capability” or “expertise.” Competence goes beyond words: It is the leader’s ability to say it, plan it, and do it in such a way that others know that you know how, and know that they want to follow you (Maxwell, 2007). Leaders are admired for both inherent competence and perceived capabilities. Several key elements must be a part of a leader’s armament for success. They are simple

elements, easy to accomplish on a consistent basis:

Show Up Every Day

Responsible people show up when they are expected. Highly competent come ready to play every day, no matter how they feel, what kind of circumstances they are facing in their personal or professional life, or how difficult they expect the game to be.

Keep Improving

Highly competent people are constantly engaged in learning, growing, and improving. They do that by asking *why*. After all, the person who knows *how* will always have a job, but the person who knows *why* will always be the boss.

Follow Through With Excellence

Performing at a high level of excellence is a choice, an act of will. As leaders, we expect our people to follow through when we hand them the ball. They expect that and a whole lot more from us as their leaders.

Accomplish More Than Expected

Highly competent people always go the extra mile. For them, good enough is never good enough; they need to do the job and then some, day in and day out.

Inspire Others

Motivating others to perform at high levels is not a skill that develops overnight, nor can it be taught in a classroom. It is a talent commonly learned by watch-

ing effective leaders succeed. Excellent leadership has no stops and starts, no clear edges, nothing but smooth transition from concept and plan to effective action completing a well-defined goal.

Engage

Skilled leaders spend their time advancing conversations, not avoiding or ending them. The more you engage others, the better leader you will become both in your clinical efforts and in managing your practice. It is difficult to bring about the type of confidence, trust, and loyalty a leader must possess without being *fully engaged* in person, over the telephone, via email, through social media, or even by sending personal, handwritten notes—likely the most surprising and, therefore, perhaps the most effective example of engagement in this age of rapid, often impersonal informational exchanges.

Communication Skills

“Developing excellent communication skills is absolutely essential to effective leadership. The leader must be able to share knowledge and ideas to transmit a sense of urgency and enthusiasm to others. If a leader can’t get a message across clearly and motivate others to act on it, then having a message doesn’t even matter.”

—Gilbert Amelio,
President and CEO,
National Semiconductor Corp.
(Maxwell, 1999, p. 23)

Your communication skills will make you the kind of leader that people will want to follow—or not. Your message

must be clear and well articulated. People will not follow you if they cannot see clearly where you are going and how you intend to get there. Keep your message simple. Before you can convince others to follow, you have to believe in what you are promoting, what it is that is so important to you that it can readily become important to others. The goal of all communication is action. Simply providing information is not enough. Leaders must provide an incentive to listen, an incentive to remember the importance of the tasks ahead and, most importantly, a plan of action and involvement to reach the desired outcome(s). At the root of effectiveness is the ability to communicate meaningful information in a clear and concise manner such that all involved in the processes leading to accomplishing the goals know the path, even when blindfolded.

If you want to become an effective leader, it is best to stop talking and start listening. There is far more to gain by surrendering the floor than by trying to dominate it. As mentioned earlier, there is a seeming rush to communicate what is on one's mind without considering the value of everything that can be gleaned from the minds of others: As my father used to say so effortlessly and consistently—*you can't learn anything with your mouth open.*

Commitment

"Followers expect a leader to face up to tough decisions. When conflict must be resolved, when justice must be defined and carried out, when promises need to be kept, when the

organization needs to hear who counts—these are the times when leaders act with ruthless honesty and live up to their covenant with the people they lead."

—DePree (2008)

The obligation inherent in assuming positions of leadership requires personal sacrifice. Consider the many audiologists who have made the commitment to advance their professional acumen by completing their AuD. They have done so not only at financial expense but also in terms of valuable time spent away from family and friends. Consider the incalculable hours as well spent volunteering for professional organizations: Our colleagues sacrifice their time, talent, and personal assets to take on various roles of leadership in our professional organizations. They are involved because they are committed to their profession, what it stands for, what it does for others, and because it is needed to secure our future as important and significant contributors to the health of our nation.

Pursuit

Pursuit is an often-overlooked quality of leadership. Exceptional leaders are never satisfied with traditional practice, static thinking, conventional wisdom, or common performance; they are simply uncomfortable with anything that embraces the status quo. You cannot attain that which you do not pursue.

Myatt (2011a, 2011b) states explicitly, "Leadership is pursuit—pursuit of excellence, of elegance, of truth, of what's

next, of what if, of change, of value, of results of relationships, of service, of knowledge and of something bigger than themselves. Smart leaders understand it is not just enough to pursue, but pursuit must be intentional, focused, consistent, aggressive and unyielding. You must pursue the right things, for the right reasons, and at the right times.”

Teamwork

“Teamwork makes the dream work.”

—Maxwell (2007)

Teamwork divides the effort and multiplies the effect. It is working toward a common goal that joins people in an effort that they might never engage in as an individual. It is an opportunity for growth for all involved, leaders and members of the group as well. Teamwork is not always as easy as getting a few folks together to solve a problem or change a direction. Teams do not usually come together and develop on their own; they require ardent leadership and cooperation within the group. Teamwork, however, is superior to individual effort:

- Teams involve more people, thus affording more resources, ideas, and energy than an individual possesses.
- Teams maximize a leader’s potential and minimize weaknesses.
- Teams provide multiple perspectives on how to meet a need or reach a goal, thus devising alternatives for each situation. Individual insight is seldom as broad and deep

as a group’s when it takes on a problem.

- Teams share the credit for victories and the blame for losses, fostering genuine humility and authentic community. Individuals take credit and blame alone.
- Teams keep leaders accountable for the goal. Individuals connected to no one can change the goal without accountability.
- Teams can simply do more than an individual.

Ability to Empower

“People under the influence of an empowering person are like paper in the hands of a talented artist.”

—Maxwell (2002)

If you are in a leadership role in an organization, your ability to empower others is not an option unless, of course, you plan on running the entire show alone. Empowering others is as critical to the success of the organization as it is critical to the success and effectiveness of the leader. Empowerment has an incredibly high return. When you empower a person to take on a task, lead a team, or research a topic important to organizational advancement, it not only helps the individuals you raise by making them more confident, more at ease in making decisions, and more productive but also frees you to actively promote the growth and health of your organization or practice.

Achievement comes to someone who is able to do great things for themselves. Success comes when they empower followers to do great things *with* them.

Significance comes when they develop leaders to do great things *for* them. But a legacy is created only when a person puts their organization into the position to do things *without* them (DePree, 2004).

A Final Note on the Responsibility for Your Profession

Respect for the future, regard for the present, understanding the past. Leaders must forever move between the present and the future. Our perception of each becomes clear and valid if we understand the past. The future requires our humility in the face of all we cannot control. The present requires attention to all the people to whom we are accountable. The past gives us the opportunity to build on the work of our elders (DePree, 2008).

Although it seems like yesterday, a long time ago as young students, budding practitioners, and teachers and researchers-in-the-making, we accepted the torch of leadership willingly. We recognized early on that there was no substitution for clear communication and effective collaboration within our ranks and across the boundaries of our organizations. We were eager not only to perpetuate our profession but also to improve upon the efforts of those who had come before us. Strong challenges remain today, and each must be met head on and without fear. Our profession requires vigilant stewards willing to accept the torch and make it burn brighter than ever before. Without your

eagerness to accept the responsibility of leadership, our profession will have a restricted future dictated by others seeking to minimize our impact and lessen our rightful place in today's healthcare marketplace. Take the torch and continue the journey. Make us proud.

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1 Management and Economics Implications for Audiology Practice: The Big Picture

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Introduction

As readers can plainly see from the title of this book, the main topic is *strategic* practice management. Therefore, it should be no surprise that the word *strategic* is doing much of the heavy lifting throughout this book. Before diving into the details of what it means to be *strategic*, it might help to have a working definition of that word. Broadly defined, *strategic* is any subject or issue that directly relates to achieving the long-term goals and interests of a business. To be *strategic* means to take the time to develop a plan, as well as a method of achieving that plan. To analyze, to communicate, to plan, to deliberate, to think, to debate, and, perhaps most importantly, to act after doing those tasks is the working definition of *strategic*.

A well-used adage in the military and in the business world, *hope is not a strategy*, infers that hope will only get you so far. This book is designed to provide the reader with tools that will enable them to never rely on hope

to assess any part of their practice but rather to provide solid knowledge and methods of how to improve it. After all, effective *strategic* managers incorporate continual and incremental improvement by considering the many management and economic implications of how the business of audiology fits into the larger economic landscape. The purpose of this book is to expand the skills necessary to be a better *strategic manager* and, when the time comes, a *better boss*. Since the word *strategic* means to always be analyzing the big picture and planning ahead, this book will examine virtually all of the facets in the management of an audiology practice. The journey to making a living as an audiologist begins in Chapter 1 by clarifying what it means to be both an effective manager and a review of economics.

The Business of Audiology

When entering the profession of audiology, neither the management of a

business nor related economic concepts were part of career goals. The focus, of course, was on how and when to provide a myriad of audiological evaluations and interpret those results. Further, energy and focus were devoted to treating hearing and balance difficulties using products and services that suited the best interests of patients. As clinicians move from merely a clinical role to owning and/or managing a clinic, they must realize that the business of audiology is unique. The late Dr. Paul Drucker (1909–2005) was considered one of the world authorities in management, ethics, and business planning. In one of his last publications (2001), he states that business management must always, in every decision and action, put the economic performance of the business first. According to his way of thinking, a business can only justify its existence by the economic results it produces. While this may be true for other businesses, the business of audiology is considerably different in that there are ethical as well as profit considerations that, at times, may be at odds with each other. On one hand, there is a fiduciary responsibility to optimize each patient's hearing and/or balance predicament. On the other, there is a need to make a profit to continue to serve these patients while keeping the audiologist well motivated (Taylor, 2012). This dichotomy sets forth the need for management strategies quite different from many other professions.

In many ways, the business of audiology is an interesting study in contrast. It combines the medical/diagnostic and rehabilitative with the retail and commercial. Each of these traits, all equally important to long-term strategic success, requires vastly different

skills sets. For example, the medical/diagnostic and rehabilitative side of the equation requires great attention to detail, impeccable communication skills, and the ability to collect precise information using accurate testing methods—all toward promoting the best interests of each patient. In contrast, the retail and commercial side of the equation requires many of the same skills—to be fastidious and reliable, but in a way that promotes the welfare of people (staff) who work in your business that ultimately contributes to generating revenue and profit while controlling expenses and costs.

Is the Business World Really for Me?

Developing and maintaining an audiology practice can be an exciting and rewarding experience. It can offer numerous advantages such as being the boss and the one to determine salaries, set the schedule, and choose who to hire. But becoming a successful entrepreneur requires thorough planning, creativity, and hard work. So, the first question that must be considered is, “Is running a business really for me?” The answer partially lies in the concepts and skills required to become a successful *entrepreneur*. Entrepreneurs are defined as a person who organizes, manages, and assumes the risks of a business or enterprise. Entrepreneurs who take the risks necessary may be rewarded with profits and growth opportunities.

Haynes (2024) indicates that entrepreneurs play a key role in any economy, using their skills and initiative to anticipate needs and bring new ideas to market. Entrepreneurship is often

the result of the actions of a person in search of something new, exploiting their ideas into profitable opportunities by accepting the risk and uncertainty that are inherent to the specific business enterprise. It is also a process of identifying these opportunities within the market and bringing together the necessary resources to pursue these opportunities for long-term gains.

Thus, those audiologists suited for the business world and become entrepreneurs are those who:

- Develop a business model for their audiology practice.
- Acquire the necessary physical and human capital to start a new venture.
- Operationalize their vision for their business venture.
- Are responsible for the success or failure of the business venture.
- Invest their own capital or raise capital from external sources to fund their business.
- Take the blame for failure as well as reap the rewards in case of success.

To be an entrepreneur, the person must have characteristics that will allow them to be successful in areas necessary to facilitate a successful business.

- *Comfortable with taking risk:* Owning a business requires making tough decisions such as what the practice will offer the community, who gets paid first or last, and so forth. Businesses have ups and downs, economies have cycles, and competition has rises and falls. These and other business variables create uncertainty in the future. While some individuals would

rather avoid unstable income and insecurity, others feed on these issues and look to calculated business risks as challenges.

- *Independent:* Business owners need to make a lot of decisions on their own, based upon their instincts, research, and intuition. In everyday business operations, there are often rejection, financial ups and downs, human resource issues, taxes, operational changes, and other hurdles that must be cleared up and the owner is the ultimate decision-maker. If a person enjoys the independence of making their own decisions and trusts their judgment, then it is possible that independent practice might work for them.
- *Persuasive:* Practitioners will need to persuade patients, employees, potential employees, lenders, partners, and others. There are sales skills and political interactions that are necessary to facilitate business and employee harmony. If the new business owner enjoys public speaking, engaging new people, and finding compelling arguments grounded in facts, it is likely that they will be successful in independent practice.
- *Comfortable analyzing financial numbers:* Analysis of data and statistics will often describe the health of the practice by presenting valuable data to managers as to success or failure as well as predict trends and implications that will require business modifications.
- *Able to negotiate:* As a small business owner, there will be a need to negotiate everything from leases to product prices and contract terms to

refunds. Polished negotiation skills will help save money and keep the practice running smoothly.

- *Creative:* Practice owners need to be able to think of new methods of practice, operation, and concepts of business and offer new services and products before the competition. Solving problems with new ideas and creativity is an essential skill.
- *Supported by others:* Before starting or managing a practice, it is important to have a strong support system in place. Practitioners will be forced to make many tough, sometimes unpopular, decisions. Families must be on notice that business success can temporarily be the highest priority and that sometimes important family functions may be missed in order to support the business.

Debunking the Truths and Myths

Truths and myths of entrepreneurship, in this case, audiology practice ownership, are a product of working as an employee. Truths are derived from accurate perceptions of bosses and others in charge, while myths are misguided or inaccurate perceptions. Audiologists who put these truths and myths into proper perspective master the essential skills and aptitudes to be entrepreneurs.

Although many individuals have proper perceptions of the truths and myths involved in the motivation for beginning a business, many employees are unaware of the nonclinical work that goes into the management of an audiology clinic. After all, department heads, regional managers, and vice presidents

of operations are just a few of the titles many audiologists assume during their career. In many cases, these titles do not come with any ownership of the actual business, yet as the “managing director,” they are required to hire productive individuals, control costs, generate profits, and generally get results. For those reasons, the following misconceptions can be associated with ownership or management of a practice.

Being Your Own Boss

While working as an employee, many audiologists may have believed that it would be better to “work for themselves” or “be their own boss.” On the surface, the idea of “being your own boss” in a business seems reasonable. There is no one to tell you what to do, when to do it, how to do it, or if you should do it. Therefore, the idea of “being your own boss” has some face validity to the uninitiated. In reality, “being your own boss” is a myth because a business owner has many bosses, and an audiology practice owner is no exception. This, of course, is especially true if you are managing a department and report on an organizational chart to another person. In that case, you can still assume a “be your own boss” mentality, which means you take ownership of the decision-making process.

In an audiology clinic, there are many bosses, and foremost are the patients, to whom the practitioner is ultimately responsible for providing services and products, as well as follow up the products with warranty service. Practice owners and managers are also responsible to the patients for all other administrative issues, such as keeping malpractice insurance, having a timely

return of product deposits, maintaining the competence and certification of not only themselves but also their employees, and virtually everything else that goes with the provisions of high-quality services. The practice's valuable referral sources are another "boss" that requires constant maintenance. Competition for referral sources in the marketplace stresses the importance to turn reports around promptly, keep communications constant, and reinforce the clinic's expertise (Chapter 18). A private practice proverb is, *"If you take good care of your patients and referral sources, they will take good care of you."*

If the practice has a bank loan, it must be paid no matter if business is good or not, so another "boss" is the banker or the investor in the practice. These bankers or those to whom long-term or short-term loans are owed have a vested interest in the success or failure of the business. Their main goal is to receive a good return on their investment; therefore, their interests may not be the same as the practice goals. While the clinic's goals are to provide the highest quality audiological services and products, these people simply want to be paid and make a profit.

Often the first to observe success or failure of the business is the practice accountant. Since they monitor the books, they are certain to identify what methods and procedures are working within the practice. Therefore, it is a wise practice owner that listens carefully to their recommendations for changes in the provision and pricing of products and services or other business modifications that are essential to the financial stability of the practice, all of which makes the accountant another "boss."

Even the most ethical and conscientious audiology practices can be plagued with legal issues from time to time. Legal issues may involve business structure, leasing space, equipment, employee issues, collections, difficult patients, or payroll taxes. Circumstances may arise, which can create situations where the practitioner must conduct business as indicated by their attorney (Chapter 2).

As discussed later in this text, generally, in patient-centric practice, we work for patients first and foremost, and if we do a good job with our patients, then usually the other bosses will be served as well. Thus, the concept of "being your own boss" is a myth as the audiology practice owner has many bosses, all of whom need to be kept satisfied for a practice to succeed.

Earning a High Salary

A typical reaction, given the costs of services and products, would be that sums of money taken into the practice should generate enough income to increase compensation (Chapters 6 and 14). However, the practice owner's salary is determined by many factors but is mostly dictated by the amount of business conducted or cash flow and control of the fixed and avoidable costs that facilitate the level of the owner's salary. In a new practice, it could very well be that the generation of income will be significant and, accordingly, the salary and benefits will be very high. Realistically, however, a new audiology practice will on average not generate much initial cash flow and, subsequently, not much income for the practitioner until the business is established in the marketplace. Cash flow is

limited and as expenses such as rent, utilities, telephone, employees, and payroll taxes need to be paid first, it is not unusual that the owner's salary begins at a lower level than they experienced when working as an employee elsewhere. Another old private practice proverb is, "The owner is always paid last." After some time, it may be possible for the clinic to generate a greater cash flow, meeting all the expenses; then (and only then), salary and benefit increases can be considered for the owner. Entry into private practice does not ensure a higher salary and/or benefits, particularly in the beginning. The survival of the business is foremost and takes priority over how much the practice owner will be compensated. Obtaining a lucrative salary is usually a myth in the beginning and may become a reality as the practice matures.

Setting the Rules of the Practice

Clinicians who have worked for others have often found themselves feeling that they could manage the clinic better than their boss. In their opinion, the clinic should have different hours of operation, better/newer equipment, more or less procedures, less paperwork, better (or different) products, more precise evaluative protocols, higher or lower prices, better credit terms, higher or lower standards, better benefit packages, better policies, and/or various other issues that, in their opinion, should be managed differently. Although these management modifications in policies and procedures seem perfectly reasonable to the employees from their perspective, once they realize the rationales for the positions taken by their employer, they often arrive at the same or similar

decisions they criticized as employees (Chapter 6). Thus, owning a practice and having the ability to change the management technique, policies, and procedures could be either a truth or a myth.

Obtaining Earned Benefits From Manufacturers

Obtaining "benefits" from manufacturers of hearing instruments has become a very controversial issue in the 2020s. These benefits could be earned by selling a specific number of units of a manufacturer's product and thus be rewarded with trips to exotic places, new equipment, low interest loans, special cash accounts, and other benefits without any out-of-pocket expenses. Although these benefits are often considered a normal part of conducting business by manufacturers of most products, audiological recommendations for hearing devices involve a special fiduciary trust relationship. Over the years, ethical practice boards for both national and state audiology organizations have found on numerous occasions that obtaining these benefits is unethical, ruling that these "gifts or benefits" could (and do) influence the clinician's choice of hearing instruments chosen for their patients (Chapter 23). The ethical concern is that a practice manager in need of a few more units to pay for a trip to Europe or this month's payment on the loan might possibly compromise patient care by recommending instruments that count toward the trip when the patient would be better served by another manufacturer's product. Therefore, the American Academy of Audiology, American Speech-Language-Hearing Association, Academy of Doctors

of Audiology, and many state licensure boards (Chapter 23) consider the acceptance of accepting these benefits as unethical practice. Owning a practice for the “benefits” offered by manufacturers is most likely a myth, unless owners are willing to risk their profession by compromising their ethical standards.

Taking Time Off

It is good (and necessary) to have time off from work to relax and forget those problem patients, the employees’ problems, or the frustrations of paying the month’s expenses. However, if the practice is successful, there may not be much time or funds for days off or for personal vacations. In a solo practice, when the clinician is away and only the front office is present, there is no income. Unless the practitioner has additional employees that can keep the doors open and see patients in their absence, time off must be scheduled around the clinic schedule and other low-pressure times, such as holiday periods or when business is usually slow. Even in a practice that has good clerical employees and colleague clinicians, it is difficult to get away for much longer than a week without frustrating situations arising. These difficulties can sometimes be devastating to the practice, so it is best to err on the side of caution and be careful about absences, whether they be elected vacations or necessary emergencies. As in other businesses, audiology practice requires that the owner be available most of the time for business and clinical decisions that are required each day. Often well-meaning employees may make decisions that they feel are in the best

interest of the clinic, but these choices could be inaccurate based upon their lack of knowledge of clinic operations and plans for the future. The business world is unforgiving, and a proprietor or CEO who is absent will be punished severely by the marketplace. Therefore, obtaining more time off is a myth.

Business Management for Nonowners

Much of this textbook is written to address the needs of practice owners, but the reality is that most audiologists will not become owners of their own practice. Not every audiologist has the desire to own their own business. Frankly, under the right conditions, many of the personal and professional rewards associated with ownership can be achieved without actually owning the business (Chapter 7).

Even if a clinician never becomes a practice owner, much of the material in this textbook still applies to the daily work of any manager or director. Experience suggests that when many audiologists get about 5 to 10 years of experience under their belt, they become great candidates to be promoted to a manager or director-level position within a large organization. Once an audiologist assumes a managerial position, even if they continue to see patients in the clinic, their primary focus must shift away from the daily work of patient care to oversight of the daily operation of the business. Tasks such as evaluating financial well-being, marketing, public relations, growing the business, professional development of staff, hiring new staff, and, yes, even firing staff are just a few of the managerial tasks