Building the Foundation for a Successful Lens-Based Refractive Practice

Lessons learned from LASIK.

BY SHAREEF MAHDAVI

Now that we have officially crossed over into the era of refractive surgery, in which corneal treatment is joined by lenticular approaches, I think it's important to look back over the past decade for lessons we can learn. Although LASIK has become the most frequently performed elective surgical procedure in the US, even the optimist in me is somewhat disappointed by the fact that it has penetrated only a small percentage of the target population. Refractive surgeons must learn from their mistakes, or they are bound to repeat them. With this in mind, I'd like to present some insights that I hope will help all of us build refractive surgery into a much bigger category than it is today.

NO. 1: DEFINITIONS CHANGE

The first noticeable signs of reaching middle and old age are often related to vision, namely presbyopia and cataracts, respectively. As the baby boomers begin to turn 60 years old, however, you can throw those associations out the window. This generation, known for doing just about everything differently than preceding ones,1 is staring down these age-related changes. I see these individuals as bound and determined to stave off age-related effects for as long as humanly or technologically possible. As Figure 1 shows, consumers are excited about all the new technology to improve vision. The good news is that presbyopia and cataracts occur after baby boomers have passed their peak debt levels and are on their way to peak investing and net worth.

NO. 2: THE TECHNOLOGY IS READY, BUT ARE WE?

Ophthalmic device manufacturers will continue to innovate, their incentives now increased by last year's reimbursement ruling on presbyopia-correcting IOLs by the Centers for Medicare & Medicaid Services. My biggest concern is the link between the technology and the patients—the provider. In some ways, this market opportunity is not fair to surgeons. You received the best education on the planet regarding how to care for patients, but you did not get any training in how to deliver that care. Being successful in refractive surgery requires going well beyond clinical expertise and becoming sensitive to the retail aspects of the transaction between a provider and a patient. This is all about the attitude and philosophy toward customer service, marketing, and the “s” word: sales.
NO. 3: SALES IS NOT A DIRTY WORD

Most doctors I know have an allergic reaction to the notion of sales. You may not know, however, that the word selling is from the Scandinavian root selzig, which means to serve. That’s right, the best and the brightest in the selling profession understand that they are there to serve the needs of their customers. Sales professionals know that their goal is to make it easier for a customer to buy (rather than make it easier for themselves to sell the product or service).

NO. 4: S.O.Q.N.O.P.

When you come to grips with the concept that selling is an integral part of your medical profession, you have to ask yourself what it is that you are selling. With refractive surgery, you are selling the promise of delivering a service in the future. Therefore, it is critical that you sell on quality, not on price (S.O.Q.N.O.P.). To sell on price relegates your service to a commodity that is no different from that of all the other refractive surgery providers out there. To the contrary, you want to do everything in your power to help your patients appreciate what is unique about your services. Although great focus has been placed on making procedures better and safer, the quality aspects here involve everything that happens outside the surgical suite.

NO. 5: LOW PRICE DOES NOT MOTIVATE

Thinking that you can lower prices to attract more patients is not a winning strategy. Just ask some of your colleagues who tried this between 2000 and 2002. During that time, average surgical fees nationwide dropped by more than 20%. Total procedural volume dropped then as well, violating the traditional laws of supply and demand. What so many surgeons learned was that the economics of LASIK follow a different set of rules. The lesson cost $1.6 billion in reduced revenues (that was $335,000 per surgeon, on average), all of that being marginal profitability, before a turnaround began in 2003 that was spurred by an increase in fees in response to customized laser treatments and flap creation with the Intralase FS laser (Intralase Corp., Irvine, CA). When it comes to surgical procedures involving a person’s eyes, you should remember that a low price cannot overcome patients’ great fear. It simply does not motivate them.

NO. 6: THE PATH TO QUALITY

If you buy into the notion that quality—not price—is

Figure 2. When surgeons define quality, they tend to consider one thing: outcomes (A). Patients, however, define quality with a much wider lens (B).

Figure 3. It all comes down to your ability to serve your patient (customer). Nordstrom has become the role model for how to treat customers.
the path to success, then your next step is defining quality for your practice. As I’ve said, surgeons traditionally have viewed quality by outcomes, or how well patients see postoperatively. As shown in Figure 2, patients use a much wider lens to define quality. In fact, they can’t appreciate or judge your surgical skill. Their definition of quality service includes all those elements that you might consider secondary. I recommend that you apply the same rigor and discipline you use inside the surgical arena to everything going on outside that room.

NO. 7: PROCESS, PROCESS, PROCESS

Working with your staff, you must determine if you are willing to create a “culture of quality” in your practice. This is an easy decision but a difficult journey, because it requires you to measure just about everything you do as a means of creating a baseline from which to improve. You will have to develop processes, more commonly thought of as protocols or procedures, that you can refine over time. You will need to collect data continually and gather feedback from your customers to find out what you are doing well and where you can improve. Ongoing improvement is a philosophy that is hard to develop and even harder to maintain, in part because there is no point at which you can sit back and declare victory. Enhancing your quality will require some money, but it will require more of your time, energy, and commitment. Relatively few providers take on such a challenge because it is simply easier to be mediocre, even if the practice’s performance suffers. Just ask anyone who works in a company that is obsessed with delighting its customers, and you will learn that all the smiles and orchestration to make things go smoothly require a lot of process and practice.

My claims here are buoyed by the results of my company’s first-ever nationwide telephone improvement project to assess telephone answering skills at 77 LASIK practices that ranged in both size and geography. As I reported last
year, only a handful of the practices’ staffs were skilled in answering the initial telephone call from our team of secret shoppers inquiring about LASIK. Answering the telephone properly is just one example of a task that often needs attention. It is one of the most critical jobs in the practice, because many patients choose to come in (or not come in) based on their impressions of this call. If Nurse Ratched is answering your phone, you’re in trouble. Even if Susie Sweet is greeting your callers, the data suggest that she can improve as well and needs ongoing training, support, and encouragement.

NO. 8: FINANCING MEANS AFFORDABILITY

Although most refractive surgeons offer financing, there is very little understanding about how to leverage this tool to benefit both patients and the practice. Data from a just-published study that analyzed the perceptions of providers and LASIK patients indicate a wide gap between what doctors and patients who use financing think about it. Doctors tend not to pay it too much attention beyond knowing that they offer the option to patients who need it. Although some use financing proactively and have their staff heavily involved in the process, the majority of surgeons seem to avoid discussing the matter for fear of invading a patient’s privacy regarding financial matters.

LASIK patients who finance their procedures are much more grateful for the opportunity than doctors realize. Larger-volume centers tend to discuss financing much earlier in the decision making process (ie, in advertising or on the telephone) than smaller-volume ones, which tend to wait to bring it up during the consultation. My hypothesis is that offering financing sooner helps the patient determine how to pay for the procedure and lets him focus on overcoming his fear. Nearly one-half of the patients in our survey indicated they would have delayed their decision had financing not been available. Afterward, they had overwhelmingly positive perceptions of the practice, and 90% mentioned financing when they described their LASIK experience to others.

Although the baby boomers are entering their peak financial years, the average amount of available money in the population is not as bright a picture. Only one in four households can write a check for greater than $500, and household debt (excluding mortgages) has tripled in the past 15 years. Thus, the need for a more serious approach to financing is necessary if we are collectively going to expand the market for refractive surgery in the coming years.

One of my clients, Carecredit of Costa Mesa, California, is worthy of your attention, because it offers programs specific to the needs of refractive surgery and can finance up to $10,000 for refractive IOLs. Last year, the company delv-
oped a secondary program for people with a history of bad credit, called Carecredit Plus, that is expanding the market. As a division of General Electric, Carecredit is also highly process-driven and takes the quality mantra very seriously.

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SUMMARY

I believe that the only real differentiator in the refractive marketplace is customer service. A sign in the employee break room at Nordstrom (Seattle, WA) states my viewpoint well: “The only difference between stores is how we treat our customers.” I hold up this department store chain (Figure 3) as a role model, along with other leading service providers such as Southwest Airlines (Dallas, TX), JetBlue (Salt Lake City, UT), Starbucks (Seattle, WA), and Whole Foods Markets (Austin, TX). You should be asking yourself what you can do to make your practice more like them.

Without customers, refractive surgeons simply do not have a business or service to offer. If you can generate the same joy that patients typically feel on their first postoperative visit at each point in the customer’s experience (Figure 4), then you will have created something truly special that will have a lasting impact on you, your staff, and your patients. The focus on quality described earlier becomes the vehicle for organically growing your practice and reducing your dependence on external factors such as advertising and the economy. Other physicians who have embraced a quality of culture will tell you that it is what made their careers go from one of surviving to thriving … and they would never go back!

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