



Vital statistics



Gilly Dickons explores the benefits of collecting figures to boost your business

Statistics. Does the word fill you with dread or enthusiasm? Personally, I love statistics. These figures can prove extremely interesting, useful and informative for assessing your everyday practice. Every practice owner benefits from having a clear understanding of the data that underpins their business.

As the saying goes: knowledge is power. For a practitioner setting up a new practice, consider starting the way you mean to go on by harvesting valuable data that you can review periodically. This way you can set yourself goals and targets, as well as bench mark performance. For those practitioners that already have a good client base with regular clinic days, it is essential that you are continually building a database to help manage the business as it grows. If you haven't already got a system in place to store information, you can start with something as simple as a spreadsheet alongside an online diary (such as those provided by Google or Apple) – you don't have to adopt a costly web-based solution. However, for those of you who would like everything stored in the same place, there are some great web-based systems out there that are cost effective to subscribe to, and simple to learn how to use. In the life of your business, the earlier you start to use a system to store valuable data, the simpler it will be as this system will grow with you.

A good CRM (Customer Relationship Management) solution or Diary Management system can support many areas of your business including your marketing, consultation notes, stock control, invoicing, and scheduling and appointment reminders.

Before embarking upon installing or subscribing to a system I would advise you to spend some time thinking about what your day-to-day needs will be. Many online systems will offer you a demonstration, with initial support once you begin to use it.

There are some basic things to look out for in your search for the ideal system, for example:

- Can you access the diary easily, and clearly, from your phone or tablet?
- Can you upload consultation notes and patient photographs?
- Is there a diverse but simple reporting system?
- Can you have multiple user logins without it costing a fortune?
- Can you run multiple venues, staff or treatment rooms and still navigate the system easily?
- Is it quick to open and to input data?
- Are costs transparent? Ensure there are no hidden extras – you shouldn't have to spend a fortune to access a good system.
- Is the diary clear with adaptable time slots?
- Is there initial training?
- Can the system send out automated text reminders and possible emails?

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Once in place the system will help you to produce and study the figures that underpin your business, supporting your planning and development. If this analysis is not a process that you do at least quarterly, it may seem quite intimidating to carry out. To make the process of collecting statistics less daunting, I propose that you focus on the following key performance indicators, starting with your new enquiries:

Number of new enquiries

Carefully log every new enquiry. This information needs to include name, phone number, email address, postcode and marketing source. Ask yourself at this stage whether you are capturing every new enquiry. If not, you need to take action.

Number of new enquiries who book

Do you handle your calls personally or do you have designated staff who take care of this? If you have a team carrying out this work then ensure that there is

an appropriate system available for staff to log information. You need to identify the number of clients that are booking an appointment during the initial enquiry. The industry gold standard for conversion is 60%, and the average is recognised to be 45%. However, 70-85% is totally achievable and should be the target for your business. Is there potential to increase your conversions by ensuring that you are looking after every new enquiry? What impact would it have on your revenue if you could convert new enquiries to appointments then treatment? Let's look at a hypothetical example using 10 botulinum toxin enquiries from potential clients who will spend £900 over three visits a year:

45% conversion rate gives a potential £4,050

60% conversion rate gives a potential £5,400

80% conversion rate gives a potential £7,200

Every 1% improvement in your conversion rate will increase your revenue by £90!

Number of new enquirers who attend consultation

You now need to assess the attendance rate of these new clients. If 90% of patients are turning up to their appointments, then the quality of your appointment-making process and follow up is good – be this due to correct phone manner and protocol and/or subsequent reminders. Are you getting many no-shows? If so, you could consider charging a deposit or holding credit card details for your appointments. You should also consider why these customers might be making appointments yet failing to attend. If you aren't sending reminders, could they be forgetting that they booked at all? To boost the number of enquirers who attend consultation, send appointment reminders 24-48 hours before the appointment; a good diary management system will do this on your behalf. Although some customers will inevitably change their mind about the appointment that they have made, if time is set aside in your clinic diary to see a patient and they don't turn up, this is time that could have been spent with another patient. Therefore it is in your interest to make every effort to ensure that they attend, and keeping track of the numbers of no-shows will help you to monitor this.

Number of clients who go on to treatment

It's time now to consider your conversion of appointment to actual treatment. This figure should really be running at 80% plus. The 20% margin here allows for clients who are not suitable, or ready, for treatment. Most people who are asked often say that, off the top of their head, their conversion rate is 90%. However be certain of the facts – you may need to revisit your consultation technique in order to secure such a high number. Whilst you have done the hard work in preparing the patient for treatment, these prospective clients may then go into a different practice ready for treatment. Secure the business at the end of your consultation. Don't just assume your conversion is high and that you don't need to look at the exact figures; you may be surprised to learn your exact conversion rate.

Number of returning clients – your retention rate

This statistic really has a huge impact on your business. It is really important to operate a solid recall system, reviewing client treatments at the correct interval. Always try to book the next appointment before the client leaves the clinic. Review appointments can be a great way to build relationships with new clients so, even if they do not require post-procedural monitoring, it is a good idea to invite patients back in after their initial treatment to check that they are happy with the results. The time spent on review appointments and forward scheduling will be an investment – the recent Galderma IMPACT study¹ shows that it is 32 times easier to sell to an existing customer and five times more expensive to recruit a new one. Schedule in time to really assess your client retention as this makes a huge contribution to your success.

Your cost per lead/enquiry

Your business will benefit from understanding your cost to generate each new lead as this will help you to plan a marketing budget, ensuring that you do not waste valuable resources. This is a simple but effective calculation:

Advertising Spend / New Enquiries = Cost Per Lead. For example: You had 10 new enquiry calls (leads) over the last month. You spent £100 on advertising. Dividing £100 by 10 we get a cost of £10 per lead. If we assume that you are operating at an industry standard conversion rate of 45%, you have converted 5 of these leads. If you want to increase your monthly sales you need to increase your advertising budget accordingly. In the meantime, it is up to you to establish what is a 'reasonable' cost per lead for your practice – there are some forms of advertising that can be very expensive. This analysis will ensure that you can pursue the most cost effective solution, as it will highlight your most successful source of new clients.

Cost of lost leads/enquiries

Another way to look at cost per lead and the value of conversions is the cost per 'lost' lead/enquiry: A conversion of only 45% (remember this is the average for this sector) instead of a possible 80% could cost your business £3,150 over those 3.5 lost clients for a 12 month treatment programme.

Average spend per treatment

Looking at this information will help you to plan and forecast business, giving you a deeper understanding of your business and clients. You can use this information to target marketing campaigns. Galderma's IMPACT study highlighted that when someone buys more than one product or service from your clinic they are 10 times more likely to come back to you – does this reflect in your data?

Average frequency of treatment

Have you considered how frequently your clients undergo treatment over a 12-month period? Again, this will enable you to forecast and plan ahead. You will be able to determine when clients may be dropping off your books, when they need reminders, and what their value is to you over the year.

I have briefly covered the most obvious and central figures to planning and growing a successful business. If you can make the time to explore these, either by checking your records or using a great CRM/Diary Management system, you will be able to extract valuable information to support the growth of your practice. This will, without doubt, be time well spent and will ensure that your practice goes from strength to strength.



Gilly Dickons is the founder of Aesthetic Response, a unique, expert enquiry management service to the UK's aesthetic and cosmetic sector. AR's team of patient advisors manage calls and diaries on behalf of a variety of practices, using exceptional customer service skills to convert valuable enquiries into consultations.

REFERENCE

1. Galderma IMPACT study (2014)