

# Harris County VMA

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# Compliance: Your Greatest Opportunity

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Thank you Hill's!



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## The State of the Industry

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## Dog & Cat Population



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## Veterinary Population



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## Pets per Doctor



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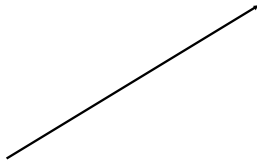
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## Per Pet Spending (U.S.)



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You are part of one of the fastest growing industry's in America. Pet spending has doubled in the past 10 years...it's now twice the size of the toy industry, and twice the size of the candy industry.

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Increase Demand for Veterinary Services

- Increase the pet population?
- Increase incidence of pet ownership?
- Increase percentage of pets receiving veterinary care?
- Improve compliance...expand sales to existing clients!

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**Influence**  
Science and Practice  
Fourth Edition

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Gross Income  
- Expense  
Profit

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"Profitability is a necessary condition for existence and a means to more important ends, but it is not the end itself ..... Profit is like oxygen, food, water, and blood for the body; they are not the point of life, but without them, there is no life."

- Built To Last: Successful Habits of Visionary Companies




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**Gross Income =**  
 \$ Avg. Charge per Transaction (ACT)  
 X  
 Number of Transactions

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**Gross Income =**

ACT    X    Number of  
 ↓  
 Transactions

Charge for services rendered  
 Charge more for services rendered  
 Perform more services/spend > time  
 Improve compliance

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**Gross Income =**  
 ACT X Number of  
 Transactions  
 Leverage/delegation  
 # of new clients  
 Hospital hours  
 Bonding rate (year-to-year return)  
 Improve compliance

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**Avg. Annual Client Contribution**

Year 1	\$248	
Year 2	\$360	~45%
Year 3	\$443	~79%

Source: VetConnect National Averages

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## Veterinarian Job Description

- Diagnose
- Prescribe
- Perform surgery
- Outline treatment programs
- Examine pets
- Certain client consultation and education activities

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Perception of Value

## Client Experience Client Expectations

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Research clearly shows that clients want a consistent, reliable experience.

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### Improve the Client Experience

- Simplify treatment/make clients' life easier (remember that pets eat every day)
- Increase the likelihood of successful first-treatment outcome
- Save client time/hassle/frustration
- Minimize anxiety

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### Everyday Opportunities

- Laboratory:
  - ✓ Preanesthetic testing
  - ✓ Annual wellness screens
  - ✓ Senior care
  - ✓ Long-term meds.

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### Everyday Opportunities

- Dentistry

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## Everyday Opportunities

- Nutrition

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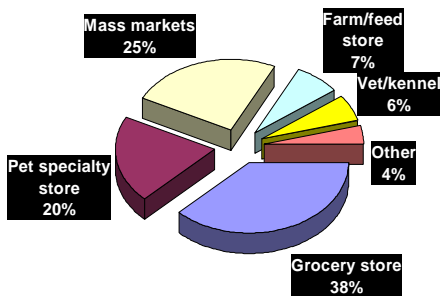
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**U.S. Petfood Sales**  
Source: PETFOOD INDUSTRY



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## Everyday Opportunities

- Flea control
- Heartworm preventive

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AAHA  
Compliance Study

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...the percentage of pets  
in your practice that  
receive the care that **YOU**  
believe is best for them

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CRAFT formula:

Compliance =  
Recommendation...Reinforced...Recei  
ved  
Accepted by the client  
Follow-Through by the practice/health  
care team

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## Compliance in Human Medicine

Compliance in human medicine is only about 50% for patients who must take long-term medication.

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## Reasons why people are non-compliant

- Regimen is too complicated
- Regimen is not suited to lifestyle
- Medication side effects
- Knowledge deficit on purpose
- Knowledge deficit regarding consequences
- Knowledge deficit regarding proper use

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## Isn't your oral recommendation enough?

People remember **20% of what they hear** and **40% of what they see**, but a full **70% of what they see and hear** (Rouwenhorst, 1996).

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Are all compliance opportunities equal?

- 1.
- 2.
3. Dental prophylaxis (35%)
- 4.
- 5.
- 6.

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Where exactly is the Compliance Problem?

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Recommendation Gap  
Follow-Through!

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Isn't poor compliance a client issue?

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Isn't it true that many clients can't or won't pay?

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Do your clients want you making financial decisions for them?

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Ironically, your lack of recommendation may **NOT** translate into client savings...and many things “given” to clients go unrecognized.

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Do your clients think your recommendations are made in the pet’s best interest?

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CNN/Gallup Annual Survey on Honesty, Ethics, and Integrity

1. Nurses (12/1/03)
2. Veterinarians (tied)
3. Medical Doctors (tied)
4. Pharmacists
5. Dentists
6. College Teachers (tied)
7. Engineers (tied)
8. Police Officers (tied)
9. Clergy
10. Psychiatrists
11. Bankers

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**CNN/Gallup Annual Survey on  
Honesty, Ethics, and Integrity**

(12/1/03)

- 12. Chiropractors
- 13. State Governors
- 14. Journalists
- 15. Senators
- 16. Business Executives
- 17. Congressmen
- 18. Lawyers
- 19. Stockbrokers
- 20. Advertising Executives (tied)
- 21. Insurance Salesmen (tied)
- 22. HMO Managers
- 23. Car Salesmen

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**Compliance Tips**

- Measure compliance periodically (AAHA CD-ROM)
- Establish and implement protocols/standards of care. Remember, clients want a consistent, reliable experience

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**Compliance Tips**

- Advocate for the pet's best interest
- Outline all treatment options & attendant costs
- Make clear recommendations – with conviction...multiple times...different media...

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### Compliance Tips

- Follow-up (schedule appointments, rechecks, reminders, phone calls, email, etc.)

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### Compliance Tips

- Loyalty programs (Petco, Viagra, frequent flyer)
- Use circle/travel sheet to highlight recommended products and services
- Simplify life for busy clients

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### Compliance Tips

- Compliance Checklist – Dr. Downing
- Medical Records Auditor – Dr. Fling
- One-on-one client interface – Louise Dunn
- Prepare wellness “trays”

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The Study: Key Takeaways...

- Non-compliance is rampant. The opportunity to provide better pet care in EVERY practice is staggering (2X? 3X? 4X?)!

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Why Improve Compliance?  
Who Benefits?

- Pets (a quality of care issue)
- Pet owners
- Your practice
- Your suppliers

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