

Protecting your R.O.I.

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You hear it discussed on the radio. You see it discussed on TV. You read about it in the newspapers. What's the best investment? Where can you put your money and get the best return? What is safe and what is not? How can you ensure your own survival during bad economic times? The answer may be closer and simpler than you think.

Let's start off by defining a commonly used abbreviation: ROI=Return On Investment. This is a pretty simple concept. You invest \$100 and that investment makes \$10 over the next year. This would be a 10% annual ROI. Of course, this assumes that the original \$100 is safe and still worth \$100. When you invest your money into a bank savings account there is a pretty low ROI. Investors have turned to CD's, stocks, and bonds, to name a few. Generally, the investment systems that offer higher return potential also include a greater risk factor. You could do very well or you could lose your investment altogether. The state of the economy and the general lack of confidence in Wall Street only add to this risk. What used to be a simple decision, to invest in real estate, stocks, bonds, futures, *etc.*, isn't so simple anymore. To some, it's a little scary and possibly dangerous. Enron used to look like a great investment.

So what do you do? Well, let's take a look at this. We want to invest securely and net a nice return, free from corporate "slight of hand" economics. It would be great if we could trust financial reports and the men in charge of running the company. How refreshing it would be, to see the bigwigs of the company working as hard as we do. *Hey, wait a minute. There IS an idea.* What would happen if we invested in our own clinic? What if we spent the money on expanding our own business? What if we had the money to invest in that which would yield us greater efficiency and productivity? Could we then reduce our overhead, increase customer base, expand service, grow sales and double our collections by investing wisely?

You'd be surprised to know how many people will invest in some obscure corporation for a possibly small return rather than invest in themselves for a potentially larger, more sustained return. Where did they make the money in the first place? From their own clinic, of course. Why not strengthen your primary source of income in the first place? When the economy is shaky wouldn't you rather invest in a proven company? Then invest in yours!

Where, in your own clinic, can you invest to get a good return? You could buy equipment, such as tables, various machines or even X-ray equipment. The question is, will any of this new equipment make more money for you than your current equipment? Will it provide a good return on your investment?

Marketing and advertising efforts, such as radio, TV, fliers, brochures, newspaper ads, screenings, coupons, mailings, *etc.*, all help to bring in new patients. They'll work, if they are reaching the public with the right message.

Do you have enough demographic and socio-economic information about your market to generate a substantial response in terms of new patients? If you don't feel like you have enough information, you are not alone. Most office staffs have trouble keeping abreast of the payments-for-services equation, let alone run a

successful marketing campaign.

So, if marketing and advertising won't blow the doors off your practice, where can you invest to get a guaranteed return? The answer is *Office Management Software*. If you've said to yourself, "All software is alike," then you haven't looked lately. Software has gone way beyond billing and appointments. I'm not talking about billing programs *pretending* to be management software. The *new* programs not only do billing, they have sophisticated centers for insurance follow-up, interoffice messaging, patient messaging, management statistics, full financial reporting, patient appointment management, narratives, SOAP's, inventory management, proper patient accounting, on-line this and that, *and* even the ability to run multiple clinics from one software package. The savings in time and manpower alone can swing the budget around impressively.

Some of the ways you obtain a return on your investment with software may be obvious, but some are not. A new software package can reduce the amount of time spent on processing patient paperwork, writing notes, writing narratives, generating reports and statistics, sending out rebills and tracers, following up on insurance companies and posting payments. Properly designed software packages can reduce data input errors, which tend to tie up the staff.

I recently did an investigation in an office that was running at a fast clip of 200 patient-visits a week. They had been operating with a mix of older software and manual paperwork, for which the efficiency was quite low. Sixty-six man-hours were used to perform the various functions around the clinic. I then made a calculation using modern, full-featured practice management software. The difference was staggering! A mere five-and-a-half hours was all that was required using the new software. As you can see, investment in one of the new, comprehensive management software packages could produce a high return and significantly reduce wasted staff time. It can pay for itself in as little as a week, in some cases.

Proper software can accelerate payments and increase the rate of collection. The first office where I installed practice management software saw an incredible increase in their collection percent. They collected 102% of services rendered for the next year. Having enough information, properly organized and appropriately stated, facilitated collecting the monies they were owed. This is not an isolated case. I've witnessed similar results time and again.

Patient retention is another way to get a return on your investment. With a properly designed computerized appointment book, you will know who showed up and who didn't. You will know who left the office without a future appointment. You will even know whom to call today, as they seem to always miss their appointments. How many times have you come out of an adjusting room and said to your staff, "Hey, what ever happened to Irene?" With a computerized appointment book this occurrence is not likely.

What is the most common mistake an office can make following its new management software purchase? Virtually 90% of all software installation failures come from one simple but horribly overlooked fact: *no training!* Saving money by not including professional training can be disastrous and counterproductive! Modern software packages are quite large in scope. There's a lot to learn. None of it is particularly hard, but a modern office is complex with hundreds or even thousands of different tasks to perform. Equally, a full office software product has a myriad of functions at which to become proficient. Unlicensed drivers! You wouldn't let someone loose on the highway or drive industrial equipment without proper operators' training. Why would you expect the average office worker, as pleasant and dedicated as he or she may be, to learn a full office software program to perfection all on his own? The training dollars you invest may well be the wisest spent.

In a nutshell, to invest securely, all one has to do is look in the mirror. This is

simplicity at its best. How do I know this to be true? You wouldn't have money to invest if you weren't already a winner. You invested years and a small fortune in college tuition to get where you are. Now, all you need is dependable, full-featured office management software as outlined above. The factor that will translate this fine piece of equipment into a weapon of success is...training . The software will be meaningless if the staff can't apply all its virtues. No matter how "user friendly" the software is, it still needs to be known and used to its fullest. This means training and, with it, your staff will magically go about cutting time, effort and cost, while enhancing service and efficiency.

By all means, go ahead and invest. But look at what has been the most successful and what helps the most people. The decision will then be easy. **TAC**

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