



Aesthetic

MEDICAL PRACTITIONER



Tips for getting the best return on investment

Adding new technology to your practice? Here are the essentials every smart investor should live by.

Lasers and light-based systems are usually the biggest purchasing decisions made by aesthetic practitioners. Yet many clinics fail to apply basic sound business principles when it comes to determining the cost and potential return on investment (ROI) of these systems.

It stands to reason that when comparing results between lasers, those with lower operating and purchase costs have the potential to deliver a higher ROI, but there are many factors to take into consideration, not only the upfront costs. An ROI analysis is an important tool for clinics to master before making an expensive long-term capital equipment acquisition.

Reputation and ROI

Practitioners should never rely solely on how much revenue they can generate before adding on a new treatment; they should also consider the clinical benefits of the technology. Of course ROI is an important factor, but it's not the only factor. For example, if the device is hot right now in the press, but the results are inconsistent or the technology has a high failure rate, the revenue it may generate in the short term could potentially damage your

clinic's reputation over time. If there is a device that clearly does what nothing else on the market can do, you then have to decide if it is financially viable for your clinic.

In some cases, clinic managers do not look at ROI closely enough. If you are reviewing two or three comparable devices, do a proper financial analysis to determine which one you are more likely to do better with. Take the costs of the system, and figure out what you can charge per treatment, factor in any disposable costs, and then calculate how many treatments to break even.

In some cases, if you choose wisely and market well, you can get your money back in six months.

In other cases, it may take one to two years. Also consider where the price of disposables may end up in a few years, and how affordable it will be to upgrade the system as new advances are launched in terms of hand pieces.

Getting the price right

Setting the right price for a procedure involves competitive analysis. With some devices, there may be a high cost of disposables to do each case, so that will be your starting price. However, your local competition may be driving the price down by discounting a course of treatments or offering specials.

If you are only doing a few treatments per month, you may have priced the procedure too high. Price the procedure where the market will allow you to price it, and you will end up doing more procedures and using the system more often.

Consider the purchase price of the technology as well as the costs of operating the system, including consumables, how long it will tie up a treatment room, and staff time in terms of set-up and after care. A more affordable, no-consumables device may provide a more aggressive financial return on investment, but only if it meets the needs of your existing patients and/or enables you to target a new patient population you are not already treating. Also consider that with no-consumables devices, you are more likely never to hear from the sales rep again until it is time to sell you a new system.

Does it enhance the patient experience and add value to your practice?

Key benefits to look for include patient comfort, safety, ease of use, efficacy and the ability to treat most or all skin types.

Another important factor is whether only a doctor can operate the system, or it can be delegated to nurses or other staff. Treatments that are quick and efficient take less time to perform or to treat large areas, which adds to the versatility of the system.

With some systems there is more judgment needed in terms of choosing settings and how aggressive to get with each patient, and a physician should make these decisions. With other technologies that are not operator dependent, where there is no technique involved, patients will flock to the cheapest clinic in the market because there is no distinguishing factor. Before buying, ask the rep or distributor to do a demo of the system for your staff, and speak to colleagues who have the system to find out how they like it.

How to let your (prospective) patients know

Many clinics over-invest in technology or invest in the wrong capital equipment for their clinics and go into laser debt because they have not done their homework before making a purchase.

Even when you have chosen the right laser, you need an integrated marketing strategy to be successful. Integrating a new laser into a practice takes careful planning.

Internal marketing is the place to begin to alert your existing patients that you have something new to offer. Many clinics launch new technology with an open house seminar for existing patients and ask them to bring a friend, or send an e-blast to VIP patients to introduce the new treatment.

Any new technology should also be prominently featured on your clinic website, Facebook page, YouTube channel, blog, newsletter, and all other important patient touch points. Another commonly used and effective strategy is to send out a local press release announcing that your clinic has the newest laser and tout what it can do.

Does technology attract new patients? The short answer is yes, but you need to market it correctly. If you have the right technology on board, you can encourage patients to become vocal fans and advocates and tell their friends and family about your clinic.

It can be worth paying a premium for the market leader's brand name system because larger companies offer clinic support, marketing materials, PR to create consumer awareness, and are keen to help you be successful.

Patients will pay for procedures they want, especially if they can get visible results in the shortest amount of time with minimal side effects and recovery period. If the treatment fails to deliver results, or has more downtime than promised, patients have the ability to voice their displeasure in open forums and review sites that negatively impact your clinic ratings.

You may have a clinic filled with state-of-the-art technology, but if your patient demographic is not going to utilise it, it may not be a good investment. Give careful consideration to what your current patients want and need, and if the technology is a good fit for your clinic before making the investment. If you are not sure, ask them before signing on the dotted line. If you make a mistake, the resale value for lasers and light based devices may be a real shock.

About Wendy Lewis

Wendy Lewis founded Wendy Lewis & Co Ltd Global Aesthetics Consultancy in 1997, and her client list includes physicians, medspas and surgery centers, as well as an elite roster of pharmaceutical, cosmetics, skin care and medical device companies globally.



Lewis is the author of 11 books including America's Cosmetic Doctors & Dentists (Castle Connolly Medical), Plastic Makes Perfect (Orion). In 2008, she founded Beautyinthebag.com and has served as Editor in Chief of this international cosmetic beauty forum. She is a prolific writer for consumer publications, websites, and trade journals in the US and Europe, including Editorial Board member of Prime International Anti- Ageing Journal. In 2014, she started her WLCOSocial blog where she writes regularly on business topics in medical aesthetics, including a strong focus on social media marketing.

A frequent presenter at numerous international medical congresses and cosmetic industry meetings including IMCAS, ASAPS, AAFPRS, FACE, AMWC, Vegas Cosmetic Surgery, and many others, Lewis has appeared on CNN, Good Morning America, Today New York, BBC, GMTV, MSNBC, Discovery Channel, 60 Minutes, Fox TV, and many other television and radio broadcasts. She is frequently quoted in the media on global beauty and cosmetic surgery trends and consumer insights.

Her next book, Aesthetic Clinic Marketing in the Digital Age (CRC Press) will be published in June 2015.