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Dr April Armstrong, General Practice Owner and Founder & Director,
Business for Doctors Pty Ltd, Western Australia

GROWING A MEDICAL PRACTICE

FROM FRUSTRATION
TO A HIGH
PERFORMANCE
BUSINESS



SARAH BARTHOLOMEUSZ

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Surrounded by medical business and being a business owner I was able to immediately identify with the points that Sarah has identified as shortfalls in the medical business industry. This book provides strategies and motivation for realising the dreams of owning a successful medical practice in a practical manner. Not only will this book improve the life quality of business health professionals but also the care provided to the patients of those practices. It is the first of its kind written with insight and knowledge usually only seen in the inner circles of medical services.

*Dr April Armstrong, Founder, General Practice Owner and Director,
Business for Doctors Pty Ltd, Western Australia*

The best part of this book is the whole book! I think it is essential reading for all doctors who want to set up and run a medical practice. The book makes you think about business and legal principles in running your practice. It gives you guidance from the conception stage of a medical clinic to succession planning, in great detail. The book is well organised and easy to read. There is a lot of information on issues such as risk management, contracts, leases, marketing, practice structure, partnerships and much more.

Dr Umair Masood, Neal Street Medical Clinic, Victoria

There are things you need to know when running a medical business but you don't always know what they are. This book will tell you.

Dr Matthew Barber, Gladstone Road Medical Centre, Queensland

Love the very pertinent quotations from various sources at the start of each chapter. Very relevant for doctors who as Sarah highlights are not your usual business people.

General Practitioner, Henley Beach, South Australia

Sarah delivers a vast array of high-quality information that is pertinent to practitioners embarking on their careers and also those wanting to review their current practice. Well written, her narrative provides comprehensive and practical advice in an insightful manner. This book is an excellent tool to assist the growth of any medical practice.

Corrine Allison, General Manager, AllCo Innovation, South Australia

A comprehensive book explaining all the bits of medical practice that doctors receive no training in.

Dr Shauna Watts, General Practitioner, New South Wales

It is good to be reminded that medical practices and related businesses face the same obligations, challenges and pitfalls as other businesses. Perhaps the ways in which these issues manifest are slightly different, but the risks remain and can be mitigated. This book helps to crystallise thinking about the issues involved.

*Dr Chris Alderman, Australian Medication Safety Services,
South Australia*

In a previous role I managed a large medical practice in Melbourne. It would have been good to share this book with the practice principals. What I explained in various board meetings would have been answered by this book. It is food for thought, and if you are a doctor contemplating making the leap to being a practice owner, then this book should be one of your guides.

David Frost, Chief Financial Officer, Dementia Australia, Victoria

ABOUT THE AUTHOR

Sarah Bartholomeusz is the Principal of award-winning law firm You Legal – a new category of law firm providing commercial legal services to Australian doctors. In short, they are lawyers who take care of doctors. (And Sarah’s clients even call her the ‘Goddess of Governance’.)

In addition to her BA and LL.B from the University of Adelaide, Sarah has a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia Ltd, of which she is a Fellow. Sarah is also a Graduate of the Australian Institute of Directors Company Director’s Course and a Member of the Law Society of South Australia.

Sarah’s insight into the way legal services are transforming was recognised in 2015 when she won the South Australian Telstra Business Women’s Award in the Start-Up category. She was also awarded the Lawyers Weekly Women in Law Awards ‘Thought Leader of the Year Award’ for 2016.

Sarah’s first book, *How to Avoid a Fall from Grace: Legal Lessons for Directors*, was ranked as a #1 best seller on Amazon after its release in 2015. Sarah’s second book, *Kingpin: Legal Lessons from the Underworld*, explores crucial legal lessons mainstream businesses can learn from the inherently risky and volatile underworld inhabited by the most infamous ‘kingpins’ in history. She also regularly writes for *The Huffington Post* and *CEO Magazine*.

You Legal has appeared on *Sky News*, Channel 10’s morning show *Studio 10*, in the *Weekend Australian*, *CEO Magazine*, Adelaide’s *The Advertiser*, and websites Law Management Hub, Short Press, Business News Australia, Legal Practice Intelligence, Australasian Lawyer and Dynamic Business.

In addition to her business and publishing, Sarah is the Chair of the Catalyst Foundation Inc., a charitable and inclusive organisation providing information and support for older, vulnerable people and those with disability. Catalyst Foundation’s vision is that these people will achieve better opportunities through self-advocacy, services and support to live their lives as they choose. She serves on the South Australian Government’s Education Standards Board, and is also a mentor for the University of Adelaide’s ThinLab.

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INTRODUCTION

It is not the strongest of the species that survives, nor the most intelligent. It is the one most responsive to change.

Commonly accepted summary of the central idea outlined in Charles Darwin's On the Origin of Species

How does the business world frustrate the practice of medicine? Some of the smartest doctors in the operating room feel powerless in the boardroom or, on a smaller scale, when running a small business.

Medical schools teach the mechanics of being a great doctor, while hospital and specialist training help medical professionals find their niche. They go on to work harder and harder, devoting their time to improving your skills within a specialty. Perhaps you can relate to this. You're now at the stage of running your own business, but this can pose a plethora of problems seemingly unrelated to the profession you studied your whole life.

Perhaps you feel as if, when you chose a specialty long ago, you jumped onto a train and trusted it would take you where you wanted to go. You trusted that the people on the train would instruct you along the way. But now that you've reached your destination – owning your own practice – you may not feel the excitement or satisfaction you imagined you would feel upon disembarking from the train.

Googling the phrase 'how to run a medical business' returns 5.5 million related results. So, while plenty of advice is available on how

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to run and grow a business, there is also a definitive glut of information for operating a medical practice – how do you know where to start?

This book is not simply a book about the best practices you can use when legally running a business. While it does consider issues like reviewing your business structure, employment law, intellectual property, privacy compliance and contracts, it also considers modern leadership techniques along with providing a glimpse into the future with some ideas about how to examine your medical practice for the best possible outcomes – by thinking about technology and innovation in your business, for example. Before launching into the ‘guts’ of the book, let me tell you a bit about me and how I ended up wanting to help doctors in their practices.

HOW LOSING MY CORPORATE JOB TRANSFORMED MY LIFE

I love sharing my story because I have always found it fascinating how people are inspired by the great ideas and reasons behind starting businesses. Some start a business because they see a problem they would like to solve, others have an epiphany while washing the dishes after dinner, and still others classify themselves as accidental entrepreneurs who never saw their business success coming. I believe I fall somewhere in the middle of those three. Back in 2013, when I first started my own firm, there was just one lawyer – me – and one foundation client.

A few months earlier, I was standing on the 34th floor of an office building overlooking Sydney Harbour. I was holding a multi-million-dollar cheque, but it wasn't mine; my role in the company I worked for was to sell one of my company's non-core assets, and this cheque was the final result. As I handed the cheque over, I realised two things: I was now out of a job, and I needed to find a new way to work.

At the time, I was seven months pregnant with my second child, and my father had just been diagnosed with cancer. It wasn't an ideal time to be out of work, but it was the push I needed to create a workplace that would address my need for work–life balance and to find solutions to the flaws I encountered in the corporate law model. One major flaw in the traditional corporate workplace was that it meant working extremely long

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hours. At any given time, one in three lawyers working in a traditional firm is suffering from stress, high anxiety or depression. At the same time, their clients don't always feel they have received good value for the legal fees paid. So I set out to create a different sort of company.

Fast-forward to August 2017, and I was in Fiji presenting for a group of doctors. As part of my presentation, I described, with some passion, why I started You Legal, and why I wanted it to be different from other commercial law firms. As I explained my issues with the legal profession to the conference room of doctors, their heads began to nod wildly. It was immediately apparent that the medical profession has many similar pitfalls.

I explained the complaints that clients of lawyers regularly make – including the lack of communication they feel they receive from lawyers about their matters, and the expense and the inefficiencies they perceive in the traditional model. I explained that these complaints were issues I hoped to address with my new You Legal model, as I worked to provide clear communication, find efficiencies in practice and provide value for legal services. The conference attendees noted that they received similar complaints about the medical profession from patients.

I explained to the conference attendees that I kept these problems foremost in my mind when I founded the business I envisioned as the law firm of the future: a law firm that clients loved to work with and lawyers loved to work for. The added bonus, at least in the initial stages of the business, was that I could work from home.

The core of my inspiration was that I did not want to just survive this period of stress and uncertainty; I wanted to thrive because of it. I saw an opportunity, and I threw myself at it with full force. I had taken note of how technology could drive efficiency and reduce costs. So, from the very beginning, we functioned as a firm that provided legal services clients could access from wherever and whenever they wanted.

Without having the overhead of a bricks-and-mortar practice, time and money were freed up to hire qualified staff across a huge range of specialties. This futuristic model proved to be successful. I believe that an enormous part of our success comes from having built a strong team

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of dreamers and doers who share and contribute to the firm's vision and values.

People love to engage with an idea and passion, and an example of this comes from another travel story. During a family trip home from a friend's wedding in Europe, we stopped over in Dubai. It was 40°C at 11 pm, but everyone in the airport was dressed for autumn in coats and scarves. We were all tired, hot and listless. Suddenly, on a quiet bus transporting travellers between terminals, a voice started singing, 'If you're happy and you know it'. It was my son, Alex, three years old, bored and looking for a way to break the tedium. Within a few moments, someone else joined in, and the two of them were singing and clapping together. Then another joined, and another. By the time he reached the end of the song, the whole bus was singing and clapping along. The mood was transformed.

In a very similar way, my firm found its niche for both lawyers and clients. Now operating across Australia as a legal team of more than 20 experts from three different countries, we have grown from one person singing to a whole busload of people singing and clapping along.

PEOPLE WHO HELP PEOPLE

Both during and after the conference in Fiji, my team was working on a mergers and acquisitions deal, which involved selling one of our client businesses for, what I thought was a staggering, \$500 million AUD (yes, half a *billion* dollars). Despite the benefits of my new business model, the team was working crazy hours on this deal for months and months on end. Once the deal completed, I was sitting in a coffee shop with one of my mentors and, while drinking my almond-milk flat white, I told her the deal was finally complete. She was so excited for me and said, 'That is such an incredible achievement. You should be celebrating all day and all night.' But I wasn't. I was deflated. I was well and truly spent.

This conversation initiated a massive wave of self-reflection. When I'd set up my business four years previously, the business values I'd put in place were Unstoppable, Fresh, Love and Thoughtful. In the aftermath of completing the deal, I wondered whether these values were still as

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meaningful today as they were then. I realised spending all our time working with corporate clients no longer served You Legal or its values. Reviewing our existing clients and those we had served in the past four years, I found the clients who gave me energy to work with were those who were in the business of helping people.

I think it's often forgotten that what lawyers do is help people. The media and some dinner conversations certainly seem to focus on the devious nature of lawyers, but, at the core of their work, lawyers exist to assist others. For the same reason, many legal professionals experience mental health problems.

The client review resulted in an epiphany – I wanted my business to only act for people who help people. And from this, I became even more specific. We would be 'the lawyers who take care of doctors'. The conference in Fiji was a major contributor to this shift, but so was my family background.

I come from a medical family. Two of my uncles and one cousin are orthopaedic surgeons. I have a cousin who is a general surgeon, and another cousin graduated from med school just a few years ago. Another cousin is a nurse, and I have additional uncles and cousins working in allied health.

At holiday gatherings, I've also heard many stories about family members in the medical industry receiving professional services so dubious that the anecdotes made my toes curl up inside my shoes. One Christmas, my uncle (who is a surgeon) arrived for the holidays declaring he had just bought shares in a fish farm in New South Wales. At the time, he lived in South Australia, so the investment did not make much sense. As I understand it, my uncle is still the owner of this investment, and has been unable to sell down his position. As a result of stories such as these, I have always had a great personal interest in protecting my relatives' wealth and business interests.

WHO SHOULD READ THIS BOOK

Every man has a specific skill, whether it is discovered or not, that more readily and naturally comes to him than it would to another, and his own should be sought and polished. He excels best in his niche – originality loses its authenticity in one's efforts to obtain originality.

Criss Jami, Salomé: In Every Inch In Every Mile

I've no doubt you are amazing at what you do and super compliance-focused. You've also picked up this book, however, so chances are you don't quite know where to start with making your practice legally compliant – and this makes your life a living nightmare. You're unsure what impact potentially having a practice that's not legally compliant actually has, and you're unaware of the issues that could potentially kill your business.

You have built your practice around your own skills. Your accountant may tell you that your practice is operating well, and to keep doing what you're doing, but even so, you may feel uncomfortable about certain aspects of your business. You may feel like working harder all the time is not getting you to the level of security you want, or where you know the business could be. This is where this book comes in. Following the steps in it can help you to stop worrying about your medical business and focus on your 'zone of genius' – that is, the place where you know you make the biggest difference to the largest number of people.

SO WHERE SHOULD WE START?

We start in this zone of genius. As you read this book, I will be asking you to do something you may not have been asked to do during your medical training. I will ask you to concentrate on self-awareness to cultivate yourself as the foundation of your business. This may seem obvious to you, but sometimes practices are initiated by focusing on the skills you have acquired, rather than on the authentic version of

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yourself. If you build your medical business in complete alignment with who you are and what you are naturally talented at and love doing, while simultaneously cultivating the lifestyle that you desire, you will be boarding a train on tracks destined to achieve the life that you want.

So what is a ‘zone of genius’? A zone of genius is based on your raw talents, strengths and personality type. Once you’ve found this zone, the next step is to assemble a team of talent that complements it. By doing this, you can get into ‘the flow’ – that special place where work feels like play, comes more easily, and doesn’t leave you or your employees feeling drained at the end of each day. When you exist and work in this zone, you discover your own style of creativity, along with the ways in which you inspire yourself and others, and the activities that give you limitless amounts of energy. As a result, you are a better entrepreneur and all-around happier doctor and person.

Regardless of what advice you seek and adopt to build your practice, one sure-fire strategy is embodied in the Greek aphorism, ‘*temet nosce*’, or ‘know thyself’. Self-awareness is a winning strategy promoted throughout this book. So let’s get started.



LEGAL DISCLAIMER

Would you have been disappointed if this book did not include a legal disclaimer? I bet you would have. Well, here it is. This book is an overview of the law at a specific point in time and is very general in nature. It should not be relied on as a substitute for legal advice. In addition, with the law in this area changing regularly, this book is unlikely to remain a comprehensive guide for long. I hope, though, that it can be used as a guide to mitigate your personal risk and highlight some items worthy of consideration and discussion in the boardroom. Please feel free to contact You Legal regarding anything in this book, and we may be able to assist you.

In addition, I am not a tax lawyer. Tax law is a very specialised area of the law, and I do not address Australian (or any other country's) tax laws in any detail in this book. Although I talk about legally structuring your practice, I make numerous references to obtaining specific tax advice not covered in this book. I am also going to remind you, several times, of the importance of consulting a tax professional/lawyer.

PART I **DEPRESSION, ANXIETY AND STRESS SCALE FOR YOUR BUSINESS**

Life is amazing, and then it's awful, and then it's amazing again, and in between the amazing and the awful it's ordinary, mundane and routine. Breathe in the amazing, hold on through the awful, and relax and exhale through the ordinary. That's just living. Heartbreaking, soul healing, amazing, awful, ordinary, life, and its breathtakingly beautiful.

LR Knost

Setting up your own practice may not have turned out quite as you expected. When you first set up your practice, you were getting paid well for the work you loved, and you worked hard to bring in patients and hone the services you wanted to provide. Your friends and family thought you were living the dream.

As a very high achiever – super, crazy high achiever by society's standards – you may not always feel as satisfied in your work as others perceive you to be. You may sometimes feel as though you're struggling to close a persistent gap between where you are and where you want to be. Maybe you have seen others in your profession take time off, build a legacy, and lead teams of talented people. If you are reading this book, those are things you want – and the tips and tools provided here can help you transform your business to achieve those goals.

Running your own business – and feeling like you’re not quite achieving everything you’d hoped, no matter how hard you work – can cause anxiety, stress and even depression. So before we get to the mechanics of running your medical business, the chapters in the first part of this book look at your mindset, and how to adopt a business mindset that’s positive and high achieving. Let’s start with what’s so bad about the doctor’s mindset – the topic of chapter 1.

1 BUSINESS OWNER MINDSET VERSUS DOCTOR MINDSET

The body achieves what the mind believes.

Anonymous



When your goals do not match your mindset in business, the actions you take to move forward may not actually close the gap between your present reality and your intended destination. In other words, when your attitude is not in synch with your goals, realising the goals you have will be much more difficult and take longer.

As already mentioned, this mismatch for medical professionals commonly occurs because the training you're offered at medical school and after graduation does not teach a business owner mindset. The doctor's mindset you have cultivated is incongruent with the mentality of a business owner. In the next chapter, I cover preparing your positive mindset for achieving your goals, while this chapter focuses on how the doctor's mindset might be holding you back. But first, let's remember how it all started.

YOUR GOALS WHEN YOU STARTED YOUR BUSINESS VERSUS NOW

When you started your practice and envisioned making a living doing the work you'd trained for many years to do and loved doing, you didn't know any different. You may not have, at that point, had a vision for

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something bigger. You just wanted to love your work and not have someone else telling you what to do.

You have done a fantastic job getting to where you are – operating your own medical practice is something very few people on the planet are able to do. Absolutely nothing is wrong with continuing to do what you are doing. Nothing is ‘less than’ about doing great work every day and exploring your craft. If that sounds exactly like what you want, own it. And, at the same time, realise that the goals you have need to match that mindset. If you want to create something bigger than yourself, however, something is going to have to shift.

When you first started your practice, your goals may have been to replace the income from your previous role, acquire a steady stream of patients and make a difference in the health of those patients. Those are great goals. However, for many practitioners, achieving those goals creates the persistent feeling that they are always struggling to get further ahead. You may have found you could increase your income, treat more patients and have a positive impact on those patients’ health but, on the flipside, you may have also found you have not been able to take a break or raise revenue past a point that compensates you for the value of your time.

Many of these problems occur because you are working towards business owner’s goals with a doctor’s mindset. This can create an incredibly frustrating situation. Each mindset has a set of goals associated with it and, while there’s significant wiggle room in each, there’s very little overlap. The following sections look at some of the main differences between a doctor and a business mindset.

WORKING IN INSTEAD OF ON YOUR BUSINESS

If your priority is digging in and doing the work, owning a practice is a great way to do this. Working with patients is hugely important, personally rewarding – and also fun – and will always be an important part of your schedule. Looking at the tasks that must be completed, however, and delegating these to others or investigating what can be automated can help you focus on the bigger picture. You need time to

1 BUSINESS OWNER MINDSET VERSUS DOCTOR MINDSET

think about business development, which involves reviewing ‘outside the box’ alternative revenue streams and exploring ways to leverage other people to create additional value for your patients.

When your priority is on doing *all* the work, you don’t have time to review options for restructuring your practice’s model, examine new revenue streams, or build teams. Doing all the work is just one business model, and a perfectly acceptable way of operating your practice. However, you need to check your goals and make sure that your goals are aligned with doing all the work yourself.

FOCUSING ON THE ‘WHAT’ INSTEAD OF THE ‘WHO’

If your priority is figuring out ‘what’ you need to do instead of ‘who’ can do it for you, you’re not in business owner mode. When an idea or opportunity comes your way, if your first thought is ‘I wonder what I need to do to get better at so I can take advantage of that’, that’s your doctor’s mindset talking.

Acknowledging that others can not only do the task, but also do it better than you can be a hard transition in perspective. When you’re accustomed to being the smartest person in the room, accepting that your practice won’t ever be as good as it could be if you don’t involve others can be very difficult. Once you acknowledge the advantages of delegating tasks, however, you have shifted from doctor to business owner mindset.

Like most doctors, you are probably a perfectionist. To become more like a business owner, you can change your thinking to focus on ‘who’ when there’s something new you want to explore in the practice. As your team grows, the shift in thinking might even become, Who is better at this than I am? Who already knows how to do this? Who has already done this before? Whose personal values would allow me to expand the scope of my business beyond my own?

Employing people isn’t just about getting help. Employing people is the best way to expand beyond your own limitations of knowledge, values and capacity. This means employing people doesn’t just free up your time so you can do more; it changes the very nature of the way your

practice can deliver value. (In chapters 14 and 15, I cover building and growing your team in much more detail.)

The doctor mindset may guide you to employing people who can help you do more of the same kind of work you already do, while reclaiming a little sanity. Business owners know that employing people increases the amount of value (and, therefore, most often revenue) their businesses (or, in our case, practices) create.

FOCUSING ON YOUR SALARY INSTEAD OF PROFIT

If you'd like to do great work for a great salary, working as a doctor and not thinking too much about building your practice could be the way to go. Perhaps you have already heard about the time-for-money trap, but I'm not talking about just that.

Let's first clarify exactly what the time-for-money trap is. It is the very common belief that working means trading time for money. This idea starts early in our lives – when we are told by our parents, grandparents, aunts and uncles that if we work in a stable job for 40 to 50 hours a week, getting paid for our time, we will have enough money to retire at 60 or 65. Professionals find breaking out of this understanding particularly hard; however, it is one of society's biggest hoaxes. Time is our most important commodity, and all of the money in the world cannot compensate us for it.

When you are in the mindset of trading time for money, your income will always be limited. Why? Well, each day only has 24 hours to devote to the pursuit of money. Most people need eight or so hours for sleep, additional time to commute to and from work, and at least four hours to cook, eat, and spend time with family and friends. As a medical professional you're likely used to carving out slightly less time for eating, sleeping and socialising, but in general most people are left with 10 to 12 hours they can trade for income. That is all. The fact is that no matter how much you charge per hour for your time – even if it is \$1000 or \$10,000 – time is always the limiting factor.

If you want a great salary, assets that increase in value and a healthy share of profit from a great business, you need to shift to the business

1 BUSINESS OWNER MINDSET VERSUS DOCTOR MINDSET

owner mindset. This is because the doctor mindset can exclude a tremendously important part of the business-building equation: profit.

To become profitable, you must examine the true value your practice is creating, which is not often visible on the surface. If you can work out how to scale to a certain point, you can create additional efficiency in the way the value is delivered, and you can look for ways to innovate on the way the value is traditionally created. Creating profit is a process of optimising effectiveness and efficiency.

So what does it mean to ‘scale’? Scale is a term that business people use often and can have differing meanings, depending on the context. In the context of this book, I mean businesses that can scale or increase their operations can create operating leverage for the owner. Businesses that can scale can grow revenue with minimal or no increase in operating costs (for example, administrative costs). Scalability is a characteristic of a system, model or function that can perform under an increased or expanding workload.

Examine the services and products you’re offering now. How much of the revenue you’re creating from them is actually profit? How much just pays for your time?

When you’ve been focused on paying yourself for so long – and no doubt have an incredible work ethic – breaking into profit generation can feel really uncomfortable. Although many entrepreneurs consider profit the ‘holy grail’ of building a business, the process can definitely be personally nerve-wracking. At times, you will need to give yourself pep talks about the importance of value, growth and profit as you intentionally shift your perspective from a doctor to business ownership mindset. The benefits often will not really sink in until you start seeing the changes in the numbers.

A note on volume versus value

Both the costs of being in business and the operating expenses of health care providers are on the rise. Combine that with patients’ increased demands for a more personalised and affordable service, and running a profitable medical practice is becoming increasingly difficult. Part of the challenge of running a legally compliant medical practice involves

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ensuring the practice is viable, and then considering new strategies and patient-care models to increase efficiency and relieve the pressure on the bottom line.

A new opportunity for medical doctors focuses on value-based delivery, which maximises the value of care while also endeavouring to achieve the best possible experience for the patient.

Many doctors respond to the value-based delivery model with confusion. (I can hear your mind ticking over already.) ‘Isn’t this what we are already doing?’ they often ask. You could very well already be working within this model. On the other hand, you might need to consider a shift in focus from the *volume* of patients moving in and out of your clinic to the broader *experience* and *outcomes* achieved. For example, a practice focused on value-based delivery might move away from offering a full range of services because the model is not cost-effective and does not deliver the quality of care expected by patients. The practice might reduce the number of services it provides while working closely with a network of trusted partners to deliver high-value care in specific areas. In the business world, this process is called niching, and by specialising in a practice area, you probably already understand this.

This is not a book about value-based health care, so if you are interested in learning more, Doctor Google can help you find an expert.

NEXT STEPS

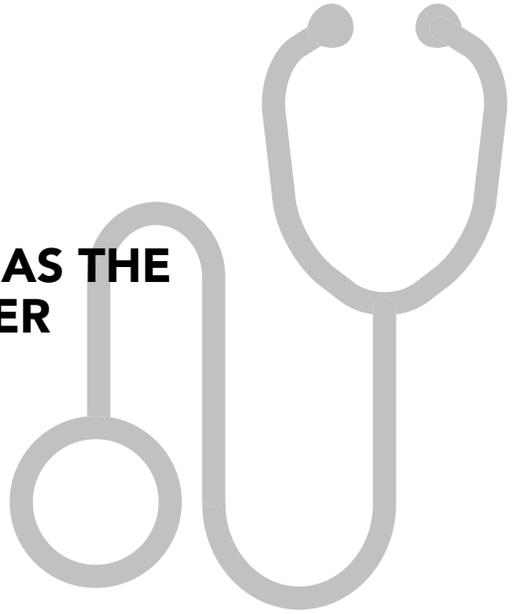
I repeatedly meet with clients whose goals don’t match their mindset. No amount of tactical learning will ‘fix’ your business problems if your mindset is creating an insurmountable gap between where you’re at and where you want to be.

In this book, I don’t ask you to change your mindset. Instead, I ask that you consider what you really want and whether the decisions you’ve been making are actually designed to reach your goals, and whether your goals are aligned with your mindset.

2 CONTINUING AS THE HIGH ACHIEVER

Success is never final.

Dr George Starr White



As a doctor, you are inevitably a very high achiever and one of the cleverest people in the room. The traditional metrics of success, wealth and power are likely at your fingertips and, within your circle, you no doubt have a high profile. A certain level of fame follows you as a doctor. As you know, you have been working hard for these indicia of status your whole life. Discipline and rigour guide your daily activities to ensure that patients get the right care – after all, the reason you work so hard is to take care of people.

If you are reading this book, you already have everything you need within you to be successful at business and a high-performing medical practitioner. As you know from the many years you dedicated to study and training, you don't wake up one morning as a doctor. The same goes for each of the subjects in this book. You do not wake up one day an expert at business such as Mark Zuckerberg, the founder of Facebook. Zuckerberg has committed his life to being a business superhero. While I'm not saying you'll need the same commitment, becoming successful in business will take some time.

PREPARE YOUR MINDSET

The importance of preparing your mindset each day cannot be underestimated, and countless studies explain the value of doing so. It's no secret that blockers such as pessimism, distraction, self-doubt, stress, lack of confidence, low self-esteem and fear sabotage and confront medical professionals at every turn in their career. The incredible will to achieve keeps doctors coming back to study more and seek further opportunity.

To perform at your best in your practice, you need to ensure you are psychologically prepared each day. The strategies outlined in this chapter are used by sports and performance experts to aid in the mental preparation of top athletes, performers and business people.

As you read this book, I encourage you to adopt some or all of the following strategies in your day. If you are reading this book, you are interested in creating structures in your practice that mean you can effectively delegate, focus more on your patients and enable you to be both a high-performance medical practitioner and business owner.

The following sections outline the strategies I recommend.

Preparation

There is no substitute for thorough preparation, and many people experience stress if they have not adequately prepared for their day. Preparation can be mundane, like going to sleep early the day before surgery or making sure you have packed lunch and snacks so you have even blood sugar throughout the day. Or it can be more 'big picture' like ensuring you've fully thought through your goals and business plan for your practice.

Helpful, positive thinking

Top performers in any field understand that negative and self-critical thinking creates bad feelings and stress. Pessimism or lack of confidence will transfer across to your team and your patients. Instead, focus on positives and be kind to yourself. Use your thinking to create an attitude of determination, confidence and success. An optimistic approach has

been proven to reduce stress and increase feelings of well-being and positivity, and these will likewise be picked up by your patients and team.

Visualisation

Visualisation, also called mental rehearsal, is a powerful psychological strategy used by top performers. Visualise your perfect day while you are still in bed in the morning or before you start the day. Quietly create mental images (see them like a movie running through your mind) of your day going smoothly, and of you performing well and feeling good afterwards. These techniques can help your day become the reality you envisioned. Put in as much detail in as you like. I like to imagine fresh flowers on my kitchen bench as I step through the day in my mind. The visualisation should not be rushed and should contain details such as the clothes you will be wearing and things you will be saying. It should always be positive – you don't want to rehearse anything negative.

It is well worth researching visualisation and using this technique daily, as well as in situations such as interviews, presentations or other performances. If done properly, the brain reacts as though you have really had these positive interview experiences. In addition, research also shows that mental rehearsal decreases stress and increases confidence. I used it to mentally prepare for my wedding (because I have a history of becoming emotionally overwhelmed at times), and I was astounded at the effect it had. This visualisation technique ensured I could be fully present for the whole day.

Relaxation

Relaxation may be easier said than done, but you can reduce stress by keeping your mind and body relaxed – which should not be news to you as a high-performance medical practitioner. So find out what works for you – exercise, meditate, spend time outdoors, get enough quality sleep, eat properly and avoid drugs and alcohol. Something I try to do each day is to practise deep breathing. I find when I am experiencing high stress, I stop breathing deeply and take small, shallow breaths. I notice this reaction sometimes when I am writing, and I always notice it when I am emailing.

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Here is how I do the deep breathing: hold each breath for a few seconds and then exhale very, very slowly. Deep breathing reduces the heart rate and lowers blood pressure, so you will immediately feel more relaxed. Do this at any time of stress or when you want to calm yourself. You can even use the deep breathing technique between each patient. It's easy to do, but also hard to remember at times of high stress.

Perseverance

Not every day will go as you want it to, and feeling disappointment about this is understandable, but the mark of every peak performer is being able to move on from disappointments quickly and continue to use positive thinking to keep your confidence up. Note the things you did well, as well as the things you could have done better. Identify changes you can make to improve your performance and move positively into the next challenge.

No matter how you think your day might go or how your day has gone, continue to focus on incorporating all of the techniques from this chapter to build a positive, high-achieving mindset.



PART II

A FLU SHOT FOR YOUR BUSINESS

He who enjoys good health is rich, though he knows it not.

Proverb

It's not just humans who should get a periodic flu shot – you can give your business one too. And just as a flu shot is a preventive act that can help avoid the risk of getting ill, you can put many policies and procedures in place to avoid the risk of your business being destroyed by malpractice, incorrect contracts, insurance policies, or privacy and data breaches.

In the case of your medical business, the 'flu shot' comes in the forms of correct risk assessment and planning, carefully planned contracts and insurance, operations manuals and privacy policies. All these areas, including the risks you may face and your obligations, are covered in the chapters in this part – starting with risk assessment.





3 HOW MEDICAL PROFESSIONALS THINK ABOUT RISK

Every risk is worth taking as long as it is for a good cause, and contributes to a good life.

Richard Branson

As a doctor, you manage a variety of risks every day. You try to manage risk on behalf of your patients – for example, you may sensitively speak to a patient about their weight by asking if it’s okay to talk about weight management, even if you know weight *is* an issue the patient came to discuss.

You also manage your own practice risk as per the requirements of your insurance company – by running tests on your patients to confirm or disprove a suspicious set of symptoms, for example. The risk you manage as a medical professional is sharp – it comes into focus every day because it’s often a matter of life and death for your patients.

Running a business creates different types of risk and reward. While you have a lot of experience identifying patient and doctor risks, business risks may be more difficult to detect. These risks can be both internal and external to a practice, and they can also directly or indirectly affect the practice’s ability to operate. Business perils can be hazard-based (for example, chemical spills), uncertainty-based (natural disasters) or associated with opportunities (the risks involved with taking up an opportunity versus different risks in ignoring it).

The Federal Government's Australian Standard for risk management (AS/NZS ISO 31000:2009) defines risk as 'the chance of something happening that will have an impact on objectives'. I feel like we suddenly got very academic there, sorry. I always aim to speak in plain English, and understand the need for it. (We have a doctor client who had a great opportunity to obtain shares in a start-up. When he received the Option Agreement, he said in an email to me that 'the terminology used in the Agreement is largely inscrutable to me'.) As a lawyer, I'm grateful I'm professionally bi-lingual, but I do understand my role as translator. However, sometimes with the law removing all academic language is just not possible.

So what are the risks that could have an impact on your business objectives? As mentioned, they can be internal and external, as well as direct and indirect. The following sections outline the risks you could face in more detail.

POTENTIAL RISKS TO YOUR BUSINESS

The types of risks that any business faces will be specific to your practice and personal goals but, overall, managing business risk is like managing patient risk. To effectively manage practice risk, you should think about internal and external scenarios that may directly affect your business – and then prepare for them.

As a high-level overview, some common risk categories are:

- natural disasters, such as floods, storms, bushfires and drought
- pandemics, such as human influenza, swine flu or bird flu
- legal issues, such as insurance problems, resolving disputes, contractual breaches, non-compliance with regulations and liabilities
- global events, such as interruptions to air traffic
- technology problems, such as computer network failures and problems associated with using outdated equipment

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- regulatory and government policy changes, such as water restrictions, quarantine restrictions, carbon emission restrictions and tax
- environmental changes, such as climate change, chemical spills and pollution
- work health and safety (WHS) issues, such as accidents caused by materials, equipment or location of your work
- property and equipment risks, such as damage from natural disasters, burst water pipes, robbery and vandalism
- security issues, such as theft, fraud, loss of intellectual property, terrorism, extortion, and online security and fraud
- economic and financial changes, such as global financial events, interest rate increases, cash flow shortages, customers not paying, rapid growth and rising costs
- staffing problems, such as industrial relations issues, human error, conflict management and difficulty filling vacancies
- supplier issues, such as problems within their business or industry resulting in failure or interruptions to the supply chain of products or raw materials
- market changes, such as changes in consumer preference and increased competition
- utilities and services issues, such as failures or interruptions to the delivery of your power, water, transport and telecommunications.

Consider using this list as a starting point to think more broadly about the risks that could impact your practice. Also think about other important areas of risks you may need to consider that are not listed here.

INDIRECT RISKS TO YOUR PRACTICE

Overlooking changes and issues that don't directly affect your practice is a common error, and one which can leave you unprepared for change. For example, while your practice might not be directly affected by a

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natural disaster, you may still suffer if it affects your suppliers, customers or general location.

As an example of this, one of our medical doctor clients recently had an unexpected superstorm hit their town in rural Western Australia. The storm left more than 16,000 homes without power, as well as the local hospital. While the hospital had a generator, our client didn't – and they had vaccines that required refrigeration. So they went to the town's only open hardware store to purchase a generator. Panic broke out when people from other local businesses began scrambling to obtain the last few available generators. Our client managed to procure one of the last generators and the vaccines were saved. If such a widespread power outage had been part of their risk-management plan, they may have already had a generator and may have avoided this stress.

Along similar lines to this doctor's experience, on 26 September 2016 South Australia experienced an almost statewide blackout. (Kangaroo Island was the only place not to lose supply.) Back-up generators were activated at Flinders Medical Centre after the blackout, but stopped working after an hour. Embryos that were being prepared for transfer at a fertility clinic had to be destroyed, with 12 patients affected by the tragedy. South Australia's health minister at the time, Jack Snelling, said scientists were contacted as soon as the power failed and arrived within 20 minutes. 'But without power, there was nothing they could do to save those embryos,' he said.

Unexpected storms can be a timely reminder that we cannot control everything that affects a practice and, therefore, spending the time identifying, assessing, maybe even calculating the probability of certain risks is worthwhile. You can then prioritise which risks your practice should be more prepared for.

Consider how an indirect risk, such as a natural disaster, could affect your practice. For example:

- If your suppliers are affected, you may run out of the items you need to provide proper care to your patients, whether that be drugs, medical instruments or cotton swabs.

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- If your patients are personally affected, their priorities may change, and you may experience a reduced demand.
- If your general location is affected, you and your patients may not be able to access your premises, or your utilities could be affected. For example, you could lose power, which could mean you either will not be able to operate your business or may need to throw out any perishable goods and replace them, which can be costly (especially in the case of vaccines).

MANAGING RISK IN YOUR BUSINESS

The process of identifying risks, assessing risks and developing strategies to manage risks is known as risk management. A risk management plan is an essential part of any practice, because it helps you to understand potential risks to your practice and identify ways to minimise them or recover from their consequences.

My second book, *Kingpin: Legal Lessons from the Underworld*, looks in detail at risk management. In writing the book, I had a theory about who the most innovative and creative business leaders of all time might be – while Thomas Edison, Steve Jobs, Nikola Tesla and Bill Gates usually come to mind, I wondered whether it was possible that the most innovative and creative entrepreneurs operated on the fringe of business culture?

Despite the immoral, destructive and violent culture of the illicit drug trade, my research found that drug ‘kingpins’ are, first and foremost, entrepreneurs and risk managers. These pioneers of the underworld live in an unpredictable and inherently risky world, and face a wealth of diverse business challenges never encountered by our mainstream business leaders.

The most successful kingpins are visionary leaders who survive by implementing effective business strategies and policies. By suspending our judgement of the drug dealer and focusing on the kingpin, we open our minds to their skills, flaws, triumphs and downfalls, all of which are

magnified by the volatile environment that shapes their enterprises. This provides us with innovative approaches to managing risk during times of rapid change.

In attempting to manage risk, these leaders of the underworld had to turn to innovation, specialisation, and networking for the success of their business. And, of course, most of the time, their strategies paid off: the reduction of risk contributed to significant profit. While the illicit nature of their enterprises can't be admired, they were undoubtedly successful – and the resulting insights from their successes can be applied by leaders to their own legal businesses. I share some of these insights in the following sections.

Looking at the risks that are relevant to your medical business, risk is measured in terms of likelihood (that is, the probability or frequency) of occurrence and consequences (the outcome or impact of an event) in light of the existing management strategies and controls in place to manage the risk.

A risk procedure for your business will include you considering the consequences of risks materialising that might be negative (hazard risks), positive (opportunity risks) or may result in greater uncertainty. Applying appropriate definitions for the different levels of likelihood and consequences associated with these different risks can be outlined in a likelihood ratings table. This is the first part of your overall risk procedure, and is covered in the following section.

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Likelihood ratings

Some events happen once in a lifetime. Others can happen almost every day. Analysing risk requires an assessment of the likely frequency of occurrence. The following table provides broad descriptions used to support likelihood ratings that you can use to create a rating system.

Likelihood rating	Description	Likelihood of occurrence
H	Almost certain	The event is expected to occur in most circumstances
S	Likely	The event will probably occur in most circumstances
M	Possible	The event might occur but, on balance, more likely to occur at some stage
L	Unlikely	The event is not generally expected but could occur at some stage
L	Rare	The event may occur only in exceptional circumstances

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Consequence assessment

The next aspect of your risk management system is a consequence assessment. The following table shows an example of one from another organisation. Depending on your tolerance for risk, yours could be similar or vastly different.

Rating	Description	Financial implications	Safety implications	Operational implications – people, systems and processes	Organisational, stakeholder, political reputation implications
1	Catastrophic	Financial loss or potential opportunity loss of greater than \$100,000	Life threatening; significant potential for serious personal injury; breach of WHS policy	Catastrophic disruption to business and inability to trade for an extended period of time (5 days or more)	Major embarrassment; media exposure with prominent and sustained coverage
2	Major	Financial loss or potential opportunity loss from \$50,000 to \$100,000	Potential for serious personal injury; likelihood of breach of WHS policy	Potential disruption to business and inability to trade for a period from 3 to 5 days	Embarrassment
3	Moderate	Financial loss or potential opportunity loss from \$10,000 to \$49,999	Potential for personal injury; possible breach of WHS policy	Potential disruption to business and inability to trade for a period from 1 to 3 days	Significant stakeholder involvement
4	Minor	Financial loss or potential opportunity loss up to \$10,000	Minor potential for injury; required to demonstrate compliance with WHS policy	Potential disruption to business and inability to trade for a period of 1 day	Stakeholder enquiries requiring specific actions
5	Insignificant	No significant financial loss or potential opportunity loss	Negligible safety impact; compliance with WHS policy	No disruption to business continuity	Stakeholder enquiries handled internally

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Risk matrix

The next step in your risk management plan is to create a risk matrix, which plots the risk depending on the likelihood and consequence of its occurrence you have identified. An example risk matrix is shown in the following table.

Likelihood	Consequence				
	1 Catastrophic	2 Major	3 Moderate	4 Minor	5 Insignificant
H (almost certain)	H	H	H	S	M
S (likely)	H	H	S	S	M
M (possible)	H	H	S	M	L
L (unlikely)	H	S	M	L	L
L (rare)	S	S	M	L	N

The legend for the risk matrix is shown in the next table.

	Risk level	Action required
H	High risk	Detailed research and management planning at senior level
S	Significant risk	Senior management attention required; immediate action to address issue
M	Moderate risk	Management responsibility must be specified; appropriate action required to address issue
L	Low risk	Manage by routine procedures
N	Negligible risk	No further procedures or action required to address issue

Risk assessment procedure

Once the items outlined in the preceding sections have been considered, a risk assessment procedure can be developed. These are the necessary steps to be completed when assessing and classifying risk:

- recognition or identification of risk
- communication and consultation
- analysis and evaluation of risks
- recording existing and identified risks on the Risk Register to ensure actions are recorded and completed actions documented.

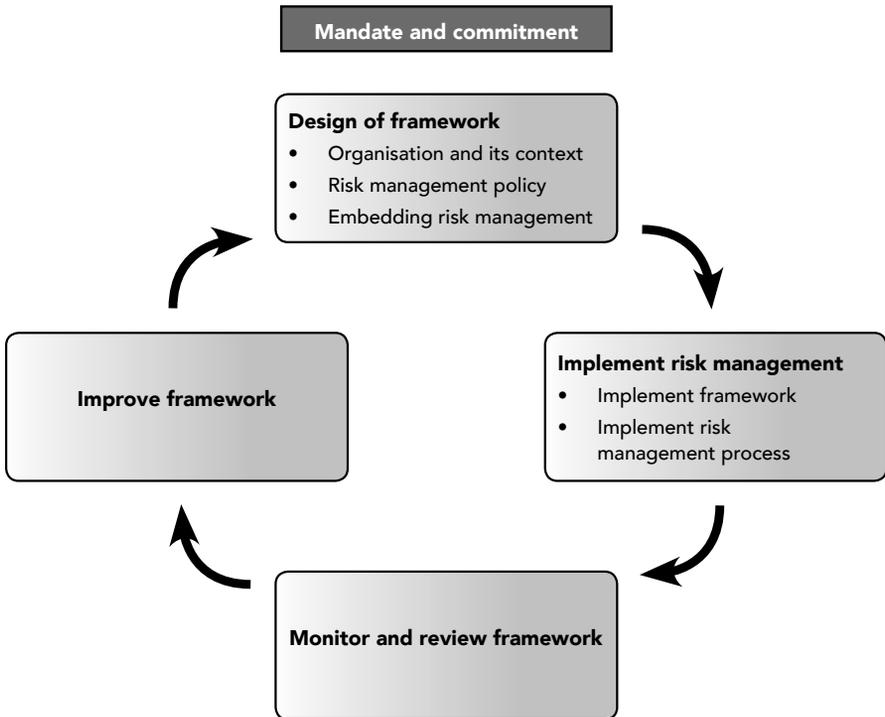
Responding to identified risks

Your options when responding to significant risk are:

- tolerate
- treat
- transfer
- terminate
- consider resourcing controls, including:
 - undertaking internal audits to review processes and functions in relation to identified risks
 - reaction planning
 - reporting and monitoring risk performance.

Framework for managing risk

The following figure outlines a framework for managing risk, based on the international risk guidelines ISO 31000: 2009.



This process needs to be formally conducted across the entire organisation on an ongoing basis in conjunction with business planning and staff meeting discussions.

This sample framework illustrates a ‘top-down’ and a ‘bottom-up’ approach to risk management, meaning everyone has a responsibility to continually apply this process when making business decisions and when conducting day-to-day activities.

Training must be provided to staff members at least annually and as necessary.

Result

Risk management is most effective when it is integrated into the culture of an organisation and includes commitment from the leadership team. This culture translates risk strategy into tactical and operational objectives, assigns risk management responsibilities throughout the organisation and supports accountability.

It is important that everyone is aware of their individual and collective risk management responsibilities. In order for risks to be effectively managed, people need to be behaving in a way that is consistent with the organisation's approved approach. This indicates that risk management is not merely about having a well-defined process but also about effecting the behavioural change necessary for risk management to be embedded in all organisational activities. Resources also need to be made available for training and education in relation to risk management.

Another aspect of business risk-management is, of course, insurance – covered in the next chapter.

POLICIES AND PROCEDURES

In addition to preparing an Operations Manual, if you want to grow your practice, and want to enhance your business's ability to deliver high-quality health care service in a consistent way, without dramatically increasing your employees' reliance on you, read on and acquaint yourself with the importance and benefits of written, well-defined Policies and Procedures.

To put it simply, policies and procedures that are well written will allow your team to understand their roles and responsibilities within predefined limits. Policies protect you as the leader because they allow you to guide operations without staff constantly coming to you. So ask yourself...What condition are my practice's written policies and procedures in? In order to understand why policies and procedures are so important we need to know what they are, and the differences between them.

What is a policy?

A 'Policy' is a predetermined course of action, which is established to provide a guide toward accepted business strategies and objectives. In other words, it is a direct link between an organisation's 'Vision' and its day-to-day operations. Policies identify the key activities and provide a general strategy to decision-makers on how to handle issues as they arise. This is accomplished by providing the reader with limits and a choice of alternatives that can be used to 'guide' their decision-making process as they attempt to overcome problems. I like to think of 'policies' as a globe where national boundaries, oceans, mountain ranges and other major features are easily identified.

What is a procedure?

The ultimate goal of every 'Procedure' is to provide the reader with a clear and easily understood plan of action required to carry out or implement a policy. A well-written procedure will also help eliminate common misunderstandings by identifying job responsibilities and establishing boundaries for the jobholders. Good procedures actually allow managers to control events in advance and prevent the organisation (and employees) from making costly mistakes. You can think of a procedure as a road map where the trip details are highlighted in order to prevent a person from getting lost or 'wandering' off an acceptable path identified by the company's management team.

Differentiating between policies and procedures

Policies

- Are general in nature
- Identify rules
- Explain why they exist
- Tell when the rule applies
- Describe who it covers
- Show how the rule is enforced

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- Describe the consequences
- Are normally described using simple sentences and paragraphs

Procedures

- Identify specific actions
- Explain when to take actions
- Describe alternatives
- Show emergency procedures
- Include warning and cautions
- Give examples
- Show how to complete forms
- Are normally written using an outline format

Policies and procedures are required when there is a need for consistency in your day-to-day operational activities. Policies and procedures also provide clarity to the reader when dealing with accountability issues or activities that are of critical importance to the company, such as health and safety, legal liabilities, regulatory requirements or issues that have serious consequences.

Are your policies and procedures meeting your needs?

A few 'critical' signs that your policies and procedures need to be reviewed and updated include:

- an increase in the number of accidents, higher failure rates or costly overruns
- more staff questions on 'normal operations' or a feeling of general confusion within a department or division
- employees may also be demonstrating inconsistency in their job performance and there may be an increase in the workforce's stress levels
- customer complaints are increasing.

Benefits of policies and procedures

Now that we have a better understanding of policies and procedures, let's take a look at the major benefits they provide.

- Employees understand the constraints of their job without using a 'trial and error' approach, as key points are visible in well-written policies and procedures.
- Policies and procedures enable the workforce to clearly understand individual and team responsibilities, thus saving time and resources. Everyone is working off the same page; employees can get the 'official' word on how they should go about their tasks quickly and easily.
- Clearly written policies and procedures allow managers to exercise control by exception rather than 'micro-manage' their staff.
- They send a 'We care' message. 'The company wants us to be successful at our jobs.'
- Clearly written policies and procedures provide legal protection. Juries apply the 'common person' standard. If a policy or procedure is written clearly so that outsiders would understand, the company has better legal footing if challenged in court.

Let's return to the first question we asked. Are you interested in growing your business without dramatically increasing your burden of employee management responsibilities? If your answer is yes, we recommend reviewing and implementing policies and procedures that are effective, and work on your company's behalf.

Want to keep reading? Buy your copy of "Growing a Medical Practice: From Frustration to a High Performance Business" here:

<https://legallelessons.com.au/product/growingamedicalpractice/>