



WHERE SHOULD YOU SPEND \$100,000 IN YOUR PRACTICE?

Experts weigh in on where you can make the most impact.

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As they adjust to the realities of practice today, the specter of inflation, and the continuing evolution of technology, practices may choose to infuse some cash into their operations. If you are thinking of investing in your practice, our experts offer tips to help you make the most of it.

MARKETING MATTERS



If you have not established your marketing plan and allocated a sensible budget for 2022, get busy.

Pivot your thinking about marketing as a “nice to have” and add it to the “need to have” column. Marketing your aesthetics practices and promot-

ing your services and products is an investment that can pay big dividends throughout this year and well into the future.

To create a reasonable marketing budget that you can stick to, review last year’s budget to see how well you did, what you didn’t stick to and why, and how you can do better this year. Leave some room for pivots, miscalculations, and new opportunities along the way. These are inevitable no matter how carefully you plan. Build in some funds for the future, such as upgrading your technology, hiring a marketing manager, renovating the waiting room, purchasing some capital equipment, investing in sponsored content for your practice, etc. You may need to make adjust-

ments to your budget by quarter, so leave some extra cash for unexpected expenses.

Take care to align your marketing plan with your goals. Set realistic expectations about what you can accomplish in-house and what needs to be farmed out to professionals. This will revolve around the expertise and availability of your staff. If you are trying to do a lot on a tight budget, identify your top priorities and address those first. You may have to allocate a higher percentage of your marketing budget to the tactics that will move the needle for your bottom line quickly. If these are successful early in the year, you may have the funds available by the end of Q2 to expand your marketing plan and budget for Q3 and Q4.

Spending your budget wisely on a well-defined and targeted approach is key to getting the most value from it. Even if you have set aside a sizeable budget, allocate this funding strategically to reap the rewards. Track your ROI at every step so that if one strategy is not delivering the results you planned for, you can refocus seamlessly to invest those dollars more effectively.

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IS YOUR PRACTICE FULLY INSURED?



One of the most important and often overlooked necessities is obtaining the appropriate insurance coverage to protect your practice. It is very common to find that a practice is underinsured or lacking insurance coverage for claims that may arise. Most practitioners know that they need malpractice insurance but don't realize that they need to have employment practices liability insurance ("EPLI"), and Wage and Hour claim coverage, too.

EPLI provides coverage for claims made by employees, former employees, or potential employees. It covers discrimination, wrongful termination, failure to hire or promote, demotion, all forms of harassment, retaliation, defamation, negligent supervision or hiring, and other employment-related issues. EPLI may also cover you for claims made by vendors or other third parties, if requested. Without EPLI, the practice must pay out of pocket to defend the claims and any settlement or verdict, which can be cost-prohibitive with protracted litigation.

Another area where practices lack coverage is for wage and hour claims brought against the employer. Many EPLI policies exclude coverage for those claims unless specifically requested. This leaves the practice vulnerable to defending these claims out of pocket. These suits are filed daily and are very risky. Wage and hour allegations include but are not limited to misclassification of employees (including misclassification of employees as independent contractors); inaccurate payment of wages, including tip credit issues; incomplete pay stub disclosures; non-compliance with meal and break period requirements; failure to pay wages for off-the-clock work; miscalculation of wage and/or overtime rates and failure to reimburse for business expenses.

In many cases, Wage and Hour Insurance Coverage can be added as an endorsement to the practice's EPLI coverage. It would cover the cost of defending the claims but typically not a settlement or judgment, and a sublimit (e.g., \$100,000 to \$500,000) usually applies.

One thing employers must do to try to limit these types of claims is to invest in keeping meticulous records of employee behavior. Purchasing employee scheduling software, for example, could help employers keep accurate timesheets and maintain better records of hours worked, breaks taken, time traveled for work, and a variety of other data that employers need in order to pay their employees properly and lawfully.

It's hard to avoid wage and hour claims entirely no matter how proactive and committed you are to making sure that all of your employees are being properly paid, because the laws change frequently. That's why it is so important to contact an attorney familiar with employment laws and review insurance policies to make sure that you have the proper coverage in place.

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HIT THE TRIFECTA



How should you spend \$100,000? Three words: Marketing. Technology. Staffing.

Marketing is one of the highest priorities to keep your name and face in front of current and prospective patients. Many of the more successful practices have spent money on

paid advertising, marketing, and social media to keep on top of their competition and showcase their skills and competitive advantages. This includes a more robust website with organic rankings, pay-per-click (PPC), and a newer look and feel.

Technology equates to newer equipment to provide the latest and greatest procedures. This generates revenue that allows you to invest back into the practice. Additional technology includes newer telephone systems, EMR/Practice Management software, patient recall, and practice analytics for key performance indices.

Lastly, and probably the most important in today's workplace, is investing in your staff. This includes higher or more competitive pay, benefits including PTO and healthcare, training, and team building. This is the era of the "great resignation." The employee is controlling the workplace.

Human resources are in all-time demand, and you must accept the current standards or the best employees and prospects will go to the competitor who is willing to give them what they are asking for. ■

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