



EPISODE
162

THE DEAL ROOM

Acquiring Medical and Allied Health Practices - building the post-acquisition marketing plan

The Deal Room Podcast

Episode 162 – Acquiring Medical and Allied Health Practices - building the post-acquisition marketing plan

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Transcript

Joanna:

Hi, welcome back to The Deal Room Podcast. This is Joanna Oakey, and we're bringing this podcast for you the deal room proudly sponsored by our commercial legal practice, Aspect Legal. And today we are talking all about how to hit the ground running after your acquisition of a medical or allied health practice. Now in order to talk about this topic we have onboard, Michelle Tayler from Marketing Practices. Michelle comes to us with a great amount of experience in this area. And she has a membership that's designed to help medical, dental and allied health practices, plan and implement effective marketing strategies with a goal to demystify marketing, that'd be nice, wouldn't it, remove the overwhelm and empower practice owners and practice managers to effectively attract and retain

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patients. And of course, this is extremely important when we looking at how it is that we can maximize the value of a medical or allied health practice that we've purchased. So without further ado, here we go with our discussion with Michelle.

Joanna:

Michelle, welcome to The Deal Room podcast.

Michelle:

Thank you. Thanks for having me excited to be here.

Joanna:

It's fabulous to have you on the show. So today, we are talking all about the marketing plans, post completion, in acquisitions for medical and allied health practices. So Michelle maybe can give us a quick rundown first of why we're talking about the subject. Why do you think this is something that's even a thing? What's the issue?

Michelle:

Yeah, look, it's a really important topic to cover off, particularly when you're thinking about acquisition. And the reason is, because often, your mind and your time is all focused on the legal stuff, and the financing, and all those kind of things that you need to tie up really quickly. But obviously, when you purchase, you want to be hitting the ground running in terms of, you know, producing as much revenue from that new acquisition as you can. And the biggest issue that I see all the time is that new practice owners end up getting a bit squished in that timing, and there's not enough time to be able to go through the full process of developing the marketing strategy. And that can lead to some issues in the future.

Joanna:

Such a good point, because in the acquisition process, it's I think this is one of the things that buyers and sellers as well don't fully understand until they're in a deal in a transaction, just how much time their attention it can sometimes take. But you're absolutely right, that idea of what happens after that day of completion. How do we make our dreams into reality in terms of, you know, the ideas that we had for this practice, when we purchased it? And you know, obviously, how is it that we make sure we're going to make it a rip roaring success relies on things like marketing? How are we going to make sure we've got people coming through even that communication piece? How do we communicate, you know, change of ownership? So one of the first things maybe we should talk about is branding, should we change the branding. And I asked this, not just because this is a topic we're talking about today but that makes sense. But also, because there's sort of these two schools of thoughts on acquisitions. One is, you when you buy a business, you get in there, and you've got the enthusiasm so make it your own, turn it into that dream as quickly as possible. So you can really get running. But there is another school of thought and the other school of thought is, don't make changes too soon. And get in there, sit with what's there. And then, after you've had the time to sit and allow, you know, allow yourself to be able to see how everything operates, then start to slowly make changes. So what's your thoughts in terms of branding?

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in that sort of dichotomy? The two ways of viewing things do you think there's a, you know, an absolute answer or or how is it that an acquirer knows which way to go from a branding perspective?

Michelle:

Yeah, and look, there is no cookie cutter approach for this. So you can't really say one way or another and I know that's a really annoying answer up. But what I'll do is go through the reasons why you would keep a name. And the reasons why you might want to change a name. So the reasons why you'd want to keep it, there is a lot of brand equity in whatever that name is. So you would need to do your research. And you would need to find out what the reputation of the practices like. And a great way of finding that out is to go into some local Facebook groups. And I can tell you that in these local Facebook groups, people often ask for recommendations, I need to see new medical practice or I want to see new dentist, I want to see, you know, does anyone recommend a great physio, whatever it is, go in and search these groups, because what you will find is some excellent research and comments about the practice that you're acquiring. And you can get a good feel for what the community thinks about that practice. If you're in a situation where you know, there is great brand equity and the practice, you know, I've got a practice within the program, they've been in the same location for over 60 years. So we don't want to change that, you know, this, this practice has been part of the community for such a long time. So you know, when when the the new owners kind of took over, that they stayed, kept the same brand name, and they stayed with it. And yes, they evolved carefully over time, rather than, you know, doing it in one heads. And the other thing to consider is, if you want to keep the practice name, what's the situation with the practitioners who was selling and are they staying in the practice for a little bit of time. And if you want to keep that kind of consistency in and you're, you're buying a really vibrant practice that you want to maintain that, then absolutely, it's a good idea to keep that practice, keep the brand name and all the assets and just slowly do an evolution, if you want to, you know, refresh and update things. What I found is that there are two trains of thoughts here. Some, some patients and consumers don't like change, it's just a natural thing that they've kind of got used to they like, what their existing practices and they don't really like to change things. Yeah, you want to make sure that if you're purchasing a practice, where there's a lot of people that you know, have have a strong emotional attachment to that practice, don't change things too much, evolve it over time, in a very considered way. But that's one train of thought. Now, the other train of thought is, you know, you want to go in, and you want to relaunch this practice, and, you know, launch it with a bang. And this would be a situation where that, you know, community sentiment, the reputation of the practice, may be something where you would want to kind of, you know, refresh it and update reasonably quickly. And again, I'm working with another practice who had bought her second practice. So she'd already run a really successful practice, she bought a second practice, and, you know, didn't realize that the reputation was a little bit, you know, I think that the person, the outgoing owner, let it go a little bit. And that was reflective in the way people within the community thought about that practice. So in that situation, you want to do a big launch, and you want to do a big brand change, so that you can almost remove the sentiment of the past and

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make sure people within the community know that you've changed and everything's fresh and new. And, you know, you've got this renewed enthusiasm, which is a great thing. Sometimes, you know, sometimes in, in restaurants, for example, you see things that says under new management, and you're like, excellent, you know, let's, let's go and try that out and see what they've done to it. And you know, the same is true for this as well. So it's really important to assess it on your individual situation. And also, you know, if this acquisition isn't your first acquisition, or in the future, you're expecting to potentially purchase more practices? Do you want it to be under an umbrella brand that you can run across every practice? And if so, then, you know, you do need to make that change in regards to the practice name and the branding?

Joanna:

Yeah, and and I guess this is where I just can't help but to come in with the legal element. See, because of course, you know, it becomes really important when you're thinking about branding to ensure that if you're moving into a new brand that you've done all of the legal checks that you're choosing a brand that's capable of protection into the future. If you're looking at expansion in the future, you're ensuring absolutely that you've got trademark protection. And Michelle, you and I are going to have a webinar all about these sorts of issues. So if any of you who are listening in right at the moment, I'm particularly interested in the process of coming up with a new brand and integrating brand protection and understanding how that all fits together, then I invite you along to the webinar that Michelle and I will be running on this topic. And you'll find the details in the show notes. And if it so happens, that you're watching this, or listening to this podcast into the future pass the date that we've actually run that work, then I'm sure we'll have re-runs available for you as well. But without wanting to interject too much with the whole issue of trademarks, and all of those exciting things that come up with brands, I think absolutely right, that question of branding is such an important one. And we have clients in this space, who are aggregators. Multiple acquirers have multiple practices. And this decision in relation to branding ie is, is there a benefit of creating a global brand that crosses multiple practices, or is their benefit in maintaining, you know, the regional factor, the, you know, is such an interesting component and I think it's one of those things number one, that acquirers don't even think to think about a lot. And number two, they probably don't take advice at the right points in terms of ensuring that they've got a really clear plan moving forward. So I think I know the answer to this, but I'm going to ask you anyway, Michelle, when is the right time to start thinking about this?

Michelle:

It will be the moment that you are thinking about purchasing a practice,

Joanna:

Begin with the end in mind, isn't it don't think?

Michelle:

And, you know, developing a marketing strategy, you know, people often get caught up in the detail of a marketing plan, and a marketing strategy and a

marketing plan. A two separate processes.

Joanna:

Okay, talk us through that.

Michelle:

Your marketing strategy is generally speaking, something that you really only need to do once every three to five years, depending on how your business is evolving. If your practice is taking on, you know, a whole new service and, and, and doing something really different, then you'd need to come back and revisit that. But generally speaking, a marketing strategy is what you do every three to five years. And within that marketing strategy, we to find, what do you stand for? What's your Why? Why are you doing this? What kind of patients do you want to attract? We take a long time in developing the ideal patient avatar, that single perfect patient, that if you could clone them a couple of 100 times you would be a very happy practice owner. And going through that process. And the reason why we spend a lot of time doing that is because when you understand who you want to serve, it is so much easier to develop the rest of your marketing plan, which is all the activities, your kind of 12 month calendar of all the things that you're going to do, it's so much easier to figure out what you're going to do based on who your ideal patient avatar is in your marketing strategy.

Joanna:

So talking about these? You know, obviously, from the perspective of acquisition, is this a decision that you make in relation to the type of practice that you're acquiring? Or is it or should you base the type of practice you're acquiring? On the answers to some of these questions? I mean, in reality, sometimes, practices that are being acquired are on the basis of what's actually on the market at the moment. So you're a little bit limited. And, you know, in relation to having a particularly defined criteria, I guess, particularly if you're looking in particular, that was a lot of particulars, wasn't it? geographical location, but you know, do you recommend that acquisitions be made with a particular focus on whether the patient database matches where it is that you're, that you know, where you see your core interest, specialization? Or is this something that you do once you found your target?

Michelle:

Yeah, look, I think knowing the type of practice that you want, knowing the person, the brand personality that you want your practice to be, and knowing what services that you want to provide needs to be done up front. And once you do that, you can then kind of, I guess, match your criteria that's in your marketing strategy to, you know, what might be available on the market, obviously, you know, it wouldn't make good good business sense for you to unless, unless the location of what you're buying into is the most important thing in this situation. But it wouldn't make a lot of sense to acquire practice with a database of a couple of 1000 people, if they're not, you know, reasonably closely aligned to who your ideal patient is that you've defined in your marketing strategy. Because, you know, as a part of that acquisition process, you're you're kind of acquiring the patients as well, or the

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patient database. So you're gonna give yourself a big head start if you're buying a practice, who has, you know, reasonable number of patients in there that are your ideal patient avatar, so it's one of those things that you need to do the work up front to understand what you're looking for. And helping you do that is, so it's critical in making those decisions.

Joanna:

I think it's such a good point. It's really interesting. It's making me reflect as we speak. So there you go, that it's, it's such a good point. But we, when we talk to acquirers, we we talk about acquisition in the terms of understanding, where is the underlying value of what you're buying? So So what ultimately, do you think you're buying in terms of value? Which seems like an obvious question, but you know, what it's so not at the end of the day, and where I think what you're talking about at the moment fits so well with that way of viewing things that you sort of coming in. And rather than saying, Well, I'm after any old, you know, medical or allied health practice, I'm actually after something that fits the criteria of the value I'm looking for, which may not be any old client patient database, it may be a particular type of patient database, because of course, the alternative is that you can just go out and start a practice yourself. So that's why you have to be really, I think, clear in understanding what it is that is the value in what you're acquiring. And sometimes, sometimes it just really is the access to the location, or the premises, sometimes it's the staff and the team it that is the primary, and sometimes it is the database of the patient. So I guess what we're saying here is overlay some of those financials and some of those harder, easier to measure metrics with some of these other elements, like understanding who the patients are not just the revenue that they're bringing in. I think this is such a good other, you know, dimension to an analysis of what it is that you're acquiring. But then the second component of what you're talking about right now, seems to suggest that many practices that a for sale, perhaps haven't maximized, the potential that they have. And we can use marketing as a way to post acquisition really ramp up the value of that asset that we've purchased. So what is coming at it from that perspective, then? What are the sorts of things that an acquirer of a practice might do as part of their pre launch runway as an example?

Michelle:

Yeah, I love the pre launch runway. I think anyone who doesn't adopt this pre launch runway prior to, you know, really going out with a bang and launching your practice is really missing out on a massive opportunity. And often people kind of get to the point where, you know, they might take over the acquisition of a practice and then they might be you know, 5,6,7 weeks, whatever it might be to do a refresh of some of the feed out or whatever. And they kind of have that date in mind. And they kind of think I'll start, I'll start the marketing then. No, you start your marketing in terms of public marketing to the local community, a long way before the point of where you're opening. Because what you want to do is you want to make sure that the minute your doors are opened, that you have, you know, patients starting already booked into appointments and that you've kind of launched that practice through that pre launch runway. So the pre launch runway, it's a little bit like an airplane taking off, right? So the runway is the bit where we

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get the momentum, we build anticipation, we create curiosity about what is going to be the situation within that practice, when when you know, you're officially kind of the owner, and when you're opening it. So what I'd love to do is, you know, bring the community bring the local community into the journey of the, the process where, you know, you might be getting the keys for the first time and you take a cute little video showing that you've got your keys, and you know, you're ready to start and help people understand the process of you coming into the practice. Marketing has changed, and it's changed significantly. So in the past, we used to talk about, you know, mass marketing, and we'd get the message out there to as many people and almost hope that something sticks. But nowadays, we're into mass personalization and relationship marketing,

Joanna:

Mass personalization, I love it.

Michelle:

Thanks to digital marketing, you know, you can, you can very easily do this and, and build relationships. And, you know, if you're practice owner, I'm not talking about kind of personal relationships in that level that, you know, kind of breaches any, any, you know, patient client relationships, what I'm talking about is helping people get to know you as a person, in terms of how much information that you want to disclose to them about you and your life and your hobbies and those types of things. Because at the end of the day, it doesn't matter what brand logo is on the front of your practice, what matters is the relationship that the patient builds up with the practitioners and the whole team. Because that's where the loyalty is going to come from. People aren't loyal to, you know, brands, per se. People create loyalty from having relationships, and even the very big brands do this your Nike, yes, people love the Nike brand. Because it's all about your favorite sports person who they use in all their advertising and pay an awful lot of money to use and endorse their products. Because people want close relationships with their heroes. That's what relationship marketing is about. And when we turn that into the same concept into our local practice, you need to build relationships with the local community. And the best way of doing that is to share information about the process, about your acquiring the practice, about your visions about what you want to create in this new environment and welcome people into the practice. So you know, this pre launch runway and starting to build those relationships in a marketing sense, from the very moment that you can for during that practice acquisition process is a vital, absolutely vital. I know medical practice who opens they actually opened up from scratch. And they had a full appointment booked for their first day of opening by four appointments, because they weren't on their pre launch runway.

Joanna:

Hmm. Love it. Absolutely love it. Well, look, Michelle, you've shared with us some really useful tips, some other dimensions of this whole what we're looking for when we're acquiring a practice and how it is that we look at our transition in integration, our post completion runway to make sure that we're making the most of the opportunity of the asset that we've purchased. Is there anything that you feel we've

missed in this discussion, any last parting tips for our audience in this area?

Michelle:

Yeah, a couple of things. First of all, don't underestimate the value of doing a launch within your local community. Really important stuff because I'm in marketing when you're when you're launching anything, there is a product adoption or service adoption lifecycle that happens. There are your innovators. There are your early adopters. There's your early majority, your late majority and your laggards and we can label people like this. So your innovators are going to get in there because they want to try something new, they want to see what it's all about, they want to experience that and be the first they love being the first. And there's a small percentage of people that do that. And your pre launch runway is really gearing up to market to those innovators to get them to come in. Because those innovators, a very small portion of the people are the ones that actually go until the others, the early adopters, and the early majority in the late majority, who were the bulk of the population that potentially coming into your practice, they'll go and tell them, and people will start to, you know, come in over time. So highly recommend in the process of launching, you need your pre launch runway to target your innovators. But once you launch, don't stop there, that's just the start of it, you have to keep going, because you still need the big percentage of the population who, you know, might might like to wait for other people to try things before they give it a go. And before they, you know, see someone else's mentioned it on a Facebook group, for example, that it was a great experience, and you should go there and all that kind of stuff, they're looking for other people's endorsements to do that. So when you're launching something, the pre launch runway, your launch, and then the first 90 days are really important to to make sure that you can keep the momentum going to attract other people that might want to just wait a little while until they know that you've got things sorted in the practice to kind of go in there. So you know, that is how to effectively do a really good launch. And marketing is like fitness. I always say this. It's like fitness, because you just need to work at it consistently. It's never going to be finished, it's never going to be over. You need to keep working at it consistently. And the consistent approach really is the key to marketing. That's kind of the secret sauce. If you're continually building relationships, continually putting yourself out there being present and visible, you will attract people into your world, the right people who are your ideal patient avatar. And that's where the magic happens when it comes to marketing.

Joanna:

Well, that is fabulous. Michelle, I just want to say a massive thank you for coming on to the deal room podcast now. Tell us how can our listeners find you? If they're interested in finding out more about how they set themselves up for success post acquisition? If they really want to hit the ground running with their marketing plan?

Michelle:

Yeah, absolutely. So I can help with the marketing strategy and the marketing plan and implementation as well. So you can find me at just info@marketingpractices.com.au or come to my website, it's marketingpractices.com.au or I'm on Facebook there I hang out a lot. And on on LinkedIn, as well. So yeah, you can find

me in any of those places.

Joanna:

Absolutely Fabulous. And of course, as always, if you're running along the beach, right at this moment, well good on you because we just talked about how important it is to keep that fitness trail as well as marketing, or driving to work or whatever. I'm assuming you can't write down the details for contacting Michelle right now. Don't worry about it. We've got it in the show notes. We've got you covered. So just head over to our show notes and we'll link straight through to Michelle and those contact details she just shared with us. Well, Michelle, I just want to say a huge thank you for coming on the show today. And just a reminder for everyone who is listening in, if you want to find out more about branding and brand protection for new and existing practices, so this is particularly relevant if you're acquiring a practice or looking at rebranding, or even if you're looking at opening some new greenfield sites, and you're interested in looking at the branding and the brand protection side, then Michelle and I will be investigating that thoroughly on a webinar to come up in January. And you'll find those details as well and registration page in the show notes. Michelle, thank you. I'm excited to do it all again on a webinar very soon for our listeners. But until then, a massive thank you for coming on to the deal room podcast today.

Michelle:

You're welcome. Thanks for having me, I'm so excited too. It should be a great session.

Joanna:

It'll be fabulous. I'm pumped. Well, that's it for this episode of The Deal Room podcast, of course, where we're talking all about your plan for marketing, post completion, as an acquirer of medical or allied health practices. If you'd like more information about this topic, then head over to our website at the dealer in podcast.com, where you'll be able to download a transcript of this episode, if you want to read it in fine detail. And of course, at our website, you'll also be able to find out how to number one, link through to Michelle Tayler. Number two, go and register yourself for the branding and brand protection webinar that Michelle and I will be running in January or if you miss it, you'll be able to also register to get a copy of that recording. And number three, where you'll also be able to find details of our lawyers at Aspect Legal if you would like the assistance of our legal team to help you in the acquisition process to ensure that you're making the most out of the value of a practice that you're acquiring, while minimizing the risk in both the practice itself and in the transaction. Well that's it I hope you enjoyed this episode of the deal room podcast. If you did, I'd love you to hit subscribe on your favorite podcast player and maybe even consider leaving us a review. That's it. You've been listening to Joanna Oakey and the deal room podcast and podcast proudly brought to you by our commercial legal practice Aspect Legal. See you next time.