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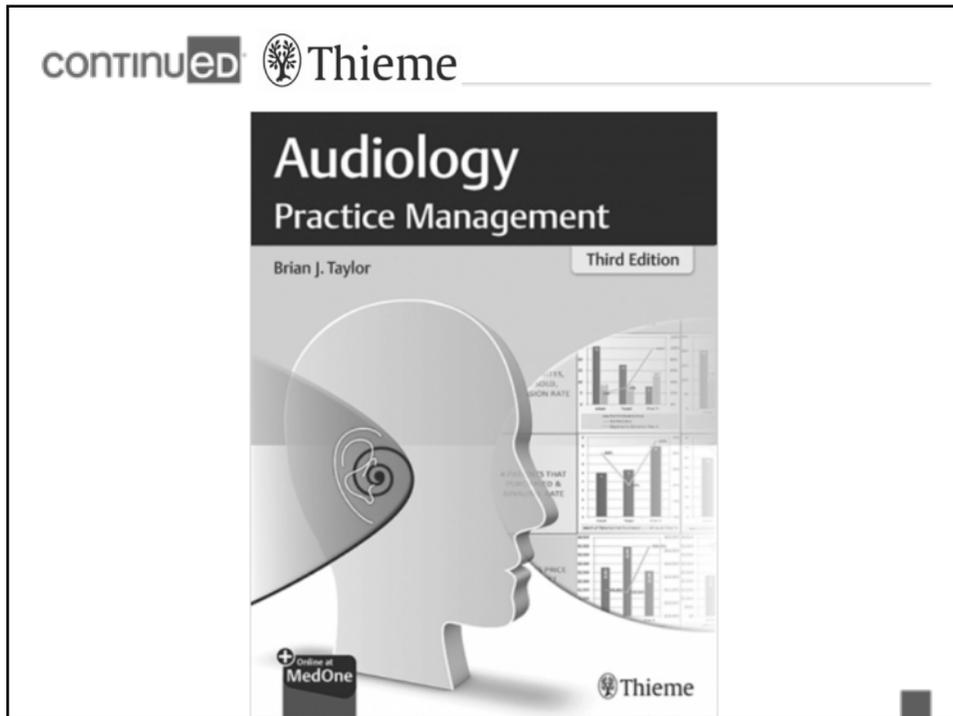
Essential Business Principles & Skills for the Clinician-Manager

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Learning Outcomes

After this course, participants will be able to

- 1) Define the role of the clinician-manager in a modern audiology practice.
- 2) Identify three core principles that lead to effective business management.
- 3) Explain how to implement these three core principles into practice.



CONTINUED Thieme

Agenda

- Why this course is relevant
- 3 Fundamental Business Principles
- 8 Teachable, Replicable Management Skills

You've been promoted, now what?

Context of material presented here

- From the perspective for a clinician who has just been promoted to clinic manager – what do they do the first 100 days?
- Assumptions:
 - There is a staff of clinicians who report to the manager on the org chart
 - Manager has fiscal responsibility
 - At least 8 hours per week are devoted to management activities (not seeing patients)

A growing number of audiologists will fill dual roles

- 3,100 new audiology jobs over this 10-year period (2019 BLS)
- Increasing gap between demand for an audiologist and the supply of audiologists (Windmill & Freeman, 2013)
- Unsustainable student loan debt of AuD graduates (Amlani, 2018)

Combination of forces

- Shortage of senior level staff + desire to earn higher income
- Continue with a patient load, but also manage a staff

Yet most AuD graduates....

- Have little formal business training
- Are caregivers at heart
- Being a manager doesn't come naturally, but it can be learned

4 Universal Rules

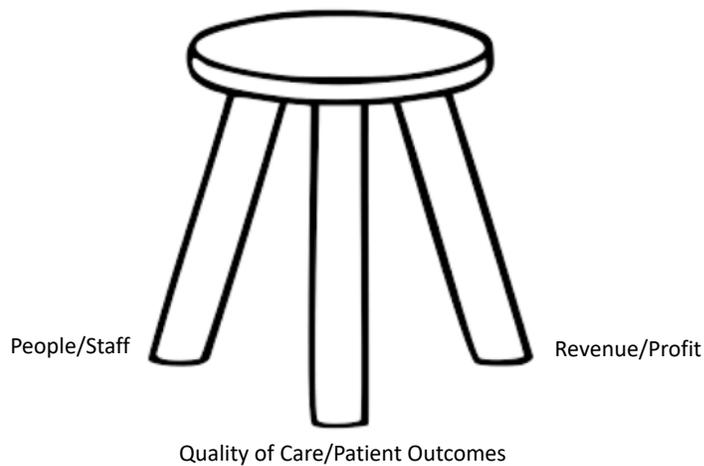
- You are judged by your results, mainly financial
- Organizations with more than 2 people require a hierarchy to prevent chaos
- You are the face of the organization for the people that report to you on the org chart
- You have role power

Formula for success

- Behavior = Performance = Results

- Results:
 - Profit/Revenue
 - Patient outcomes

The Three-Legged Stool of Productivity



Principle #1:
Develop People, Grow Relationships

Why this principle is important

- Clear, sincere, respectful communication is how you get to know the people in your organization
- Starts with basics of one-one-one and staff meetings and cascades to hiring and training new staff, honing skills of existing staff

First Skill

- Conducting One-on-One and Staff Meetings

One-on-ones

- Why? Knowing the people on your team and developing trust and rapport with each person on your team creates a workplace culture that gets results
- Scheduled each week
- 15 to 30 minutes
- Talk about anything the staff person wants to talk about
- It's okay to use a form

One-on-one form

Date:	
Project/People Updates:	
Items in Need of Attention:	
Manager Update:	
Follow-up Plans/Next Steps	

Staff Meetings

- Why? create and maintain culture of mutual trust and respect through clear and consistent communication
- Monthly, scheduled 60 to 90 minutes
- With an agenda
- Agenda is developed by team
- Someone takes minutes during meeting
- Notes are sent to team, day after meeting

Staff meeting form

Date:
Attendees (present/absent):
Agenda item #1/responsible party
Agenda item #2/responsible party
Agenda item #3/responsible party
Meeting Outputs/Needs Steps with responsible party and time lines

Skill 2: Coaching and Delegating

Coaching & Delegating

- Why? A primary role of a manager is to ask for higher levels of performance
- The ability to ask more from others
 - Develop new skills
 - Improve existing skills
 - Pathway to others getting promoted

Coaching vs. Delegating

- Coaching = guiding a direct report through the process of self-improvement
- Delegating = handing over responsibility to a direct report to help them develop new skills

Example of a Coaching Plan

- Identify and collaborate on a goal. Example: Improve conversion rate of hearing aid candidates coming in for a hearing aid evaluation by 25%
- Collaborate on educational resources that will help reach the goal. Example: Take a course on Audiology Online, identify a mentor within the organization that has the requisite skills and is willing to teach.
- Collaborate on a plan using these resources. Example formalize the timelines and steps needed to improve conversion rate
- Follow-up or check in on the progress. Over the agreed upon timeline, periodically check in to see if plan is working or in need of some tweaking.

Delegating

- Using your judgment as a manager to assign a task or project to a direct report that may stretch their skills

Skill 3: Feedback – Talking about Performance

Beyond the annual performance review

- Why? Use daily, informal interactions to incrementally improve performance
- Positive feedback: “Hey, good job”
- Correcting feedback: “Hey, when you do this...”
- Correcting feedback must be delivered after trust and rapport have been established
- Wait about 2 months to start delivering correcting feedback

Feedback to a fellow clinician

- “Have you thought about doing it this way....”
- “What would happen if you tried this....”
- “What could you have done differently?”
- “Maybe try it this other way and let me know what you think”

Principle #2: Make a Profit, Ethically

Why this principle is important

- Profit is needed to sustain any business, but it must be done with ethical consideration

First Skill: Reading a Profit & Loss Statement

Reading a P&L

- Why? The P&L is the financial report card of the business. What happened in the recent past can be used to improve results in the near future
- Bang for buck – what do I spent time and money trying to improve?

Household P&L

Combined Salary	500,000	→	Gross revenue
401k (me)	-18000	→	Cost of goods
Tax	-174000		
Gross takehome	308,000		
Monthly takehome	25600	→	Gross margin/profit
Expenses (monthly)			
Food	3000		
Mortgage	10000		
Property taxes	2,645		
Home insurance	250		
Gas	100		
Car insurance	500	→	Total Operating Expenses
Life insurance	300		
Bitcoin buy	100		
Charity	1000		
Party supplies	400		
Child (not yet born) college fund	1000		
Flights	3000		
Phone	40		
Clothes	2000		
Vanguard contribution	4000		
Total	28335	→	Marginal/net profit

Sample P&L (1 month)

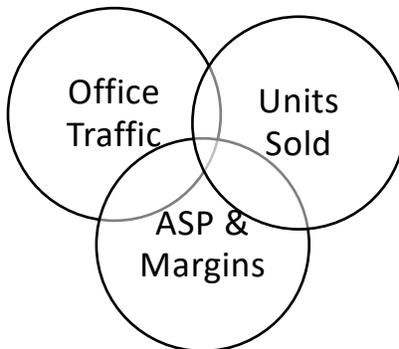
	Actual (\$)		
Gross Revenue	93,000		
Cost of Goods (COGs)	31,000		
Gross Margin	62,000		
Operating Expenses	55,250		
Profit	6,750		

Sample P&L (1 month)

	Budgeted (\$)	Actual (\$)	Benchmark	Variance from Benchmark
Gross Revenue	100,000	93,000	100%	-7%
Cost of Goods (COGs)	35,000	31,000	35%	-1.67%
Gross Margin	65,000	62,000	65%	-3%
Operating Expenses	55,250	55,250	55%	0
Profit	9,750	6,750	10%	-4%

Skill 2: Using Financial Data to Influence Behavior

Units-based Business



Sample P&L (simple)

	Budgeted (\$)	Actual (\$)	Benchmark	Variance from Benchmark
Gross Revenue	100,000	93,000	100%	-7%
Cost of Goods (COGs)	35,000	31,000	35%	-1.67%
Gross Margin	65,000	62,000	65%	-3%
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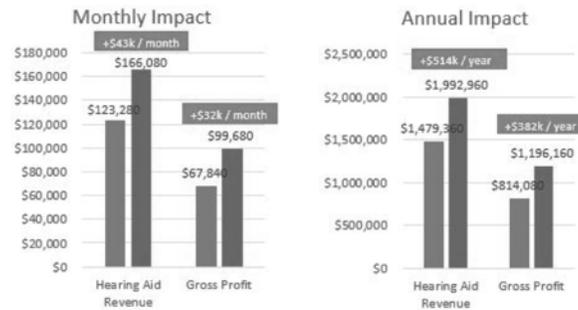
Benchmarks and KPIs

- Units per Month: 20 per FTE provider
- Acceptance rate: 60%
- Monthly gross revenue per provider: \$31,600
- Revenue per hour: \$185

KPI Dashboard

Key Weakness – Low ASP (\$1,541)

Metric	Before	After	Improvement
Total Units / Month	80	80	-
ASP	\$1,541	\$2,076	+ \$535
Gross Margin / Unit	\$848	\$1,246	+ \$398



Source: <https://www.audiologyonline.com/articles/numbers-don-t-lie-audiology-key-performance-15691>

Managers Influence....

- Influence behavior – dispense more devices, see more patients
- Influence policy – negotiate COGs, establish retail prices and product tiers, change marketing strategy

Skill 3: Managing Cash Collected

Cash is King

- Why? money must be flowing into the business for it to be sustainable
- Collecting payments from patients or third parties
- Have a policy, train to it and monitor it

Creating & overseeing policies

- Verify insurance information prior to the visit.
- Collect payment for out-of-pocket hearing aid expense at the time the hearing aids are dispenser
- Use a third-party financing company (e.g., Care Credit) when necessary and pre-qualify patients prior to patients.
- Allow patients to use credit cards and make it easy for them to pay their bill
- Ensure that all staff who engage in billing and collecting processes understand the policies and know how to talk about them with patients. Provide training when needed.
- Monitor cash collected each week

Principle #3:
Have a Plan, Work Your Plan

Why is this principle important?

- Managers chart the course for future improvements, collaborate with their teams on tactics and monitor the execution of those plans

Esprit de corps

- A common spirit or fellowship existing in the members of a group that inspires enthusiasm, devotion, and strong regard for the honor of the group
- Role of manager is to create a culture that accomplishes this
- An iterative process

First skill: Implementing a System-wide Clinical Protocol

Value Equation

$$\frac{\text{Process Quality} + \text{Results}}{\text{Price} + \text{Convenience Costs}} = \text{Patient Value}$$

Source: The Service Profit Chain <https://hbr.org/2008/07/putting-the-service-profit-chain-to-work>

Why a clinical protocol

- Nothing more than a teachable process that.....
- Leads to better patient outcomes
- Builds brand within community
- Attracts and keeps staff

Implementing a clinical protocol

- Set a timeline for completion of protocol implementation and explain to staff why a clinical protocol is important to their success.
- Ask the group, what do they want to be known for? This is an aspirational question intended to get staff thinking about how they want to shape or influence their own reputation in the community.
- Give the staff a week or two to ponder the question, talk about the value of a stellar reputation and convene a staff meeting to discuss the staffs' response to this question.

Cont.

- After the group has come to some consensus on their response to the question of what they want to be known for, scope out the appointment types that require a clinical protocol and the recommended time for an average visit
- The group comes to some consensus on minimal standards of care for each appt type.
- Providers agree on what optimal patient results look like at the end of each appointment, the next step is the toughest: Providers come to agree on how these results are achieved. From this discussion needs to spring a consensus on what tests, procedures and forms will be used by all providers in the group.

Final Steps

The result of this process will be the creation of a written protocol and a common form(s) that everyone agrees to use.

Ongoing: talk about protocol during one-one-ones and staff meetings, use P&L data to find gaps in performance, tweak with strategic planning

Skill 2: Creating and Executing a Strategic Plan

Strategic Plan

- What is it? A planned document that designed to:
- set organizational priorities
- close an operational gap
- ensure that staff is working toward a common goal
- establish agreement around intended outcomes
- adjust the organization's direction in response to a changing marketplace

Common Topics

- Increasing overall productivity (revenue generated)
- Improving patient outcomes
- Adding a new service or product
- Adding additional staff

Step 1: SWOT

Strengths	Weaknesses
Opportunities	Threats

Step 2: Identify a target

- Prioritize:
 - Investment of time and money
 - Payoff to organization
- Quick Wins
- Medium and long range goals

Step 3: Formulate the Plan

- Have a clear target
- Define success (% increase)
- Follow a timeline

Step 4: Executing the Plan

- Use meetings to review and modify plan

Summary

- Use this information as a road map for the first/next 100 days
- Focus on 3 principles:
 - Building relationships/developing people
 - Making a profit, ethically
 - Have a plan, work you plan
- Apply the 8 skills outlined here

“Avoid the pursuit of happiness. Define your mission and purpose and pursue that.”

- John Perry Barlow

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