

# Seven Key Indices to Successful Cosmetic Surgery Marketing

By Greg Washington, Patients Unlimited Marketing Consultants

Two of the most challenging and time consuming activities of running a successful cosmetic surgery practice are efforts to maintain your current patient base while attracting new patients.

Both require a clear strategic direction, the appropriate distribution of resources and a stated commitment to stay the course. It's no wonder that thousands of practices that attempt expansion or transition of their patient base do it either ineffectively or unsuccessfully and, in both cases, hemorrhage cash in the process.

In 25 years of business and marketing consulting to cosmetic surgeons, many of the clients we've worked for at Patients Unlimited Marketing Consultants, think it is easier to run for governor of California than to increase or transition a patient base. Unfortunately, without knowing the areas or indices that drive their practice, perception might be reality. By keying in on seven essential indices of your practice, you can increase or transition your patient base without getting soaked, or going broke.

## 1. Average Number Consults per Month

The first index is the average number of consults per month. This number is simply the total number of consults in a period of months divided by that number of months. This index is a common place most doctors look to when trying to increase revenues or transition their patient base, and for good reason: it is the barometer of the effectiveness of your internal and external marketing effort.

Internal marketing is nothing more than how you communicate to your existing patient base the services you provide. This is done through internal patient contact, materials in the office and follow-up contact. External marketing is any activity that takes your practice to the public and creates a need to contact you. These marketing efforts are mostly done through advertising in print, television, radio, and too often forgotten, word-of-mouth.

Depending on the outcomes you want for your practice, there is a particular average threshold number your practice has to meet. Drop below this

COSMETIC SURGERY INDICES*	INDICES		
	LOW	HIGH	GROUP AVERAGE
*Based on 10 National Practices			
1. Cosmetic Surgery Consults Per Month	13.3	50	27
2. Surgeries Per Month	14	35	18
3. Consultation Closure Ratio	25%	70%	55%
4. Elapsed Time Per Closure	26	58.1	34.7
5. Collection Per Major Surgery (Professional Fees)	\$2,755	\$6,477	\$4,162
6. Distance Patients Traveled	30	245.4	93
7. Percent of Patients Derived From Internet	8%	30%	12%
Number of Cosmetic Surgery Specialists Per Market	26	51	34

number, your practice suffers. Hit it and you're well on your way to achieving your desired outcome. Generally, this number is between 25 and 30 consults per month.

Hitting this mark raises the question as to whether a doctor's time and staff are organized to generate the necessary number of consults. For many practices the answer is no. Case in point is a past client in the midwest. His office, staff, time and telephone system were configured for his functional surgery patients. His efforts to meet an average consult number for his desired patient base was slowed because he, his staff, and resources weren't structured around this objective.

## 2. Percentage of Consults Derived From the Internet

The newest form of external marketing is the internet. A practice's presence on the world wide web is an important component for increasing the average number of consults in a month.

As with the first, this index has a threshold mark a practice should hit in order to increase its average number of consults. Roughly, at least ten to twelve percent of your consultations should be derived from the internet. In order to exert this

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influence, your website should be easily located, have an orderly appearance, current and topical content, and differentiate your practice from others. Moreover, the site's architecture needs to be easily navigated.

Mostly what your website should do is sell your practice by bringing the visitor to a conclusion leading them to contact you for a consultation. If your website isn't constructed to or doesn't perform this function, you are not using this resource to your practice's greatest advantage. Remember, the object of external marketing is to take your practice to the public and bring them back to you. The world wide web is the newest and most cost-effective tool to expand your public reach.

Presence on the internet is visibility well beyond your geographic region. The real strength of a strong internet presence is that it draws people from great distances to your practice. Next to a doctor's reputation, internet presence is the strongest influence on the average distance traveled by a consult.

## 3. Average Distance Traveled

Following percentage of consults derived from the internet is the average distance traveled by a consult. This particular index is the least thought of, though it is vitally important to the continued success of any marketing strategy that is designed to increase an existing patient base or develop a new one. This result is very intuitive once consid-

ered. The further a consult travels the more likely they are to engage your services.

Functionally, there are two main reasons why people travel for cosmetic surgery services. First, they don't believe they can receive quality services in their immediate area. Second, patients want privacy and anonymity. These factors, if marketed correctly, readily increase a practice's average number of consults per month. A higher average in this index should result in an increase in actual patients. The threshold distance for clients that we've studied is in excess of 80 miles. Further, though empirical data is still sketchy, 25 years as marketing consultants to cosmetic surgeons has shown us that a low average distance traveled results in fewer consults becoming patients, or, in the language of the next section, smaller numbers in this index corresponds to fewer closures.

## 4. Average Elapsed Time to Closure

Closure is the sine qua non, or absolute prerequisite, of patient acquisition. Without closure there are no patients. Without patients you have no practice. We define closure as the transition from consult to patient—someone on whom the surgeon actually operates. The average elapsed time per closure is simply that, the average time between the initial consultation and surgery.

At one time, it was a symbol of status both to the doctor and to the patient if there was a 60, 90, or 120-day closure period. That was good ole days. Waiting now is much less inelastic than it was in the past. A greater supply of surgeons performing cosmetic procedures has made time a premium in closing consults. Don't forget, a consult is just that until the surgery has started.

For this reason, elapsed time to closure is an extremely important index to determine the current and future vitality of a practice. In our consulting practice we've found that the major reason people do not make a decision is because the staff has not followed up soon enough with those consults that are considering cosmetic surgery. These days a practice that cannot efficiently convert a consult to a patient will not increase their existing patient base nor will they be able to readily attract a new patient base.

We've had several clients call us for this exact reason. One client consistently had consults agree to undergo procedures. Yet, because he didn't have

an in-office surgical suite, had to arrange for an anesthesiologist, and, on occasion rent special equipment, his time to closure was longer than his competitors. Needless to say, most of these consults didn't wait around to become patients.

## 5. Closure Ratio

Closure ratio is the bottom line of the acquisition indices. Your closure ratio is simply the number of closed consults divided by the number of total consultations for a given period of time, in our case a month. One hundred percent is a perfect world scenario. Your closure ratio will have a target ratio well below 100 percent.

The purpose for this index is to determine whether or not you're spinning your wheels when it comes to patient acquisition. For most of the practices we've examined, if there is a low closure ratio then, inevitably we find that the client is spending money, literally, to create a bad reputation.

After all, a large percentage of people who seek cosmetic surgery consultations end up having the surgery performed. Unfortunately, if your closure ratio is below a certain threshold level, then too few of them are having their treatments with you. For most practices, a general closure ratio of between 60 and 70 percent is the target, though individual procedures might have specific ratios above or below the general target. Nevertheless, general ratios below this target are an indication of the terrible "toos;" too few consultations, too little internet presence, too short a distance traveled and too long to closure. Ratios above 70 percent often indicate that a practice might be pushing too hard has too few consultations or is not doing an optimal level of surgery.

Most practices tend not to concentrate on their closure ratio but jump ahead to their average collection per major surgery as the measure of how well their practice is performing. We'll do the same, but first it's important to know how many surgeries on average are being performed.

## 6. Average Number of Surgeries Performed in Month

The average number of surgeries in a month is measured by the total number of surgeries over a period of months divided by that number of months. This number is often reflected in your closure ratio but will often lag slightly depending on

the elapsed time to closure. The relationship between closure and average number of surgeries per month makes this index a check on a practice's closure ratio.

Besides being a good check, this index is deceptively important because, if you're not careful, cost can become directly proportional to productivity and dampen profits. On a consultation with one of our clients, he was beaming that his average number of surgeries was well above his target number. A casual examination of his financials demonstrated that though his number of surgeries was where it should be his costs for each surgery rose in tandem with revenue. Our client was working more and increasing revenue but profiting less because of increasing costs.

The solution to this client's problem was to decrease the cost of each surgery. The standard method for doing this is to have each surgery event take place at your office or at a site that is in very close proximity to your office. Doing so optimizes the use of your time and staff thus expanding your income generating capabilities.

## 7. Average Collection per Major Surgery

Average collection per major surgery is the last index mentioned here but it is the first one (and too often the only one) doctors look at when evaluating their cosmetic surgery practice. Consequently, we've dubbed this index the "very bottom line" though it is not the definitive measure.

Average collection per major surgery is simply the total surgical revenue in a given period divided by the number surgeries performed in that same time frame. This index is vital in determining the profitability of a practice. In effect, it is a barometer of the overall health of your marketing efforts.

We are working with a client in Southern California who, at first glance, appears to be doing well. His average collection per major surgery was \$2,000 over the average for the group we studied. Life seemed good. Looking a bit deeper into the numbers, we found his closure ratio was the lowest in the sample. What seemed to be a cause for celebration brought on increased scrutiny concerning the direction of the practice. However, it shouldn't be lost that by having a high average collection per surgery, the practice demonstrates excellent sales and marketing productivity and an elevated level of surgical expertise.

On the other hand, we've consulted with clients like one we have in the mid-Texas area, whose per surgery collection was below his target mark. In this instance, the practice, though demonstrating a high level of surgical expertise, was under pricing its services.

In final analysis, these seven indices notwithstanding, expanding your existing patient base is a challenging and resource consuming activity. It need not, however, sap the vitality out of you or the profit out of your practice. By knowing how to direct the seven key indices of your practice, expansion and transition cease to be as daunting as walking on water. As one insightful person put it, walking on water is easy if you know where the rocks are. ■

### About the Writer and Patients Unlimited Marketing Consultants

As president and CEO of Patients Unlimited Marketing Consultants (PUMC) based in Los Angeles, Greg Washington is considered a leading national expert in the art of promoting aesthetic surgery services. His 30-year-old agency specializes in cosmetic surgery promotion with a comprehensive integration of internet marketing technologies. PUMC pioneered the internet marketing of cosmetic surgery in 1995.



Greg Washington

A dynamic speaker and writer on all topics regarding cosmetic surgery promotion, Mr. Washington's clients can be found in every region of the United States, Canada, Australia and Japan.

PUMC's three decades of diversified experience in managing promotion is focused on consumer paid for services. PUMC's unique approach to marketing, advertising and public relations techniques emphasizes marketing strategies that creatively employs its clients' personnel.

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