

BLUEPRINT FOR A WILDLY SUCCESSFUL MEDICAL PRACTICE

FOR MEDICAL PROFESSIONALS



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AS SEEN ON:



FOX



**THE
ULTIMATE BLUEPRINT
FOR AN WILDLY
SUCCESSFUL MEDICAL PRACTICE**

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Most Medical Professionals:

WORK LONG HOURS AND ARE FRUSTRATED!

Great Medical Professionals:

MAKE A DIFFERENCE & GET WEALTHY!

"I tend to be blunt and say things directly. If you master the information in this guide your chances of business and financial success will increase exponentially.

If you just let it sit on the desk the chances are you will continue to work long hours and your frustration and failure is almost guaranteed.'

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A Note from the Desk of Hitesh

The question I get asked the most from medical professionals operating a medical practice is along the lines of the following:

'How do I run a financially successful medical practice, make a difference and have a great work life balance?'

It is, to be quite honest, the Sixty Four Million Dollar Question.

It might be better to ask *'What* is it that financially successful business operators with a great work life balance *do* that make them successful?'

You see I have been working a 3 or 4 day week since I was in my mid-thirties. I usually take about 10 weeks off holiday a year too.

The word stress has not entered my mind for the last 10 years and I like to think I am financially successful.

It does not matter if you are running a two doctor medical practice or have 50 medical practices under your wing. Business is complex and anyone who says it is not is usually not in business, has a mental issue or is just plain stupid.

Running a business in the first few years is easy. It is a walk in the park. After a few years though, it becomes Jurassic Park. You can get attacked from any angle at any time.

In my experience most medical professionals are too busy trying to operate the business and not taking ownership of the business.

The problem is that medical school does not teach how to run a business. By the time one works this out you already have one foot in the grave.

I have dealt with over 3,500 businesses over the last 24 years. It does not matter if your business is in the USA, Asia, Europe, UK or Australia.

You cannot create or sustain a business successfully without business skills and tools. Once you master the tools positive results are inevitable.

This guide was written to give you an introduction to these tools. Absorb them. Master them. Practice them. Your success literally depends on it!

Regards, and best of luck!

A handwritten signature in blue ink, appearing to read 'J. Shankar', with a long horizontal stroke extending to the right.

PART 1: Financials & Your Business

1. Measure everything.

The best in the world at what they do are measuring freaks. Understanding what to measure and understanding what they mean could mean the difference between sensational success or catastrophic explosive failure.

So

- Measure your progress and results
- Work out what needs to improve
- Make changes
- Then measure your progress again
- Work out what needs to improve
- Make changes

And you keep on doing it and NEVER STOP DOING IT.

What KPIs is your practice manager measuring?
What are they telling you? What changes do you need to make to achieve sensational wild success?

2. Size Really Does Not Matter

Organise and make your practice stable. Only then consider opening more medical centres.

I do not know why but medical practitioners all seem to be in competition with each other about how fast they can set up new medical centres.

The goal is to get rich not to get big. You get rich by maximising profit and cash flow.

If you do this you are successful and this will allow you to get big.

Remember big is not the objective. Making money is.

3. Financial Analysis in Medical Terms

Shall I tell you why financial analysis is important?

Imagine a patient comes to see you and tells you they are feeling very tired, thirsty and hungry.

At the same time they complain of deep heavy breathing and complain of occasional chest pain,

You check their blood pressure and it is high.

In your mind alarm bells should be ringing. Chances are you will send them for a blood test, an MRI scan and an ECG.

Would you consider sending them home without these tests? If you do you will be negligent.

Well financial analysis is the same thing. These tell us what is right and what is not right financially and based on results tell you what medication is required.

If you do not do it the business could die. And if that happens how would you feel?

4. Cashflow can only increase in 5 ways!

- You sell more.
- Your expenses are less.
- You reduce the amount people owe you (debtors).
- You reduce the amount of stock (medical supplies) you hold.

- You increase the amount or delay what you pay to people you owe money to (creditors).

Focus on a couple of these and you will see rapidly increased cashflows.

5. Understand the Numbers!

Did you know we can teach you how to understand the numbers in just one day?

Yes it is that simple. There are only three parts to financials

- The Profit and loss
- The Balance sheet
- Cash Flow statement.

Once you understand this and what goes where you can make decisions that will take your business to a completely different level.

6. Expenses are Easy to Reduce.

For reasons I cannot explain, medical practices like to spend money. It is not unusual for me to review a medical practice's P&L and advise there are

significant savings to be made. This usually results in tens of thousands of dollars in savings.

Reducing expenses is the low hanging fruit which will increase your cashflow and is easy to do.

You could be bleeding cash if you do not do it.

7. Business is a Game

Like any game there is a:

- A language.
- There are winners and losers.
- There are a set of rules.
- There are good moves.
- There are bad moves.
- Strategy is crucial to winning.
- There will always be a scorecard.

Let's say you are about to start watching a game of cricket. Or even better you are captain of the cricket team.

Now let me tell you that you cannot throughout the game look at the scoreboard.

What would happen? Total pandemonium I expect. Without a scorecard you cannot see if you are winning or losing. Your team will be lost with lack of information and direction. You cannot make decisions which will be critical to the team and your success.

For example

- If you need to make 30 runs in the next 3 overs chances are you want to send your gung ho batsman in. But you cannot do that because you cannot see the scoreboard.
- If you are getting smashed all over the ground you will probably want your best bowler to slow things down a bit.
- Equally you need a scoreboard to tell you if you need to declare in order to blow the opposition out of the water.

Without a scoreboard you cannot make these decisions.

In business your figures and your financials are your scorecard. If you are not looking at them you cannot make decisions that win you the game.

Do you want to know why 60% of Australian businesses fail in the first 3 years? It's because they didn't look at the scorecard.

Learn the language. Learn how to read the scorecard. Don't become a statistic.

8. It's Not About Tax!

Almost all medical professionals pay top rates of tax. Because of this a lot of accountants come up with very complicated structures for tax minimisation.

I have seen some structures so complex that the additional cost of looking after the structure is actually more than the tax savings.

This is insane.

I have a simple rule which over the years have saved much stress and confusion.

Do not make a decision based on tax and tax alone. Make a decision that is commercial and gives you the outcome you want.

Then work out the best way to structure it so that you pay the least amount of tax.

PART 2: PEOPLE IN YOUR BUSINESS

9. Bookkeeping Is Mega Important

Probably more than you think. Accountants don't like me saying this but sometimes I think bookkeepers are more important than the accountant.

This is because as stated above they are maintaining your scorecard. If they get the scorecard wrong your decision making is going to be wrong.

Most Australian bookkeepers are poor. This is because they cannot get their heads around a 70%/30% split, and a management fee. I have found generally the GST is all wrong and amounts posted incorrectly.

But get a good bookkeeper and it should be all singing and all dancing.

So how do you choose a good one?

Ask these three questions:

- i. Number cruncher only?

Does your bookkeeper just crunch the numbers but not speak to you or your accountant on a regular basis about what they show?

If you have a bookkeeper like that then change and change NOW!

- ii. Do they Give Reports

Are they voluntarily giving you reports such as P&L, balance sheet and cash flow and talking to you about them? If they are they have an understanding of your business.

- iii. Will they guarantee their work?

We see so much bad bookkeeping I now tell my clients that they not engage a bookkeeper unless the bookkeeper is willing to guarantee their work.

My bookkeeping business CrystalClear Bookkeeping will guarantee its work no questions asked.

If your accountant feels the bookkeeper has not totally performed you can ask the bookkeeper for a refund.

My experience shows that those that are good have no issues with giving a guarantee. Those that are not confident will run a mile.

10. The Most important person is not you. It's your Practice Manager

Sorry to be a hit on your ego. My experience is that the quality of your practice is directly dependent on the quality of your Practice Manager.

So if you have a good practice manager expect an average medical practice. It will not be great or poor but adequate.

If you want to be adequate then that is fine.

Find an outstanding practice manager and your practice will be outstanding.

The best way to tell if you have an outstanding practice manager is to analyse how much time the owner is sucked into practice management matters.

My experience is that most owners get sucked in so that they end up doing practice management work.

You pay a practice manager to run and manage a practice. You should not be getting involved in managing at all unless it is at the highest level. That is why you pay them as a practice manager.

If you are getting sucked into practice management work then it may be time to tell your practice manager to step up.

11. Keeping Doctors is tough!

Actually it's not. Do not assume that paying them more will make them happy or will stop them leaving.

I have some doctors who are on 80%/ 20% and are still unhappy.

If your practice is like any other practice there is no reason for the doctor to stay.

Make your practice different and unique and you give a reason for your doctors to stay.

Make you practice a great place to work. Make the culture a fun place to be and you might find your doctors become long term doctors.

12. It's About Leadership!

Believe it or not you are a leader. You might have not had any formal training or have any knowledge on the matter but to your team you are a leader and they will be looking to you for inspiration and guidance.

There are so many hats to wear and so many things to do. And no one taught you how to do it.

So what makes you a good leader?

i. Forward thinking

You have to understand changes required in your business and understand changes that will happen in your industry.

You need to show your team you are progressive as well.

If you don't your business will stand still and stop growing. If you stop growing then technically you are dying.

ii. Team leadership

This part is hard. Some days you have to be part of the team and other days you really need to remind your team that you are boss.

It is a balancing act.

Learn it. Become good at it because 70% of your issues will relate to your team.

iii. Be aware of your strengths & weaknesses

An analysis of this could keep you sane and in business. There will be some things you are awesome at and other things that you are terrible at.

There are 7 things you need to do successfully in your business. They are:

- i. Know where you are now
- ii. Continue to add value to patients
- iii. Marketing

- iv. Have set sales systems
- v. Understand the financials.
- vi. Ensure everything is optimised
- vii. Create raving fans

The problem is you won't be great at doing all these things. This means you spend time on what you are good at and like and then leave the bits you don't like.

It's a bit like a car. If all parts are working perfectly your car will get round the track in record time.

However, if just one part of your car is not perfect that record time just will not happen.

Work out what you are good at. Work out what you are bad at, Then work out how you are going to get the bit you are bad at to work!

13. Get Someone From the Outside to Look In

You might be thinking that this is self serving but let me tell you something.

I consider myself one of Australia's leading business growth strategists for medical professionals.

That basically means I know a thing or two about growing a business. Yet I still have a coach from outside my organisation who assists me to see things I do not in my own business. They make me accountable and make me do things I don't necessary want to but are essential for my business

I will also tell you I would not be what I am without a coach and outside advisor.

Most successful business owners I know talk to or have coaches. I think it is absolutely essential to have this if you truly want to be successful in business.

Medical practices that work with me make on average 3 times more than they made when they first started with me.

So if you want to be really successful you need to find a coach or external business advisor.

PART 3: OTHER THINGS

14. Where Are You Right Now?

The only way you are going to work out where you want to go is to work out where you are right now.

This is the first part of a strategy day.

The purpose is to find the gaps in your business. It will not solve and fix gaps it just identifies them. It is a day of questions, not answers. The answers come later.

A typical strategy session should cover:

- i. Remind yourself why you got into business
- ii. Key financial performance
- iii. Your current team
- iv. Your current systems
- v. Your existing strategy
- vi. Your personal life and work life balance
- vii. Your estate planning, insurance and retirement.

I run these on a regular basis and they have the ability to take your business to a completely new level.

15. It's About Patient Service

You might think your patients are concerned about medical care provided when they visit you. They are. But not as much as you think they are.

There is a reason for this. You may think that your practice is the best in your area. But as far as your patients are concerned their experience is that your practice and your competitors practice is not that much different.

Our research suggests that patients feel that overall the medical care from one practice to another is not significantly different in terms of medical care.

They prefer the same doctor and are likely to trust them more but the actual medical care they receive is not perceived to be superior.

My research suggests that patients are really concerned about:

- In major cities – parking.
- Wait times at the surgery.

- How long/ easy it takes to book an appointment.
- When the next appointment will be available.
- Cleanliness of washroom facilities.
- Lack of follow up communication.
- How inviting reception is.
- Reception friendliness.

For brownie points

- Free Wi-Fi.
- Self contained play area.
- Patient surprises .
- Patients called by their first name .

If you can provide this then you will be seen a bit better than your opposition.

16. What makes you Unique?

How often do you ask this?

I ask it a lot so I have carved out uniqueness in my business.

60% of patients leave or change medical practices because they do not see a difference between one centre & another. And they are right.

90% of practices have no perceived difference from each other. They all think that giving good medical advice is their difference.

But let me ask a question. When was the last time you heard a medical professional say there were not really good at what they did?

After reading this you might think you are not unique but should be. Work out what it should be. Then become it.

17. Are you an Artist, A Manager or an Entrepreneur?

Does it matter?

The word Entrepreneur is used so loosely nowadays. I have opened 8 businesses, sold two and currently run four. I still do not classify myself as an Entrepreneur.

I am an artist. This means I have great passion for what I do. It also means in order to help others I am

happy to do it for a discount or free. A bit like a hobby.

Artists generally make less money in business and are happy to work long hours on their passion.

They do not have much time for systems and procedures or make the best financial decisions.

About 85% of medical practices are operated by artists.

Managers like to organise and put systems in place. And until they are in place they may not put products or service out to market.

Entrepreneurs are mostly interested in getting returns.

So which one are you and why does it matter? Well artists need people around that are not artists. They need partners who are Managers who can get systems in place. And they need Entrepreneurs around them to ensure money is made.

Problem is that as humans we like to hang around people like us. So when we hire or find partners we end up with people like ourselves.

So what are you? Your answer will tell you who you need around you.

18. Is My Structure Right?

Australia is obsessed with entity structures. There is a reason for this. Get the structure wrong and you could end up paying a lot of tax.

Accountants in their obsession to reduce tax bills come up with some really complex structures.

So complex that even I end up scratching my head trying to work things out.

My advice is never to do anything just to avoid tax. Make sure it makes sense to you.

Some people can handle complex matters. Others just want to keep it nice and simple.

I am a nice and simple guy.

I have seen tax avoidance structures, asset protection structures, investment structures and business trading structures. All for the same family.

It can get so complex that any tax savings go to the accountant for the extra work required to keep the structures in place.

But you must understand your structure and you need to understand why you have the structure you do.

19. What's the Why?

If you are a medical practitioner I have immense respect for you. I admire your profession.

The reason is because you probably entered the profession to make a profound difference in people's lives.

Your profession is the one that has made massive strides to human wellbeing over the last century.

But why did you really get into this profession?

What was the real purpose? Right now when you look at what you are doing are you ultimately fulfilled?

When you retire and look back at your life will it be fulfilling for you?

You need to be able to answer these questions but if you feel you are slightly off track these questions have the ability to put you back on track.

20. What is your legacy?

Work this out and you have worked out your purpose.

This in turn helps you to focus on what is important.

My legacy is to help as many medical professionals reduce their working hours and increase their profits so that they can have an outstanding life with the ones they love.

This guide is part of that legacy. I focus on what matters to me this in turn makes me happy

So what will be your legacy?

Spend some time on this, Think about it. Now just do it!

PART 4: CONCLUSION

If you master the above 20 points it will take your medical practice to a completely different level.

It's time for you to take action, start planning, start thinking and work out who can help you create an *wildly Successful Medical Practice*.

About Hitesh

Hitesh is a speaker, author, Chartered Accountant and regarded as the leading authority on reducing working hours and increasing profit for medical professionals in Australia.

With over 24 years of practical experience Hitesh has dealt with over 3,500 businesses worldwide.

Coming from a working class family, his parents instilled in him such values as honesty, integrity and respect. He started his accountancy career at a small practice where he qualified and quickly moved to a larger practice where he learnt everything about large business.

He progressed from there to join a smaller practice run by his brother. Here he learnt everything about small business.

In 2004 Hitesh set up his own practice and in 2005 set up a second business.

In 2008, Hitesh sold his UK businesses and made a lifestyle choice, moving to Brisbane, Australia.

In 2011 he set up WOW! Advisors & Business Accountants and then in 2014 set up CrystalClear Bookkeeping. In 2018, he set up MediSuccess a business servicing medical professionals in the area of accountancy, tax and business advisory.

His passion, is to advise small and medium-sized businesses and business owners who feel they are working excessive hours but not achieving full potential. Hitesh then develops strategies to reduce their working hours and double their profits.

In 2015 Hitesh published his first book *Double Your Profits and Halve Your Working Hours for Medical Practitioners*.



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