



Looking for Outside Help

Consultants can energize a stagnant practice.

BY TIMOTHY W. BODEN, CMPE

Reprinted with Permission from The Journal of Medical Practice Management, Mar/Apr 2020, pgs. 263-265, copyright 2020 Greenbranch Publishing, LLC, (800) 933-3711, www.greenbranch.com.

Veteran practice management consultant Jeffrey J. Denning says that his typical client is a “better-than-average performer with a desire to continue improving.”¹ We agree: Most best-run practices (of all sizes) will at some point find themselves needing the services of a professional practice management consultant. But to be honest, we’ve known more than a few physicians who hold very negative views about management consulting—some bordering on utter contempt.

That really doesn’t make much sense, though. Everyone uses consultants on an almost daily basis. We call on professionals like accountants and attorneys when our practices need focused, specialized help. We call an electrician or a plumber when we need help with wires or pipes, and a mechanic when the car won’t run. And the list goes on and on.

So what is it about management consultants that seems to trigger a fair amount of skepticism among so many doctors? We’ll let the Behavioral Analysis Unit figure out what emotional or psychological dynamics are in play and focus our attention on a more practical reason: Too many medical practices have wasted a lot of money on poorly executed consultant engagements.

Consulting failures often start going wrong from the very beginning. Perhaps the practice has only a vague idea that it needs outside

help. Perhaps colleagues in a nearby practice have offered a glowing report about a dramatic move forward under the guidance of a wonderful consultant. Maybe one of the partners has returned from a conference with the business card of a charismatic advisor who delivered an insightful presentation.

Regardless of what started the process, if the practice moves forward without an adequate sense of why it needs a consultant, it shouldn’t expect to be satisfied in the end. How can a consultant satisfy

balances from the previous system. A receivables management specialist might be the way to go.

- **External change force** (“*political cover*”). Sometimes, companies face tough decisions they find virtually impossible to execute. Bringing in a consultant allows the company leadership to move forward on the advice of a disinterested outside expert. In the medical practice: Several senior partners are approaching retirement and expect an unrealistically high payout when they sell their shares in the practice. An ex-

Consulting failures often start going wrong from the very beginning.

ill-defined (or unexpressed) expectations? The best consultants begin with a preliminary process—before accepting a formal engagement—during which they elicit the reasons and expectations the prospective client brings to the table.

Why Hire a Consultant?

Across multiple industries, corporations bring in outside help for a number of reasons. Management Consulted, a Web site with resources for consultants, offers six common objectives²:

- **Temporary staff augmentation.** Special projects, strategic transitions, and troubleshooting initiatives bring temporary workloads that regular employees can’t handle. A management consultant can help you staff up without creating new positions. In the medical practice: Following a billing system conversion, the practice needs help billing and collecting old

performed management consultant can help the partners sort out the valuation and payout process and revise the practice’s buy-in/pay-out agreement.

- **Broad-based ideas and “best practices.”** Consultants have the advantage of solving problems in a variety of settings. They have seen what works best—sometimes across multiple industries. In the medical practice: The physicians have “hit a wall” in productivity. They’ve heard that similar practices often achieve a 15% higher throughput than they have been able to reach. A consultant with expertise in systems design and patient-flow efficiency can help them decide if they need to build a new building, overhaul their scheduling system, or revise their staffing plan.

- **Analytical horsepower** (*additional project-based skills, time, and resources*). Consultants and their sup-

Continued on page 112



Outside Help (from page 111)

porting firms bring analytical skills that may not be resident in the client's practice. They have focused skills needed for a particular project. In the medical practice: The physi-

outside consultant to accomplish. You might engage an expert team of advisors to help you explore and construct a merger with another medical practice. You might hire someone to guide you through the process of valuing and selling your practice. You

ask a prospective consultant about an engagement that didn't go well. A few excellent advisors describe consulting failures—without placing all the blame on the clients. It's more important to hear that the consultant learned something useful from a bad project than for him or her to have a spotless record.

When it gets right down to it, you could end up with a short list of several equally qualified consultants that fared well during your vetting process. What then? Sometimes, it's a matter of "chemistry"—which one makes you feel the most confident? Which one seems to "get" you? As you work through the pre-proposal process, listen carefully. Jeff Haden, an experienced manager and author, recommends listening for 8 Things Great Consultants Say³:

- *I don't know.* A consultant willing to admit this is more likely to take a collaborative approach to the engagement.
- *Implementation will be a bigger pain than you had hoped.* Beware the consultant who sugarcoats the project. All projects are disruptive.
- *We can't provide a turnkey*

It can be interesting to ask a prospective consultant about an engagement that didn't go well.

cians have learned about new ancillary services that have proven profitable in other groups of the same specialty. The group's administrator has never conducted a sophisticated pro forma analysis. An experienced consultant can bring the thoroughness and accuracy to help make a rational decision about implementation.

- *Fresh perspective.* Companies sometimes fall prey to a sort of "inbred" thought process. A fresh set of eyes can see problems and solutions that have been "hiding in plain sight." In the medical practice: A specialty practice worries over dwindling referrals from local physicians. The shift can't be explained by managed care contract requirements or health-care system realignment. An outside consultant may investigate and discover dwindling patient and referring physician satisfaction and recommend a corrective course of action.

- *Training and skills development for permanent staff.* The employees of the client company can develop new skills and gain experience by working through a project with a skilled consultant. In the medical practice: The practice administrator reports to the physicians that the practice's revenue cycle performance lags significantly behind industry benchmarks reported in survey data—despite the billing staff's best efforts. A focused expert can work with the manager and staff to revise billing policies and procedures and improve staffers' coding, accounts-analysis, and collections skills.

A Good Start

Sometimes you have a fairly definite idea about what you want an

might bring in a specialist to lead you through the acquisition and deployment of electronic health records. The list of possibilities is almost endless.

At other times, you may have only a vague idea that you need some help. In those cases, the consultant's efforts will need to start with investigation and analysis—to help you uncover problems or opportunities that you can't quite identify. The specific help you need—project management, troubleshooting, strategic planning, legal or financial advice—will determine what kind of consultant you need.

Therefore, it's vitally important that you figure out what you're trying to accomplish before you start talking to prospective consultants.

Typically, you will review the training, experience, and references of more than one consultant. Most clients like to see a little gray around the temples—they want a proven veteran's advice. (Of course, we wonder where the experienced experts got their first experiences. Someone must have taken a chance on them way back when.)

Check references—period. Try to talk to former clients in similar settings (specialty, group size, practice ownership) who faced situations similar to yours. It can be interesting to

solution. The most thorough solutions require you and your staff to take the baton at some point. "Turnkey" is a misleading term.

- *I still don't understand the requirements.* This indicates the consultant's desire to have clearly defined expectations. Consultants who love "fuzzy" requirements are looking for wiggle-room down the road.

- *You can do that on your own.* Great consultants willingly sacrifice a little revenue to make sure they are serving clients' best interests.

- *Your team is telling me something different.* What the owners and managers want can be very different

Continued on page 113

To get the most out of a consulting project, act immediately on the consultant's recommendations— "before they are lost in the organizational inertia of your practice."⁴

Outside Help (from page 112)

from what the line workers want. A good consultant works to reconcile the differences.

- *We'll want to come back later and see how things turned out.* Consultants who equate “successful completion” with “final payment” tend to disappear after you sign the check. Good consultants care about how well the project serves you in the future.

- *No.* Some consultants have an “agree now—modify later” approach to a project. An honest one will tell you “no” sometimes. Better to be disappointed up front.

Just Another Dusty Report

We have always found at least one consultant’s report on the shelves of our predecessor when we started a new position. Sometimes we discover a beautiful bound report with full-color charts and graphs. Sometimes, we found little more than

a bunch of photocopied articles from medical practice periodicals.

To get the most out of a consulting project, act immediately on the consultant’s recommendations. More often than not, the practice had not fully implemented the advice it paid for. Those fancy reports usually came with a very steep price tag—sometimes in the tens-of-thousands of dollars price range! Whether ignored or halfheartedly implemented, those dusty binders stood as a reminder of how much we can waste on ill-conceived and poorly executed consulting projects.

To get the most out of a consulting project, act immediately on the consultant’s recommendations—“before they are lost in the organizational inertia of your practice.”⁴ We believe in the validity of a skilled consultant’s work. But the best advice will do no good if you don’t follow it. **PM**

References

¹ Denning JJ. Considering a manage-

ment consultant? Uncommon Sense. August 2012.

² 6 Reasons Why Companies Spend \$2 Million to Hire Management Consultants; www.managementconsulted.com/consulting-skills/6-reasons-why-companies-hire-management-consultants-that-charge-2-million-for-3-months-of-work/#.

³ Haden J. 8 things great consultants say. Inc. March 26, 2012; www.inc.com/jeff-haden/8-things-great-consultants-say.html.

⁴ Washburn SA, Scanlan J, Shays EM. How to Hire a Management Consultant. Institute of Management Consultants. 2007; http://c.yimcdn.com/sites/www.imcusa.org/resource/resmgr/files/h2h_2008_commercial_version.pdf.



Timothy Boden is a freelance journalist. He can be reached at tboden@aol.com.