



Addition by Subtraction

**Elimination of
non-essential
tasks increases
productivity.**

BY JON A. HULTMAN, DPM, MBA

When contemplating ways to stimulate growth in a medical practice, most doctors automatically expect that they will achieve growth by *adding* something new. Hoping to grow profits, their strategies are typically focused on finding ways of increasing patient numbers and/or supplying more services. Any marketing budgets are focused primarily on strategies designed to accelerate growth in patient volume. While it makes sense for a practice to focus on ways to increase referrals—especially in the early years of practice—strategies for mature, or busy, practices should not be limited to simply “adding more.”

Examining revenue growth from a different perspective showcases that, sometimes, the appropriate strategy for growth may be just the opposite of “adding something.”

Growing a business that provides services is quite different from grow-

ing one that manufactures products. The delivery of services requires people, and there are ultimately upper limits to the amount of output that each person is capable of providing. An article in the April 2010 issue of *Harvard Business Review* entitled

activities, and 3) change is constant. Instead of asking them to suggest additional initiatives to improve their companies, the author suggests asking employees which of their current activities and projects they believe could be terminated.

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“The Acceleration Trap” presents an interesting perspective of “company-wide burn-out problems” associated with growth.

The article identified three types of destructive activities encountered by companies as they reach maximum capacity: 1) employees are overloaded because they have to perform too many activities, 2) employees are asked to do too many types of

He cited one example where, simply by asking, “What should we stop doing?” employees came up with 540 ideas—three times the annual number of suggestions for new-product ideas. These suggestions led to the termination of 40% of the company’s projects, ultimately resulting in re-invigorated employees and an improved bottom line. Based

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THE LAST WORD IN PRACTICE ECONOMICS

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on this research, when seeking growth in your practice, part of your process should be to regularly ask yourself, your partners, and your staff the following question: “Which of our current activities and projects would we start now if they weren’t already underway?” Any activity or project that does not make this list should be considered for elimination.

An apropos quote that sums up this “less is more” approach comes from Douglas Adams, author of *The Hitchhiker’s Guide to the Universe* and *The Salmon of Doubt*. Considered quite the innovator himself, when asked about creativity and innovation, Adams responded with, “Some of the most revolutionary ideas come from spotting something old to leave out rather than thinking of something new to put in.” This concept is important to keep in mind when your goal for growth is “achieving greater profitability.”

Typically, when a physician sees a staff person who is temporarily idle, s/he often feels the need to give that person “something new” to do to keep him/her “busy,” feeling that—after all—staff are not being paid to just “sit around” and “do nothing.” The problem with this mindset is that the physician should be looking for results rather than visible activity—especially activity that adds

nothing in the way of generating better outcomes. Most of the time, a “keeping busy” activity is simply “a waste of time” which has the impact of lowering both productivity and employee morale—a lose-lose outcome. This becomes especially problematic during peak periods when a practice is extremely busy and needs “all hands on deck.”

Doctors want to grow their practices to improve profitability, but their greatest problem is that they already feel they see too many patients, have too much paperwork, and do not actually have the time to treat more patients. One strategy to consider is the one that some innovative consultants employ to “grow” their practices. A consultant who wants to grow his/her business recognizes that one proven way to accomplish this goal is to eliminate the bottom 10% of that business. S/he might refer these clients out or hire another consultant to come into the practice and handle this portion of the business.

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The same strategy can work for a medical practice. The bottom 10% of a practice may be represented by those on a poorly paying health plan, specific low margin services, or patients who could be seen by physician-extenders. In most cases, this bottom 10% consumes significantly more than 10% of the doctor’s and staff’s time. When this business is “eliminated,” the time previously spent attending to it can be redirected to more productive pursuits—such as allowing the doctor more time to listen to patients’ secondary complaints—something often ignored because the doctor is “in a rush.” This should help “grow” a practice in a direction that creates greater value for its patients and less aggravation for the doctor and staff.

These ideas are similar to the example cited in the *Harvard Business Review* in which terminating 40% of the company’s projects was the appropriate strategy for its growth. Many tasks performed in the typical medical practice are non-essential and should be eliminated. Such streamlining not only reduces costs that add no value but also speeds up the time it takes to complete and capture the value of essential projects. Regardless of what growth-focused ideas you

come up with in the future, make sure that your strategy includes determining not just what to add but, equally important, what to subtract. **PM**



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