

When to add an associate

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Abstract

As large animal veterinary practices evolve, the decision to hire an associate becomes vital in shaping their future. This article outlines a strategic framework for evaluating the need for additional veterinarian staff, emphasizing alignment with both short-term needs and long-term goals. Key considerations include assessing current caseloads, financial implications, and the practice's overarching ambitions. Effectively expanding a practice presents advantages like increased revenue and enhanced service capabilities, but also introduces challenges like higher turnover and increased operational complexity. The process of integrating a new associate requires a structured approach, including clear onboarding, regular feedback, and effective communication to ensure a seamless transition. This comprehensive breakdown provides a detailed guide for optimizing practice management, balancing growth with sustainability, and improving overall efficiency, client satisfaction and patient outcomes.

Introduction

As large animal veterinary practices continue to evolve, the decision to hire an associate becomes a critical milestone in shaping the future of a clinic. The process begins with a clear vision of where the practice aims to go and what it hopes to achieve. Evaluating practice goals and assessing whether client demands align with their desired outcomes help determine if hiring an associate is a necessary step. Key considerations include understanding the difference

between need and want, accurately assessing caseload and seasonality of the business, and the financial impact of adding an additional veterinarian. Once hired, successfully integrating a new associate into the practice requires intentional planning to ensure smooth transitions and effective collaboration.

Goal based decision making

Team expansion decisions should fundamentally be influenced by both short-term and long-term practice objectives. Short-term goals typically span a period of 1 to 5 years, whereas long-term goals extend beyond 5 years. When making decisions, whether in a solo practice, a small multi-doctor setup, or a large multi-doctor or multi-location practice, it is essential to align choices with overarching goals rather than immediate circumstances. For instance, a solo practitioner might focus on expanding services or optimizing operations within a 1-5 year timeframe, while a multi-location practice might set broader objectives that guide decisions over a longer horizon, already having had the opportunity to accomplish their short-term goals.

The impacts of expansion

Advantages

Expanding a veterinary practice offers several potential advantages, yet it also introduces a range of challenges that must be carefully managed. Hiring an additional veterinarian can significantly enhance its service offerings and capabilities. This growth can lead to increased revenue and a broader client base, as a larger practice often attracts more clients seeking a variety of services and more reliable availability. Additionally, a larger practice fosters broader networking opportunities and internal education, allowing staff to share knowledge and skills more effectively. New veterinarians introduce new skills, techniques, and innovative ideas, contributing to the practice's overall advancement. It can also help reduce individual workloads

by distributing clients among a larger team.

Disadvantages

Despite these benefits, expanding a practice comes with notable risks and challenges. One of the primary concerns is the potential for increased volatility and higher turnover rates among staff, which can destabilize the practice and tarnish reputation amongst clients. Financial implications also play a significant role; the costs associated with payroll, benefits, human resources and other staff-related costs can lead to monetary losses if not managed carefully. Cultural fit and workplace dynamics are also critical factors that can be adversely affected by expansion, as poor alignment between new and existing staff can lead to a toxic work environment, impacting overall morale and productivity. Additionally, the increased size of the practice raises liability concerns and the risk of substantial expenses for inventory and overhead. Balancing these aspects is crucial to ensuring that the benefits of growth outweigh the drawbacks.

Understanding your current caseload

When determining whether you *want* or *need* an associate, a comprehensive evaluation of your current caseload encompasses several key aspects: patient volume, case types, and seasonality. Assessing the total number of patients handled as well as invoices generated over a specific period provides insight into whether your current workload is manageable or if additional help is required. High patient volume can indicate a need for extra hands to maintain the quality of care and manage appointment flow efficiently. The variety and complexity of cases encountered also impacts the decision; if your practice deals with a wide range of case types, including those requiring specialized knowledge, it may be beneficial to bring on an associate with expertise in these areas. The nature of large animal practice also creates seasonal fluctuations in patient volume which directly impacts cash flow. Analyzing seasonal patterns can help in planning for

periods of increased demand, as well as a time period where the business can sustain temporary reallocation of funds.

Reports to evaluate caseload

1. **Product Analysis by Employee:** This report offers a detailed view of how each veterinarian contributes to the practice in terms of product and service delivery. It can reveal disparities in workload and identify if certain employees are overburdened.
2. **Summary Report:** A summary report consolidates data on new clients, gross revenue, invoices, patients seen, and average invoice amounts over a specified period. This report is important for assessing overall practice performance, growth and financial health.

By analyzing these reports you can make an informed decision on whether you merely want an associate to expand services or need one to manage the practice effectively. Having these numbers can also help predict the distribution of cases amongst a greater veterinary staff, as well as make predictions for revenue generation. This strategic approach ensures that any additional hires are justified and that your practice continues to operate profitably.

Assessing demand

Understanding and responding to demand is crucial for optimizing the performance of veterinary practices. This involves evaluating various factors such as historical data, client retention, service gaps, revenue trends, and client feedback mechanisms.

Historical data and utilization trends

A thorough analysis begins with examining historical data including identifying missed opportunities and fluctuations in service utilization. By reviewing past data, practices can

uncover patterns and trends, such as increases or decreases in current service utilization to better tailor what skills and interests should be required of a potential candidate. Additionally, tracking the postponement or decline of services due to unavailability rather than market changes helps in understanding how well the practice meets client needs and where resources are necessary.

Client retention and service gaps

Client retention is another key indicator of demand and practice health, as returning clients hold stronger relationships with your practice and are more likely to welcome a new associate.

Practices should track client attrition and gauge the impact of current staffing levels, service quality and availability. Additionally, identifying services that clients are interested in but that the practice does not currently offer can reveal significant service gaps that could be filled by additional team members. Addressing these gaps not only helps in retaining existing clients but also attracts new ones.

Client surveys and feedback

Gathering feedback through surveys doesn't always mean email campaigns and mailers.

Speaking candidly with clients about their experience with your clinic during appointments provides valuable conversation into client satisfaction. Clients can offer input on wait times, availability, service quality, and overall care.

Costs of associates

The expenses associated with associates extend beyond just salary and can significantly impact the overall profitability of a practice. The structure of an associate's salary can vary widely.

Some practices offer a base salary plus production bonuses, while others may provide only a base salary or a compensation plan based solely on production. Other common payment methods

include hourly wages and day rates. These variations in salary structure need careful consideration to ensure they align with the financial goals of both the associate and the practice with a strong consideration of the associates abilities. The benefits package for associates is often comprehensive in today's market, and can include a wide range of offerings. Health insurance is a common benefit, alongside disability and liability insurance. Licensure and membership in professional associations are also typically covered. Many practices offer retirement plans, continuing education (CE) opportunities, and paid time off (PTO). Additional benefits may include parental leave, staff discounts, and provisions for essential work-related tools such as vehicles, cell phones, computers, and uniforms. There are also overhead expenses that may be easily overlooked but are essential to account for such as duplication of essential equipment and an expansion of inventory. In addition to direct costs, there are also soft costs related to the recruitment, onboarding, and management of associates. These can include expenses for ad placement, the time spent interviewing candidates, and the cost associated with travel, lodging and meals during their interview. Furthermore, time spent training and teaching new associates represents an opportunity cost that should be factored into the total onboarding expense.

Financials

Analyzing the cost-benefit of hiring a new veterinary associate in a large animal practice requires careful consideration of client demand and financial allocation. In a typical practice, overhead, doctor compensation, staff compensation, cost of goods sold (COGS), and profit each account for about 20% of gross revenue. Looking at the current percentage allocations can give you an idea if you're overspending in certain areas, or if you have room to spare in others. The projected revenue generated by the new associate should ideally cover these costs and contribute to profit, ensuring the practice remains financially sustainable.

Financial projections alone can play a decisive role in assessing whether hiring a new associate is feasible. To calculate sustainable production expectations for an associate based on desired salary, consider that the compensation for a large animal veterinarian is typically 21-24% of production. For instance, an associate aiming for a \$100,000 yearly salary would need to generate between \$416,667 and \$476,190 in annual revenue. While salary compensation is something easily calculated, the additional cost of benefits should also be considered, as this can add another 20-30% of salary to the total compensation package.

Effective integration of a veterinary associate

Successfully integrating a new veterinary associate into a large animal practice requires a well-structured approach, starting from day one through regular feedback and communication. The goal is to ensure a smooth transition, both for the new associate and for the practice, while maintaining high-quality care for clients and their animals.

Day 1 Skills and Onboarding

From the first day, it's crucial to have a clear onboarding plan that introduces the new associate to both the clientele and the practice's systems and protocols. Even before their first day it is important to communicate your expectations for the skills they should possess when starting. It would not be fair or realistic to expect a new graduate to take over an experienced veterinarian's caseload immediately and obtain the same results. This structured introduction should provide a timeline for training, clearly outlining when the associate will be expected to operate autonomously and what level of continued support they can expect with built-in extensions if needed. Additionally, consider any lifestyle changes specific to the region that the new hire may

need to adapt to, especially climate change or seasonality of business, ensuring they feel welcomed both professionally and personally.

Communication Strategies

Regularly sharing progress on revenue production and training with both the new associate and the rest of the team ensures everyone is on the same page. Establish clear communication guidelines, detailing who the new associate should reach out to for help and when. This clarity reduces confusion and can alleviate stress or anxiety from not knowing when it is appropriate to ask for help. Moreover, it's essential to inform clients about your new associate, including what their role will be within the practice. Personal introductions to your top clients can foster trust and comfort, both for the clients and the new veterinarian.

Ongoing Feedback and Evaluation

Feedback should be a consistent part of the integration process. Set up mandatory feedback sessions at specific intervals to assess how well the new associate is adapting. Regular check-in meetings provide a platform to address any challenges they may be facing, while periodic evaluations allow for more in-depth discussions about their progress. This ongoing evaluation process offers an opportunity to make any necessary adjustments or improvements to their training as well as your practice systems. Keeping detailed documentation of these evaluations and meetings will be invaluable for future reference and continuous improvement.

By focusing on these key areas—initial onboarding, clear communication, and ongoing feedback—you can help ensure that your new veterinary associate becomes a valuable and well-integrated member of your practice. This structured approach not only supports the new associate

but also strengthens the overall operation of the practice, benefiting both the team and your clients.

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