

Dear Client,

Mentor Solutions delivers strategies and practice management techniques our clients can implement to grow their practice in any economy. With that as our ongoing commitment, we are pleased to provide you with another edition of *Mentor Solutions Insight*. It is our mission every month to deliver information that can help your business grow using practice management tools that have stood the test of time and proved to be successful for many cosmetic surgery practices.

In this edition of *Mentor Solutions Insight*, we conclude our informative three-part series, ***Beating the Recession***. We also provide you with news about upcoming events and promotions that will help you position your practice for long-term growth and prosperity.

We hope you discover real-world information in this edition of *Mentor Solutions Insight* that you can put to use immediately, and we look forward to your feedback and answering any questions you may have about the material.

Regards,
Layli Sobhani
Director, Marketing for Mentor Solutions

Beating the Recession, Part 3

*By Marie Olesen, Executive Consultant, Mentor Solutions
and Founder of Inform Software*

At last. There are hopeful signs the economy may be on the mend. At the recent ASAPS meeting in Las Vegas, many surgeons reported strong April numbers. For some practices, they were the best numbers in over a year.

Mentor Solutions' data further reinforces the hope that things are getting better for plastic surgery practices. New patient call activity, which has been down as much 9% against 2008, has retreated a few percentage points to -5%.

Let's not get too confident and miss this opportunity to get strategies in place that make our practices more recession proof, now and in the future. We still need to stimulate new patient calls, but the question as always is how to best do so.

When developing your plan, here are some key statistics you should consider:

- **FACT:** Frederick Reichheld of Bain & Company reports that acquiring a new customer can cost six to seven times more than retaining an existing customer.
- **FACT:** Reichheld also noted that businesses that boosted customer retention rates by as little as 5%, saw increases in their profits ranging from 5% to a whopping 95%.

Given these compelling numbers, we wonder why so little effort and resources are applied to growing revenue from existing patients.



Tapping into your base: Mentor Solutions consultants monitor the most effective referral sources for hundreds of practices. Most practices earn 50% or more of their revenue from retention and referral. Additionally, our analysis of conversion and capture rates shows that these sources produce more committed prospective patients who are more likely to buy.

The lesson here is that you should take advantage of Reichheld's observations to boost your revenue. Mine your existing patient database for additional cases and other services. However, consider this one important caveat: While the cost to communicate to your established base is significantly less, it requires consistent effort and more sophisticated infrastructure.

Understanding your referrals: To boost activity from retained patients you need more granular data, so you can determine which sources produce what percent of your revenue. If 45% of your revenue is from established patients and 10% is from physicians, then your highest priority should be regular communication with the source that produces more revenue. Once that's accomplished, you can develop a program designed to maintain and grow physician referrals.

Engaging your patients: To intensify communication with your "base," you must create a budget and a marketing plan. More and more practices are turning to e-blasts to engage their existing patients and motivate them to make additional purchases. To get started with an e-blast program, you'll need:

- E-mail addresses and documented "opt in" permission to send e-mails
- An e-mail template that complements your overall branding
- A service provider such as Constant Contact, to send e-mails, provide "opt out" functions, and minimize spam
- Statistics that allow you to evaluate and measure program effectiveness

Keeping it fresh: Your e-blast program should include frequent deployment. You won't see results by sending one e-blast every six months. Timely content and time-sensitive offers increase open rates and product and services sales.

Blogs are another way to keep current and prospective patients connected to your practice. They are easy to implement and as simple as e-mail. But, as mentioned above, they are time intensive and require consistency to be effective.

By developing a program to keep in touch with your patients, you can build loyalty, increase repeat business and enhance referrals – all while lowering your patient acquisition costs.



The Power of Online Marketing: A Case Study

How One Practice Uses The Web To Generate 30% Of It's Revenue.

Situation

In the late '90s, successful cosmetic surgery practices used the yellow pages, newspapers and magazine ads to market themselves. However, a few young Turks saw the potential in Internet marketing and embraced it. Today there has been a 180-degree swing and virtually all practices have double-digit, web-based referral revenue.

With the decrease in call volume associated with the recession, and an increasingly competitive market, many practices recognize that just having a website presence is not enough. In the new Web 2.0 era where the web is a universal platform, practices need a complete online marketing strategy that consists of an up-to-date website, SEO/SEM marketing and a dedicated electronic marketing campaign. The goal of this focused effort is to aggressively pursue customers rather than waiting for them to come to you. Jeffrey Gitomer identified the issue facing us all with his quip, "It's not who you know, it's who knows you."

Enlisting Help from Mentor Solutions

Always a savvy marketer, a client of ours leaped ahead of the competition eleven years ago and created a great website in the Spring of 1998. For the next several years, his practice earned 10-15% of its revenue from the Internet.

Wanting to keep pace with patient behavior and maximize his revenue opportunities, he contracted with Mentor Solutions to revamp his website in 2007. He recognized that to stay ahead of the curve, he needed to update his strategy that included not only his website, but also the development of an electronic media marketing campaign. His goals were to:

- Upgrade his website appearance to reflect a more modern practice branding
- Grow traffic and activity on his website to offset increasingly less effective traditional media
- Generate higher quality leads that were more likely to schedule surgeries
- Develop subscriber lead generation through an electronic ad campaign

More than a visual facelift, he improved the electronic code in his website and enriched his text with keywords, so the site would be better recognized by search engines. He upgraded his photo gallery, added special promotions, patient testimonials and video presentations. Lastly, mini Contact Us forms were added throughout the site, which increased the number of leads exponentially.

The changes didn't stop there. He recognized that an updated website and increased SEO investment wasn't enough. This was a powerful tool for attracting new patients, but he also wanted a marketing program aimed at his existing patients.

After analyzing his top six referral sources, he recognized that 60% of his revenue came from referred and retained patients. He needed a unique, but economic strategy to tap into this powerful source of revenue.

His initial e-blast strategy focused on increasing existing patient awareness of other services his practice provides. He also used time-sensitive special offers to augment his revenue during known slower periods.

The Results

Mentor Solutions created a visually appealing and highly functional website that has doubled his online revenue. His website referrals now represent 30% of the practice's revenue, and they are achieving their monthly goal of new Internet activity.

At the outset, his electronic campaign had a high frequency, which was once a month. Through tracking and analysis of his e-blast open rates, the practice revised its strategy to quarterly communications and continues to achieve strong success. Patients are opening his e-ad campaigns at a higher-than-average rate of 35%, and featured products are selling well.

Feedback

The importance of a website transcends its initial marketing goals of 10 years ago. Today, it is a core part of a necessary communications and sales strategy. For this practice, the addition of electronic campaigns met the goal of increasing awareness among existing patients. The positive patient responses demonstrate that the practice is now fulfilling a previously unmet need. Additionally, they are receiving new activity through referrals from these existing patients. Bottom line, by implementing strategic online strategies developed by Mentor Solutions, this practice can credit an effective use of Internet marketing with helping them weather the recession.