

The Climb of DPC Entrepreneurship

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Participate in polling questions and submit your questions to <https://aafp4.cnf.io/>



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Learning Objectives

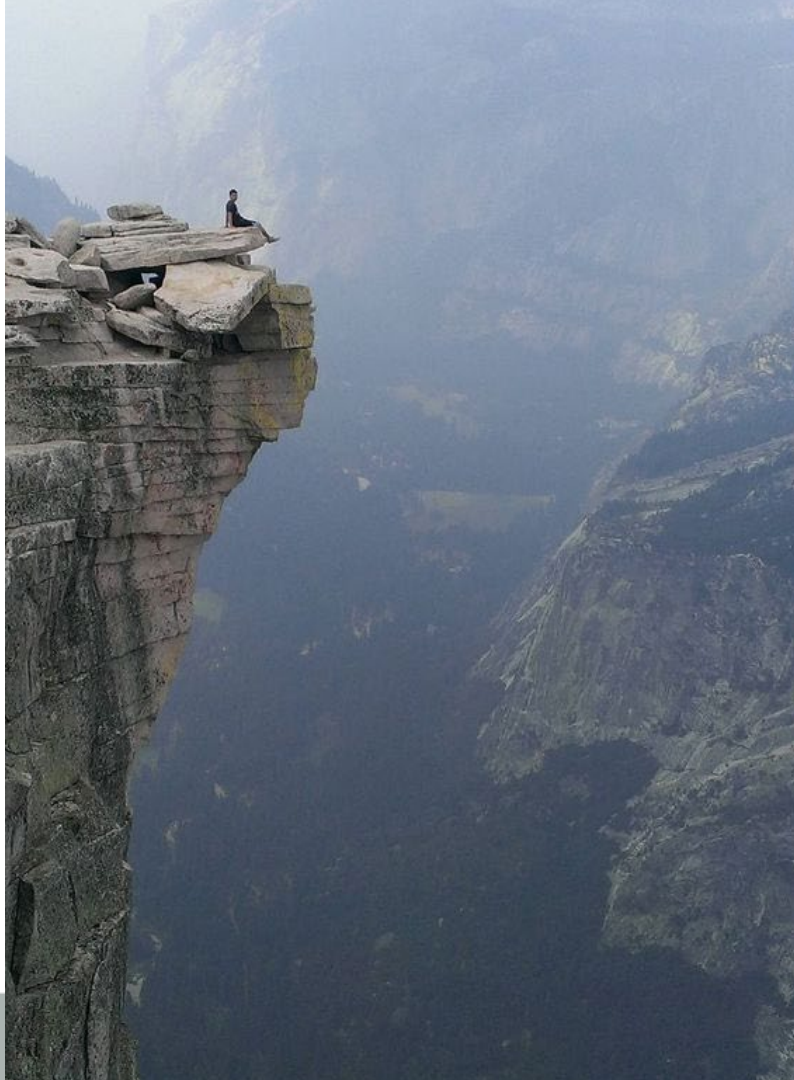
By the end of this educational activity, participants should be better able to:

- Understand common growth challenges in entrepreneurship outside of health care models to further your business.
- Review fiscal data of 20-plus current DPC practices to further authentic understanding of expected profitability, growth margins, and overhead spending in order to reassess pricing structure and business planning for your own planning.
- Gain greater insight into services that can be readily incorporated into cash pricing in health care models to improve profitability and business offerings.



Introduction





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The Why: Entrepreneurship

- Independence
- Task-and-reward run by others to one run by you
- Opportunity for self-actualization
- Bend the arc of your life and lives around you
- Inspired → plan → risk tolerance → grit → survival → gain → growth → joy (?)
- Once you've crossed the chasm...





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Agenda: Where We're Headed

- The Middle of the Climb: Peaks & Valleys Ahead
 - Growth Challenges in Entrepreneurship
- Where Are We Now?
 - 20 DPC Docs Share their Money/Growth Data
- The Next Mountain
 - Adjusting your Vision to Keep Climbing
 - Growing to Sell (what we haven't talked about in DPC)





The Climb: Where Are You?

- a) I just opened! Don't even talk to me about the next phase.
- b) I'm not terrified about money...what's my next step?
- c) Oh my gosh. This has been awesome and we need another doctor or more staff or more something or...
- d) I am really happy where I am and don't want to grow, expand or change my model.
- e) I am a success! I have multiple employees and I'm out of the 'middle'.

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Who Is This Talk For?

2

3

01

ANTHEM OF DEPARTURE

You're marching down a ticker tape parade while your friends offload heaps of heart emojis at your Instagram account. The American dream is alive and well.

02

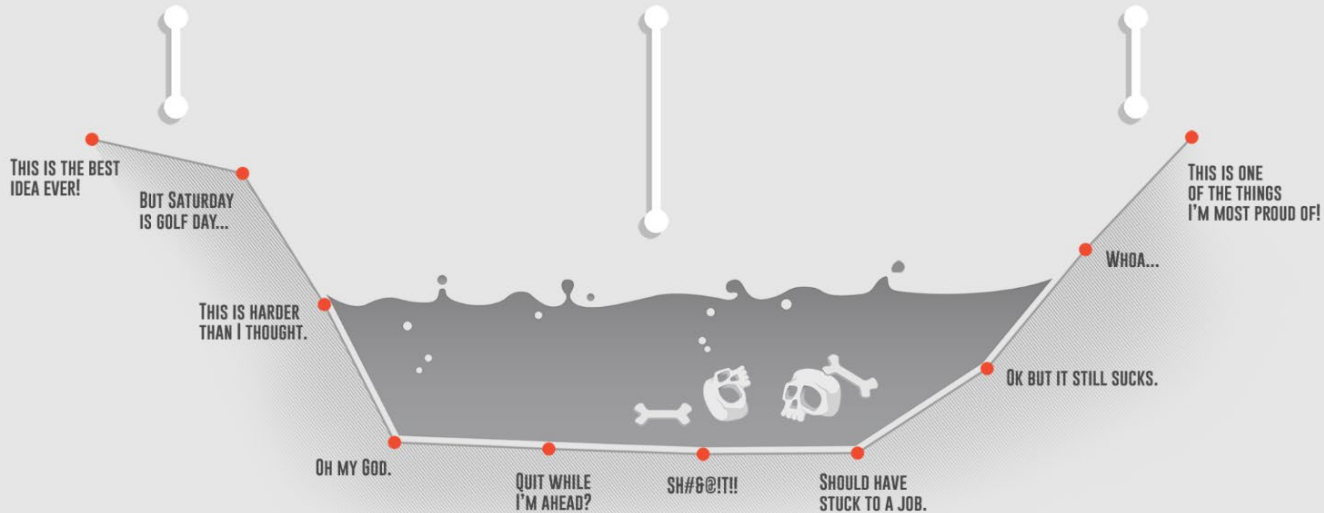
DARK SWAMP OF DESPAIR

By now your friends have moved on to cryptocurrency and inspirational quotes from dead people. You however unplugged from the matrix and life got real. Get your grit on.

03

METAMORPHOSIS

Having endured a marathon of beat downs and self-doubt, you realize as you approach the finish line that the world you always wanted to change actually changed you.




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OPPORT



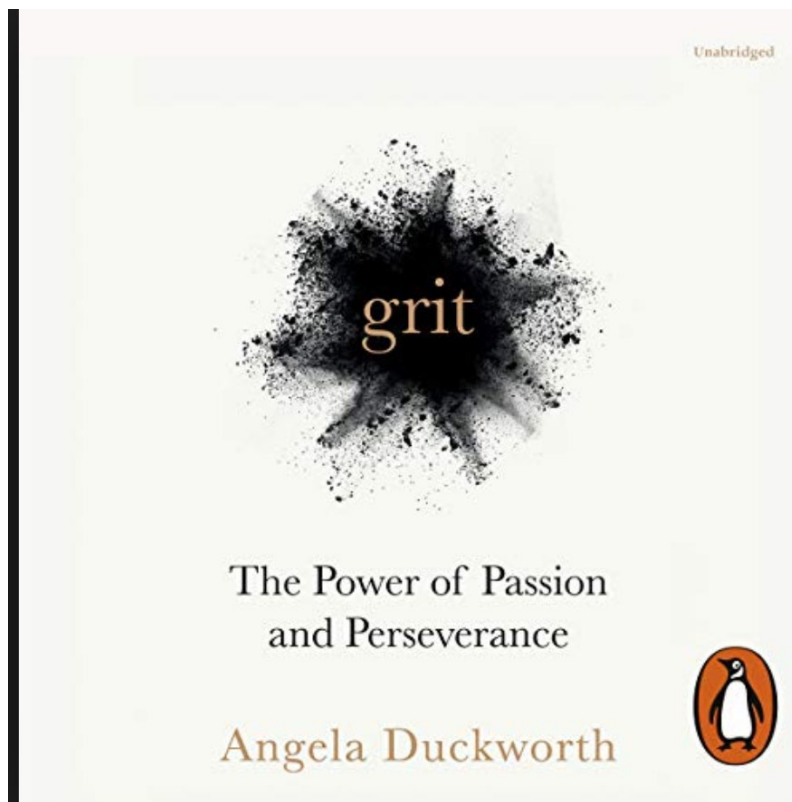


Which of the following is the *greatest* predictor of success?

- a) Knowledge
- b) Talent
- c) Experience
- d) Grit
- e) Resources

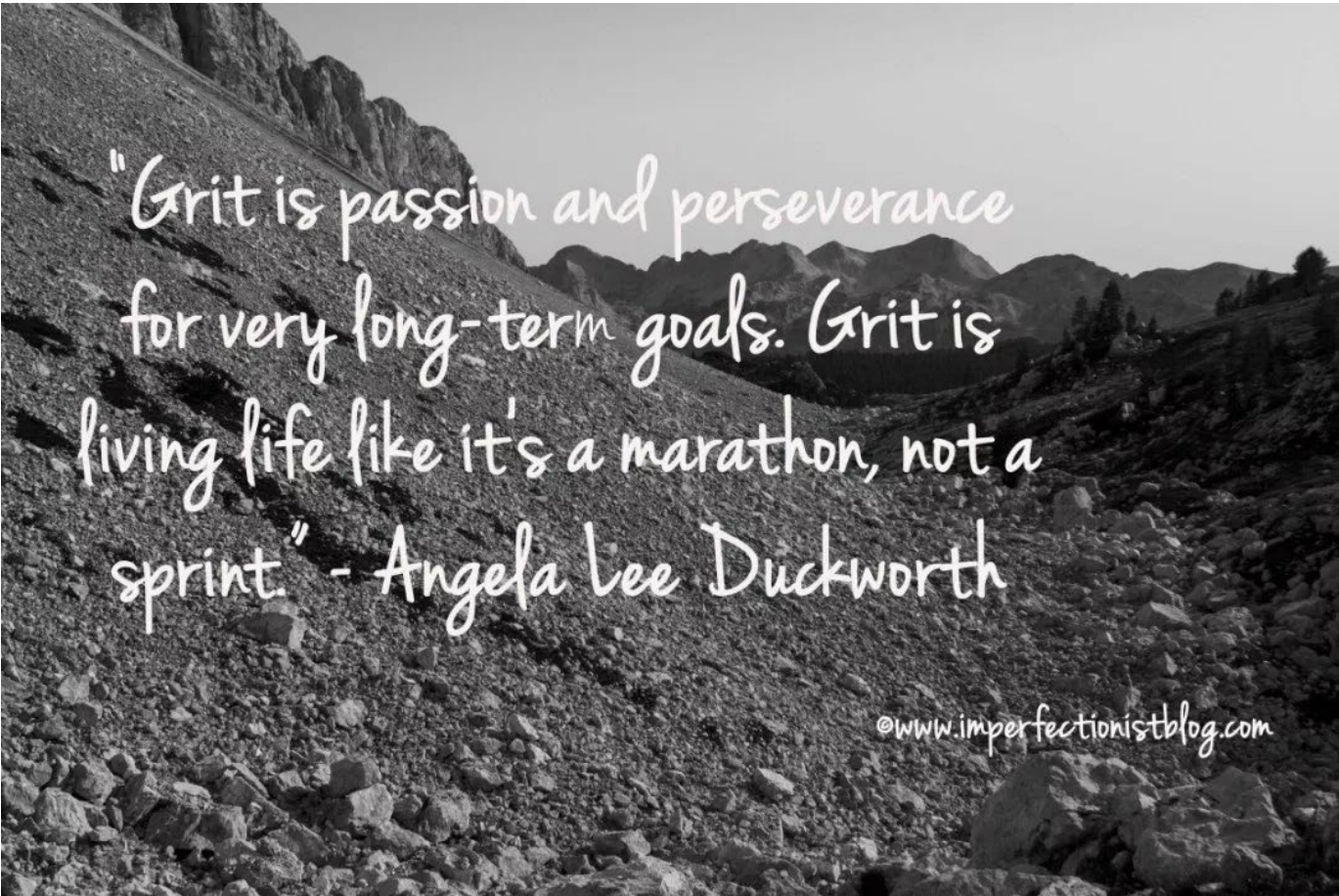
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"Grit is passion and perseverance
for very long-term goals. Grit is
living life like it's a marathon, not a
sprint" - Angela Lee Duckworth

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A Job or a Business?

Microbusiness: owner/principal does primary work of the business.

- owner bakes the cookies, sells the cookies, opens/closes shop
- priority is a steady stream of income
- business and owner are inextricable = business is a job.

Small Business: owner/principal must LET go of many of the prior roles he/she held and learn to hire and manage.

- principal trains others to bake and sell cookies
- principal transitions to consultant, coach, visionary



A Job or a Business?

It's important to note that the role of the entrepreneur changes dramatically as a business moves from micro to small. In fact, at the point of transition, the principal has to let go of doing the very thing that made the company successful at the prior step. In a micro business, the business lives or dies based on how well the owner performs the primary work of the business. This makes sense. You have created a job, and you keep it or lose it based on how well you do the work.

But, if you choose to grow to a small business structure, success depends on how well the principal hires and manages workers. If you are the principal, your role will change. If you want to bake cakes, stay a micro business. If you want to run a bakery, you need to build a business. This is a scary step and one that can cause the principal sleepless nights.





Is it Possible to Transition a Micropractice DPC into a Small Business?

- a) Yes
- b) No

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Growth Challenges In Entrepreneurship

1. Cash Flow Management
2. Hiring Employees
3. Creating a Robust Culture
4. Time Management
5. Capital
6. Business Growth
7. Systems Development
8. Managing Uncertainty



Growth Challenges In Entrepreneurship

1. Cash Flow Management
 - a. Do I spend, save, take out a loan? How do I grow without \$, how do I get more \$ without growth?
2. Hiring Employees
 - a. Who do I hire? How do I find another doc? Contracts, expectations..
3. Creating a Robust Culture
 - a. Can others reinforce the value proposition I've created? Will patients accept others? What happens when I'm away? What is our culture?
4. Time Management
 - a. To grow the business I need more contacts, time, education? How much farm tending vs. marketing vs. self growth vs. negotiating vs. this? Where do you allocate time in the marathon?
5. Capital
 - a. Risk tolerance, money, time, planning. How much do I need? What can I get? Do I want debt stress, work stress, do I want to share what I've created?



Growth Challenges In Entrepreneurship

7. Business Growth
 - a. Do I have enough space? Staff? Time? Money? Energy? Who/what am I going to lose/give up if I push to grow? Do I want to grow? What does growing mean?

8. Systems Development
 - a. What is inefficient, a daily problem? What isn't working? Do my systems support my business as it changes? As it grows? Are my systems a barrier that are adding more cost? Can I refine my systems? Can I do it myself? (ugh!)

9. Managing Uncertainty
 - A. What if none of this works? What if pushing is the wrong thing? What if people quit? What if I can't make the money I need to make?...what if I'm not good enough, not lucky enough, not 'the one?'

** Phone systems: OMG. Just OMG. that is all.



Creative
MARKET

I HAVE NOT FAILED
I'VE JUST FOUND
10,000 WAYS
THAT WON'T
WORK

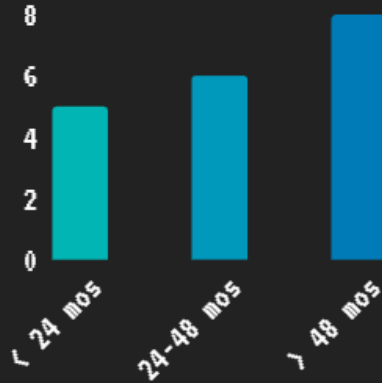
Thomas A. Edison

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Where Are We Now?

PRACTICE LIFE (MOS)



33

AVERAGE MONTHS OPEN



10 OF 19 ARE MALE
3: DO'S

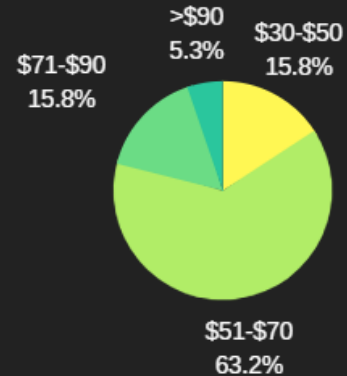
AVERAGE NUMBER OF PATIENTS/MONTH (RETAINED)



14.61

TOTAL \$ PER PATIENT PER MONTH

78.9% COLLECT LESS THAN \$70/PMPM ALL-IN REVENUE





Adjusting Your Vision to Keep Climbing

What is working?

What is NOT working?

What are you afraid of letting go?





**THE MAN ON TOP OF
THE MOUNTAIN
DIDN'T FALL THERE.**



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Adjusting Your Vision to Keep Climbing

Do you WANT to climb the next mountain?

Can you climb the next mountain with the tools you have right now?

Why or why not?



Adjusting Your Vision to Keep Climbing

Build your own solutions (ala Atlas MD)

Direct product sales

Become a “brand expert”

Allergy testing, functional medicine, lifestyle medicine, addiction medicine.



Adjusting Your Vision to Keep Climbing

What is consistent with your personal and business mission?

Consult to other doctors, other companies, small practice design, traditional clinics budget analysis, cash-priced urgent orthopedic care. immigration physicals...

Change your pricing?




Adjusting Your Vision to Keep Climbing

Consider a high-low: you X 1 vs membership vs high/low membership- you ARE an expert

Focus: speaking, calls, articles - attention is nice, fun to be heard but is it slowing your growth?

Add cash-based services: home visits, hospital consults, counseling, aesthetics, product sales, in-house dispensing...





What you WERE,
what you ARE
& what you
WILL BE

may very well be
very different things.

(J. Gunther)

Final Thoughts: Growing to Sell

One construct to think about your business' future:

<https://valuebuildersystem.com/eight-drivers>



Growing to Sell: Micro-business vs. Small Business

1. Financial Performance
2. Growth Potential
3. Switzerland Structure
4. Valuation Teeter Totter
5. Recurring Revenue
6. Monopoly Control
7. Customer Satisfaction
8. Hub & Spoke



Growing to Sell: Micro-business vs. Small Business

Overall Score



Score 57

8 Key Value Builder Drivers



Financial Performance
Score 40



Growth Potential
Score 73



The Switzerland Structure
Score 28



The Valuation Teeter-Totter
Score 63



The Hierarchy Of Recurring Revenue
Score 100



The Monopoly Control
Score 25



Customer Satisfaction
Score 81



Hub & Spoke
Score 51





Adjusting Your Vision to Keep Climbing

Empower yourself to continue to grow and differentiate.

Collective learning does not mean we all are going to or need to build the same thing.

One of the greatest rewards of entrepreneurship is autonomy.

Then self-actualization

Only YOU can create what you see.





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questions to:
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