

# CHIROPRACTIC

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## FROM A BUSINESSMAN'S PERSPECTIVE

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# Introduction

The average chiropractor or chiropractic student has spent anywhere from \$150,000 to \$200,000 to be educated in the philosophy, science, and art of chiropractic. However, after they graduate, they still have little to no business education or experience specific to running a chiropractic practice. It's not that a chiropractic education isn't worth that amount of money; it's just that our colleges don't teach many of these specific business principles. Many "second career" chiropractors may have had prior education or work experience in "business", yet there exists a unique set of skills and knowledge that is necessary for the chiropractic entrepreneur.

From the initial decision to go to chiropractic school, through the entire education and degree process, to the licensing and board review process, most chiropractors never think about the fact that

they need to think entrepreneurially once they start their career. In the chiropractic world, the CCE requirements and restraints that the colleges are subject to make it nearly impossible for our schools to teach some of the more intricate business details and principles that are needed in practice. Most of our schools do a great job at preparing students in the philosophy, science, and art of chiropractic, but because of the lack of relevant business education, many in our profession have found themselves in a state of disillusionment about what it takes to operate a chiropractic practice.

Sadly, many chiropractors open a practice and think that because the average payment per visit is about \$40 or \$50 (or whatever the market price is at that time) then they'll be in great shape if they can see at least ten people a day. Once they get out there and realize that it takes until about the 15th or 20th of the month just to pay their overhead before they start making a profit, is also about the time they start to realize there are some things about running a chiropractic clinic that they didn't know they didn't

know. Their lack of relevant business education is going to cost them much more than their chiropractic education. Anyone can learn from his or her own mistakes. A wise man (or woman) learns from other people's mistakes so they don't have to make their own.

We have worked with over 10,000 chiropractors over the years. Based upon our research and current government statistics regarding chiropractic student loan default rates, we are saddened to find that nearly eighty-two percent of practicing chiropractors struggle to pay their bills on time or can't pay them at all. If you simply google the keywords "chiropractic default" you will find that many chiropractors have a very sad tale to tell. These stories tell us that 82 percent of our profession is getting a *very* expensive business education. It doesn't have to be that way. That's why we took the time to write this book.

I, Tom, have a genuine love for chiropractic. You're not going to meet anyone who has a bigger heart for chiropractic and chiropractors than I do. What makes my situation unique is that I've also

been trained by some great business minds. It hurts me to see one, after another, after another, in this profession failing for the wrong reasons.

I am not old enough to have known B. J. Palmer personally. However, because of my father, Dr. Thomas Owen, I have had the great privilege of personally knowing people like Dr. Clarence Gonstead, Dr. Roy Sweat, Dr. Jim Revels, Dr. Bill Harris, Dr.'s John & Bert Boutwell, Dr. Burt Pierce, and more greats of our profession. I've heard that B. J. Palmer told new graduates to drive down the road until they ran out of gas, get out, cut down a tree, build a table, and start getting sick people well. Maybe in that day you could just hang your shingle and be successful, but it doesn't work that way today.

The young men and women who decide to join this profession have a passion to help people. Their motivation for being a chiropractor is to give people their life back by freeing them from debilitating pain. Their focus is to be the best doctor they can be so they can help as many people as possible with the healing art of chiropractic. Seldom are their

thoughts, much less their focus, on the business side of running a clinic.

I, Dr. Osborne, can attest to that personally. I decided to become a chiropractor when I was a sophomore in high school. There was about a ten-year time span from the time of that decision, to my actual walk across the stage at graduation. When I came out of chiropractic school, I had been in college for seven years and I can honestly say that any thoughts of business principles never once crossed my mind.

I didn't think I needed it. Many of us in the profession today come from that background. The thinking is to learn all you can, pass your boards, and everything else will come to you. It isn't that way, and if it ever was, it certainly isn't that way in today's market.

We have gone to many graduations at various chiropractic schools. As we watch the graduates walk across the stage, this question crosses our minds, "Which two out of ten graduates are going to be successful?" Our experience, coupled with what we have seen over the years, that of actual graduates, 50

percent of them fail in practice, and nearly 20 percent of them never even use the diploma they've worked so hard to earn. It is interesting, albeit tragic, to note that according to an analysis of the Department of Health and Human Services' exclusion list, fifty-three percent of healthcare providers barred from receiving Medicare and Medicaid reimbursements from patients because they defaulted on Health Education Assistance Loans (HEAL) are chiropractors.

This percentage is unacceptable to us because we know it doesn't have to be this way! It is not because chiropractic isn't effective and it is not because insurance companies are refusing to pay for services. The main reason that so many chiropractors fail is their lack of business training. This type of business knowledge is mostly foreign to the chiropractic profession and the purpose of this book is to lessen the failure rate. Chiropractors need to get educated in the business principles that are unique to chiropractic because when they are successful, they're in a better position to help more people live healthier lives through chiropractic care.

Even with all the struggles and failures many in our profession are experiencing, there are some doctors out there (the top 18%) who are delivering top-notch service and getting paid what they deserve. These practices are the ones that are based on the fundamental business principles that we discuss in this book. A successful chiropractic practice has nothing to do with some magic product or marketing scheme. The practices that last are the ones that build consistent, self-sustaining, referral practices. The common variable these practices share is that they have a good foundational system in place. These types of practices don't happen because the doctor has a winning personality, graduated at the top of his or her class, or became a marketing guru. There are a lot of struggling chiropractors out there with perfect transcripts.

There's another side to being a successful chiropractor. To put it simply, it involves practicing on the right LAND, being the right MAN, and implementing the right PLAN into your office protocol.

This book is divided into four sections. The first section includes information relating to the right

market (land). The next section focuses on developing into the right man (or woman). The third section discusses putting a foundational system (plan) into operation within your practice. Finally, the fourth section includes additional business principles that we think every chiropractor should be exposed to.

Many chiropractors don't know what they don't know. A wise chiropractor will find out what it is that he or she doesn't know, put that information into action, and watch that knowledge bring consistency and efficiency into his or her chiropractic practice.

Finding out what you don't know will change your practice, and your life. Reading this book is a good first step in the right direction.

Section One

# The Right Land



The dedicated AMC Family, always ready to serve the chiropractic profession.

# 1

## Market

The most common mistake chiropractors make is picking the wrong land. They're choosing the wrong markets for the wrong reasons. They have no idea what goes into choosing a good market for a chiropractic practice. We have chiropractors tell us things like this all the time, "I love the beach! I want to practice right on the beach so I can live where I love to vacation!" Think about that for a moment. The beach is one of the worst places to practice. For starters, when you practice on the beach or in a coastal town, you have cut your drawing area in half. Now before someone emails us to inform us that

they know someone who practices in a coastal town who does really well, let us clarify that we didn't say it was impossible to build a successful practice in a coastal town. But that doctor had to work twice as hard, for twice as long, and be twice as smart, to reap the same rewards as they could have in other markets. It is simple logic; people normally don't come from boats to see a chiropractor. So the drawing area of 20 miles or whatever it is in a particular area is cut in half and therefore so are the number of people who live within those 20 miles.

This is what we love to hear from doctors, "I am so sick and tired of being sick and tired in this profession. If you tell me where to go, I don't care where it is, if I know I can be successful there, I'll go!"

The doctors who have told us that (and meant it) have developed flourishing practices in these thriving markets today. These were doctors that understood the business side of chiropractic, had the self-leadership and self-discipline to do what they needed to do, but were in a crummy market that

didn't work for them. They came to us because they were willing to go where better opportunities were.

Unfortunately, out of the thousands of chiropractors we know, we're only *sincerely* approached by a doctor who is willing to go anywhere, maybe once or twice a year. Most commonly, when a doctor does approach us concerning markets, the conversation goes something like this, "Yes, we know of several awesome markets in Indiana, Washington and Virginia!" Their reply, "Well, you need to understand, I'd like to practice somewhere in the South."

We thought they were asking us for the best places in the country to open a practice, but when we don't give them the answer they want to hear they start hedging. So we continue, "Well, if you're going to practice in the south, we'd recommend somewhere like so-and-so . . ." Then we get, "Actually, we wanted to open a practice somewhere around Dallas because my wife's parents live there . . ."

And on it continues until they've whittled it down to five miles from their in-laws. On the north side of Dallas. In a white-collar community. Near a Wal-Mart.

That's not the way to choose a market! You want to be successful? Practice where the opportunities are, not where your in-laws live!

Let's look at this from a business perspective and throw chiropractic out of it. If we were farmers and someone approached us and said, "I want to grow corn. I've studied corn for the last several years and I think I know what it takes to grow good corn. Where would you recommend I plant a corn field?" We reply, "There's some rich black soil that would be perfect for corn in Iowa or Illinois." They respond, "Oh no, that won't do. I really want to live in Denver, Colorado, It's beautiful out there and I love to ski!" We proceed to explain that while they may be able to grow a little corn in Denver, it's probably going to be really, really tough. There are a lot of variables that are hurting them right from the start. First, the weather isn't very conducive to growing corn there. Secondly, it's going to be very costly to fertilize Denver soil, and in addition, it's going to be a lot of extra work to get all the rocks out of those fields.

We continue advising our aspiring farmer by saying, “Here’s a thought, why don’t you move to Illinois and grow enough corn to make enough money to allow you to travel to the mountains in Denver for frequent vacations. It comes down to this; if you want to ski, move to Denver. If you want to grow corn, live in the Midwest.”

While that might be an exaggerated analogy, unfortunately, we have very similar conversations with doctors regarding prospective markets in which to open up a chiropractic practice. Doctors ask our opinion on markets all the time, and we’re always willing to show them where they are, but they’re completely unwilling to go to those places for the most asinine reasons! Just like corn, some markets are more fertile for growing successful chiropractic practices than others are. Do you want to be successful or do you want to live near your in-laws? We’re shocked at the number of doctors who choose the latter.

We’re not saying don’t enjoy where you live, but at the same time, you’ve got to make a living. Why not go to the place with the most potential?

We realize there are other variables that are important such as family, schools, climate concerns, etc., but from a business standpoint, why not go to the area that offers the greatest chance of success and the smallest chance for failure?

There are many franchises that are hugely successful like McDonalds, Krispy Creme Doughnuts, or Taco Bell. One of the contributors to their success is their very sophisticated and stringent market analysis. You may have a million dollars in the bank to purchase one of their franchises, but they're not going to let you open it up just anywhere. To guarantee their success, and yours, you'll have to open that business where they say it needs to be opened, regardless of your opinion on the niceties of that location.

That's the paradigm chiropractors need to adopt. A chiropractic practice is a business, and it has to be approached as such, whether it's implementing the right system (plan) or choosing a successful market (land). There are many variables that contribute to the success of the business.

What factors do we use to determine what makes one market better than another? First we always compare the number of chiropractors to the general population. When a doctor tells us that they're opening up a practice in a town with a population of 20,000 and there are already ten chiropractors there, that's the first red flag that goes up for that market. **Remember this, with few exceptions; there should be no less than 2,500 people for every one chiropractor.** This is a minimum baseline to consider when choosing your market.

A great example of what would *not* qualify as a great market would be Marietta, Georgia. It seems that you can't drive a half block in Marietta without passing three chiropractors. Marietta is also the home of a prominent chiropractic school. In addition, it's a highly populated area which usually means increased overhead costs.

**Another way to analyze a market is by identifying a "spider web" of roads where people can get to you.** We can look at a map and pick a market that has potential in a few minutes just

by looking at the spider web of roads that surrounding it. Those roads show us where that market draws from. If we set up a practice in downtown Chicago, what's the drawing area? If we open in downtown Charlotte, North Carolina, what's the drawing area? Odds are there are a lot of chiropractors downtown, and people aren't going to drive more than three to five miles to get to your office. Now don't think that just having a huge spider web of roads coming in and out of that market qualifies it as being a great place to practice, there are many other factors, but this is a good first step.

If we're looking at a market that has a 20 to 25 mile drawing area, and we can see that 48,000 people live in that particular county, and currently there are only ten other doctors practicing there, then we have identified one of the first indicators of a good market. The reason spider webs are important is because people always do their shopping and banking in the center of the spider web, so you want to be somewhere in the center of that web. May sound

too simplistic but many times the simple things are worth the most.

There are countless other factors to consider and you can contact our company for that information. We'd be happy to do a very specific market analysis for your market.



## 2

# Location

Once you've selected a market, it's time to start thinking about a specific location for the practice. You always hear that you need to be on a main road with a large traffic count. There's nothing wrong with being on a main road, but you may pay higher overhead to be on that main road when it's not really necessary. We've opened many successful clinics that were located on a side street. Sometimes there is simply not enough walk-in business off the street to justify the high rent that it costs to be on the main thoroughfare. One key to picking the right location is not necessarily being on the main drag in town, but

by being near a landmark. When a new patient calls and asks where your location is you need to be able to direct them to your office by using a landmark that everyone in town is familiar with. You can say, “Do you know where First National bank is located? Good. Just turn left by the bank. We’re two blocks on the right.”

Another misconception we often hear regarding location is the need to be in a strip mall. If at all possible, you want to be in a freestanding building, not tied into an office complex or a strip mall. There are five reasons why we don’t recommend strip malls. First, most have restraints on what you can do internally. Secondly, you don’t have your individual identity. In addition, you can’t control the quality of businesses that the landlord may rent to other spaces next to your office. Fourth, most have signage restrictions. And last, what if the anchor store in the strip mall or office complex moves to another location?

If you feel that you are the right man with the right plan, but recognize after reading this book that you are in a poor market (land), we recommend that

you visit [dchorizons.org](http://dchorizons.org). DC Horizons is affiliated with our company, AMC. They identify some of the best markets in the country and have opened up some phenomenally successful practices in those markets. You can read more information on the website, but it is possible to open up a practice in one of these lucrative markets with no money down and own the practice and building outright in as little as three years. If you are a new doctor just starting out, you may also want to check out our Right Start division at [amcrightstart.com](http://amcrightstart.com). Again, check out these websites if you are interested in more information.



## Buy or Lease?

Okay, you've selected your market and you've chosen your specific location within that market. Should you buy or lease? **Because of the debt load most new graduates carry and the recent tightening restrictions of most banks, leasing is probably going to be your best option, especially if you can obtain a lease with an option to buy the location at the conclusion of the lease.** Another point we'd like to mention here is that you don't want to sign a lease that is longer than three years. Most people can't tell you where they will be physically, mentally or

financially in a year, much less, five years from now. Try not to put yourself in a place of liability beyond a time frame you can't control. Something else that you want to minimize your personal investment in is what is called "lease hold improvements" or "build outs." Don't sign a lease and then spend \$20,000 to \$30,000 to increase the value of another person's property. That is money that you'll never get back at the end of the lease (if you don't have an option to buy out the lease.) It never makes sense financially to invest \$20,000 to \$30,000 into a property that you don't own, even if it is tax deductible. It may be deductible, but you won't get those deductions in your first year of practice. Build out expenses are looked upon as pre-opening expenses and will be amortized over a period of five years. We're not accountants and those laws may change, but that is the case at the time of this printing.

We cringe when we see doctors come out of school borrowing 100k to open their practice only to spend it buying their equipment. When opening an office, capital is very important in the early

stages. Rather than spend 100k on equipment, try to hold onto that capital for reserve purposes. You'll be better off to lease not only your building, but your equipment as well. It keeps the outflow of funds to a minimum. Another point worth noting is that this expense (if you have the right type of equipment lease) *will* be tax deductible in that year, unlike the build out expenses we mentioned earlier.



## Naming the Clinic

So you've negotiated your lease and your location has been finalized. What do you name your clinic? We have seen it all when it comes to clinic names! Where do chiropractors come up with some of these names? Is this crazy naming phenomenon being taught in our schools? Who actually sits around and thinks up something like "The Innate Upper Cervical Neurological Nutrition and Wellness Center"? That's not really the name of an actual clinic, (we hope)! We're just using it as an extreme example of what we've seen and heard regarding clinic names.

Do you think a patient is going to be at the gym shooting hoops with his buddies and say, “Hey, man, do you have headaches? You should go see my chiropractor down at the Innate Upper Cervical Neurological Nutrition and Wellness Center.” No, of course not! Think about things like that before you name your clinic. Simplify your name for recognition.

Also, don't name your clinic after the small area of town where you practice. For example, why would you name a clinic “(Insert whatever the name of your town is) \_\_\_\_\_ Chiropractic”? It limits your practice area by sending the message that you only service patients from that immediate area. Consider something like, “East Tennessee Clinic of Chiropractic”, or “Midwest Clinic of Chiropractic”. Those names speak to the people that are driving by everyday. The name of your clinic sends a message to your prospective patients about who you are and where your patients come from to seek out your services. When you name your clinic after a much larger population area, it tells people that you render service to patients from all over that portion of your state or area.

We're waiting for someone to open the "International Center of Chiropractic." We don't think that Clarence Gonstead built up his practice to an unprecedented amount in Mount Horeb, Wisconsin, by seeing people *only* from Mount Horeb. We're pretty sure people were crossing the Atlantic to see that man! Think about the message the name of your clinic sends and build positive name recognition from day one. The name of your clinic is vitally important.

Speaking of Clarence Gonstead, he named his clinic after himself and did a brilliant job of establishing name recognition. When naming your clinic, why not name it after yourself and establish positive name recognition in that way. Of course you'll want to make sure that your name lends itself to positive associations with chiropractic. In other words, think twice about naming your clinic after yourself if your name is Dr. Pain (or Payne), or some other unpleasant association.

Another trend we've noticed is chiropractors naming their clinics to market to other chiropractors.

What do we mean by that? We're referring to clinics named, "The Regional Upper Cervical Center," or "Brain Stem Chiropractic Clinic." Why name your clinic after a technique or chiropractic jargon that only another chiropractor would understand? When we drive by and see a sign that says, "Upper Cervical Chiropractic Clinic," we know exactly what that means, but in today's healthcare system, the word "cervical" is most recognized because of women's uterine cancer. More people are going to recognize what cervical cancer means than what "Upper Cervical Clinic" means as it relates to chiropractic. They might look at your sign and think, "Upper Cervical Clinic—that must be some kind of women's clinic." I don't think that's what those doctors are going for when they name their clinics, but that's the reality of what could happen.

The same thing is true for "Brain Stem Center." Upper cervical chiropractors know exactly what that means. I, Dr. Osborne, am an upper cervical chiropractor and when I drive by and see a sign that says something like that I say, "Hey, that's an upper

cervical doc right there. In fact, he's probably doing knee chest technique." But what good does that do for your business? The answer is not much to nothing. In fact, the name is likely scary sounding to many people who don't know any better. Don't forget the Urban Legend of chiropractic-induced stroke is still prevalent. And prospective patients who have low back pain or asthma don't think, "You know what? It's my brain stem that's bothering me. That's where I need to go. I need to go to that doctor at the Brain Stem Center. That must be my answer."

Another name we recently heard was, "The Upper Cervical Research Clinic." A new chiropractor actually told us that's what he wanted to name his clinic. I don't know very many people in pain who are looking for a chiropractor to do research on them. They want to go someone who already knows the research and knows what works.

Why are we naming our clinics so our colleagues can drive by and know who we are when it's not our colleagues, but prospective patients that need to

know and remember the name of our clinic? (An exception to this would be if you have a technique named after you, like Clarence Gonstead. If that is the case, by all means, name your clinic after your technique and yourself!)

The name of your clinic should be something that is going to attract attention from prospective patients. Do not think like a chiropractor, think like a patient, because that's who you're marketing to.

Another point we'd like to add here is try not to use the word "chiropractic" in the *main* name of your clinic. Remember, you're naming the clinic for prospective patients, and they aren't going to say, "You ought to go down to that Midwest Chiropractic Center." It's easier to say, "The Midwest Clinic."

One of the best examples we can think of to illustrate this point is something the medical doctors have done. They spend billions of dollars researching this stuff—let them spend the money, and what's the name of the most famous clinic in the nation? The

Mayo Clinic. It's known for some of the most profound surgeries and treatments available, but people just call it, The Mayo Clinic. Everybody knows what it is and what it stands for. Simple. Easy to pronounce. Rolls off the tongue. You get the point.



Thomas A Owen III and Dr. Todd Osborne  
pictured with best friend and AMC West  
Director, Dr. Robert Bearden.

Section Two

# The Right Man



## Self-Leadership

**E**ven if the right concepts and procedures are in place, the doctor still has to exemplify the right attitude, be willing to put action behind the right attitude, and be committed to being a life-long learner. When you've decided you know it all, you're on the wrong road! Be willing to learn and grow as a person. Somewhere along the way the doctor has to stop and evaluate himself/herself as to who he or she is and where he or she is going. Make no mistake about it, as a leader and as a boss, you have to learn to manage your time and you have to be constantly developing yourself. You need to understand that where the mind

goes the rest follows. If you have not learned to avoid the distractions of bringing your home problems into the office and vice-versa, then you have a long way to go before you will ever realize your potential as a business owner, as an entity, and as a leader.

Know this, how your day begins determines the outcomes for the rest of your day. You should be an early riser. You should get up and have quiet time to think. You shouldn't be getting up and getting to your office 15 minutes before you see your first patient. You should not run out the door eating a piece of toast. Take time to just listen to what your innate—in our case, what God, has to say for that day. That is what helps you prepare mentally for the day ahead.

You should be at your office at least an hour early so you can walk through and visualize what you expect to see in your office, in the reception room, in your financial room, in your x-ray room, in your report rooms, in your treatment rooms, and in your therapy rooms for that day. If you're not doing that then you're not leading that office to its new future. Instead you're letting the office, and the patients and

staff, not necessarily lead, but take you on a detour to a different destination than you intend.

If you don't know how to develop self-leadership, then read books and blogs by leaders you admire, go to seminars, get involved with a system, or join a Toastmaster group. (One of the best things that you'll ever do as far as communication and leadership and self-esteem and self-confidence is concerned is join Toastmasters.) Another way to develop leadership skills is to listen to podcasts from proven leaders. Most of them are free and contain invaluable information on self-leadership.

We have, as a profession, been followers for so long, and it's time that chiropractors start developing themselves and those around them as reliable, consistent leaders. We *must* learn leadership skills. Instead of having a bunch of established chiropractors out there leasing real estate, why don't we have a bunch of chiropractors out there fiscally responsible, owning real estate and leasing to others?

At AMC one of our focus points is on developing self-leadership skills. There is a lot of material that has

been recorded and written on self-leadership and the leadership of a chiropractic business. However, until you realize that you aren't who you potentially could be, no one can help you. You have to have the attitude of moving forward and doing whatever it takes to put into practice the leadership skills that you learn.

We call that the “Go-Getter” mentality. If you've never read the book *The Go-Getter*, I encourage you to read it. The book is included in our audio materials from AMC. It was written back in the early 20th century and it is a great read. If you have not developed the mentality of going after what you know that you can have then read that book!

Another key component of self-leadership and achieving what you want out of life is goal setting. If you had one wish, what would it be? Most of us would choose something that we think would bring us happiness, which leads me to the next question. What makes you happy? Is it the thought of more money? A big house? Looking ten years younger? It may shock you to find out that these things really don't bring us the pleasure that we think they will.

The field of positive psychology, a discipline that investigates what leads to happiness, has made a surprising discovering. Studies have shown that contentment and meaning in life are not achieved by winning the lottery or being young and beautiful. Instead, one source of happiness comes from the pursuit and attainment of goals.

Goals give new meaning to everything you do. Something that may be thought of as routine or mundane takes on new purpose when it is leading you one step closer to reaching a goal.

Goals give your life focus and clear direction. Those who don't regularly set goals find themselves drifting through life, reacting to whatever comes their way. They base their decisions and actions on what their circumstances are at the present, not on what they hope to accomplish in the future. One day they find that days have turned into years and they're so far off course that they can't even remember the dreams they once had for their lives.

To make a lasting change, or to achieve anything meaningful in your life requires knowing where you

need to go and how you are going to get there. That is a goal. Everyday we choose whether the actions of that day are going to bring us closer to who we want to be and where we want to go, or further away.

Japanese carp, or Koi, grow according to the size of their environment. If they are kept in a small body of water they reach full growth at two to four inches long. However, if they are placed in a larger tank, they can increase to many times that size.

Your goals determine your actions and habits. Your actions and habits determine your environment. The Koi has no control over what kind of environment it is placed in, so it has no control over how large it can grow. However, we are free to overcome our limitations and live out our dreams if we have the wisdom to set goals and the discipline to follow through.

Many people lack the understanding of what goals actually are and that lack of understanding has prevented them from setting worthy goals. Some of you may have made a goal list in the past, but because

you did not achieve what you aimed for, you didn't repeat the process for fear of failing again.

A well structured goal list can only be made with a lot of forethought, otherwise it will only be a wish list. Those goals will remain a wish list unless you set a deadline and have an action plan for the completion of those goals.

A goal without a deadline is a wish because there is no call to action to make the goal a reality.

Here are ten tips for setting goals:

1. Take time to quietly think about what you want to accomplish in your lifetime.
2. Determine what your values and priorities are in your life.
3. Be detailed; For example, if you want a new car choose a make, a model, a color, etc.
4. Don't limit your goals to material things only. Think about what you desire physically, mentally, and spiritually. This would include goals that involve your family, character, relationships, etc.

5. Set a deadline for all of your goals. Some may be 30-day goals. Others may have a deadline of one year, five years, ten years, and so on.
6. Read your goals aloud everyday. Keep a copy of your goals at your office and at your home.
7. Don't share your goals with anyone who is not 100% supportive of you reaching those goals.
8. Align your goals with your core values and beliefs. If your goal takes you away from something you believe strongly about, you will experience inner conflict as you go about pursuing your goal. Make sure your goals reflect who you are as a person.
9. Growth requires change. As you grow, your goals will grow and change too. If your goals don't change then you are probably not following through on them.
10. There are going to be hard days. If achieving goals were easy, everyone one do it.

Remember, if you shoot for the moon and land on a star—you are still on higher ground! For example, if you want your practice to double from \$20,000 in collections per month to \$40,000 in collections per month and you are only collecting \$36,000 per month at the end of your deadline, don't count this as a failure. Be assured you have accomplished growth as a direct result of your efforts and your goals.

Challenge yourself to set goals and commit yourself to following through. A well thought out list of goals, an action plan, and a made up mind are crucial components in achieving the happiness and success that you are seeking for your life and practice.

If there's anyone that deserves prosperity, it's a chiropractic physician. Understand—it is ultimately your responsibility to take action. Develop yourself into the leader that you should be, you deserve to be, and you can be.



Chiropractic LEGEND and lifelong family friend, Dr. John Boutwell, pictured with the Owen family.

Section Three

# The Right Plan



## A Foundational System

To add to their other costly mistakes, most doctors do not have the right plan in operation in their clinic. In today's world, overhead is too high and marketing is too expensive. You can't afford to shoot from the hip any longer. You have to have a solid, foundational system in place to run a successful chiropractic practice.

Everyone uses some type of system in their practice. Maybe your system comes from a little bit of what you learned from a mentor combined with a

little bit of something you learned at a class sponsored by your local Chamber of Commerce. Possibly you spent some time with a buddy down the street and mixed it up with a little something you picked up from a rah-rah seminar somewhere. You have pieced this stuff together and created your own “casserole” system that includes things such as what the place looks like, how you’re dressed, how money is discussed with the patients, how insurance is billed, or how your CA greets your patients. Whatever you’ve created as your system is what you’ve built the foundation of your practice on and it will **allow** or will **limit** growth in your practice.

Within two weeks of opening their doors, most doctors realize they are not in a referral triangle. The typical chiropractor does not have a lot of medical doctors or other different professionals referring patients to them. You learn very quickly that as a chiropractor you have to generate your own business.

Building from that understanding, let’s say you build your practice from scratch. You begin by using the various bits and pieces of information

you've heard and you take your practice from zero to \$15,000 a month. You've done the toughest part. You've built something from scratch. Congratulations! That's the hardest thing to do. However, if you've taken it from \$0 to \$15,000 monthly, why can't you continue that growth and take it from \$15,000 to \$25,000 monthly? We've heard hundreds of chiropractors lament about this common challenge. They tell us they're stuck, they've hit a collections plateau, and they can't seem to get past it. They don't understand why they can't go to the next level, especially when they've been able to generate collections up to their current level. Does this sound familiar?

The reason for this is because building your practice on a piecemeal system is like trying to build a 10,000-foot structure on a 500 square-foot foundation. It doesn't work when you're building a building and it doesn't work when you're building a chiropractic practice.

Remember, everyone has a system, and every system has a limit. Your system consists of the business

principles that you know and utilize in that practice. As we mentioned earlier, most of you are using a system that is patched together with stuff you've picked up here and there. You may have built your practice up to \$10,000 a month using those bits and pieces, but that's the limit. The system you have in place will not allow you to exceed that amount or collect that amount consistently. (Some of you know this all too well.) When these systems encounter pressure (such as our current economic recession) they crack. In other words, the \$10,000 a month you collect becomes \$5,000 one month, \$7,000 one month, and then down to \$4,500 the next month. This happens because you're trying to build a successful, consistent practice on a faulty foundation. Yes, you may have had months that you collected a decent amount, but what about all those other months you barely made your overhead? It all comes down to the foundation of that practice. What happens when you put the walls of a building up if you haven't made the foundation strong enough to handle the weight of those walls? Eventually it gets to a point where the

foundation cannot support any more weight and the walls shift and the building starts falling.

A system that consists of little tips and tricks you've learned at various seminars doesn't provide a firm foundation for a successful, consistent practice. Those systems have limits and for many doctors, those faulty systems are producing inconsistent results that will eventually lead to their demise.

Faulty systems produce inconsistency and inconsistency produces inefficiency. There's a rule in business that says when efficiency breaks down, the next thing to go is *proficiency*. Proficiency is the quality of your work. When proficiency breaks down what follows? Productivity. Productivity is the sheer numbers—the amount of work you can do. When that happens, then you can forget about *profitability*. The reason you can't take your system, that is patched together with stuff you've learned here and there, past the level you plateau at always comes back to your system.

When we try to explain this, many chiropractors initially resist this notion. They don't believe

it's their "system" that's the problem. Instead, they think the answer is to get more new patients so they sign up for all these marketing schemes. It's likely that some of these schemes present in the profession today are unethical. (Unfortunately these schemes are damaging the reputation of chiropractic in the various markets in which they are being used.) Regardless, doctors continue to find new ways to market, thinking the right marketing is the answer to their inconsistent collections.

More new patients are not the answer. Learning how to retain the patients you currently have will do you more good than getting a ton of new ones, only to lose them after a few visits.

When a new patient comes to a chiropractor, they have a reason. People in today's society do not make an appointment to see a doctor for insignificant problems. (And more times than not they've already been to other doctors who couldn't help them.) Statistics tell us that when a new patient visits the chiropractor they only average six visits. Why aren't they completing their care? Why are they leaving,

never to return, after only six visits? Many of them never even return to hear the report of findings. Think about it...If someone has a real health concern, has been to other doctors who couldn't help, and doesn't return to at least find out what the findings of the chiropractor are... what's wrong with that picture? There's definitely something missing there. And "more new patients" is not the answer to that problem. (By the way, for those of you who just read the average patient visit average of chiropractor's is six, and thought, "Well, that's not me, mine is much higher," that does not mean that retention is not a main factor in your practice issues. It doesn't matter if your patient visit average is six or if it's 36, there is still room for improvement. A real self-sustaining, referral practice will have a patient visit average of around 82, which is what Dr. Osborne's was when he was in practice.) Now, for those of you with a patient visit average under 82, you will most likely find that the problem is the doctor's system. This is what we meant when we said the doctor's systems were failing them. Doctors deal with these types of scenarios over and

over, yet they still think the answer to their problem is new patient acquisition. No! The problem is not lack of new patients. The problem is the retention of the patients that do come through that door! A foundational system will boost the retention of the patients you do have while increasing the referrals for more new patients. A doctor with a good foundational system in place will have consistent collections with very little need for marketing.

I, Dr. Osborne, came out of chiropractic school with no real business sense and upon graduation I was fortunate to land an associate position with a successful practitioner. I learned his system, which was something he patched together through trial and error over his 25 years of practice. When I went out on my own two years later, I implemented the same system in my practice that I had learned from him. And what were my results? The same as his. I could not get past the level of collections that my mentor had collected. My practice hit a plateau and it would not grow any further. I tried everything I could think of and nothing seemed to work.

I spent about seven years in that practice on my own, and over that time, I grew the practice from around \$7,000 a month to about \$19,000 a month. Again, over seven years' just by the sweat of my brow and doing anything that I could find, I grew it up to \$19,000. When I met Tom Owen and allowed AMC to teach me the business side of chiropractic, I completely revamped my system. In four months I went from \$19,000 to \$44,000 monthly.

It wasn't that I had an awful system in my practice, a lot of chiropractors would be very happy with it, but it was inadequate to achieve the level of collections I desired. While I understand every system has its limits, I still had not reached that limit before retiring from active practice.

So I definitely recognize the fact that the system we have in place in our office is what truly makes the difference. Make no mistake, you have to have a system built on solid chiropractic business principles, or you're not going to be successful in today's market.

Another example that comes to mind is friend of mine who practiced in Arkansas. He was the right

man and had the right land, but he was lacking the right plan. He came to us as a very disciplined guy, very quality. He had a decent market and a nice office. He was a good chiropractor and got great results with his patients, but they never stuck around for long. As a result he had a “revolving door practice” and constantly felt pressure to market to acquire new patients. He picked up what little business knowledge he could in school, but his system was faulty because of his limited business knowledge and it only allowed him to collect about \$8,000 a month. No matter what he did he could not get collections past that level, nor keep it consistent. He knew he had the potential to do better than that and he was beyond frustrated that he couldn’t figure it out.

I, Dr. Osborne, was his business coach and he did EVERYTHING I told him to do, EXACTLY as I told him to do it. Because of his strong self-discipline and the fact that he was practicing in a decent market, all he really needed was to learn solid business principles to build a solid foundational system in his practice. Once he understood some

basic chiropractic business principles, he built a foundational system in his clinic and saw immediate results. By his second month with us he doubled his collections and by the fourth month his collections tripled. He had a consistent, self-sustaining, referral practice until he sold it several years later so he could help us teach other doctors the business principles that had worked so well for him.



Dr. Todd Osborne adjusting his son,  
Colin Osborne.