

Untapped Opportunity: 10 Steps to Maximize Retail in Your Practice

Don't overlook this potential revenue stream.

BY JAMIE HILLIARD

For many practices, retail is an overlooked revenue stream that can be maximized with subtle enhancements to current operations. While a majority of practices offer various medical-grade products, even the best practices have room for improvement, and an opportunity to increase their income margin. If you choose to offer retail in your practice, it's advantageous to make it a meaningful part of your business.

RETAIL REVAMP

Focusing on increasing retail sales has many benefits for a practice and its patients. One benefit is the potential to increase practice revenue. It requires no additional time for the provider, which is arguably the most valuable asset in a thriving practice. Additionally, it can positively impact overall patient satisfaction, as treatment results can be enhanced and maintained with an effective aftercare regimen. To maximize retail in your practice and reap all the rewards that accompany it, follow the steps below.

1 Set goals using business metrics.

You can't realistically manage what you don't measure. When setting goals, carefully review past performance in conjunction with industry benchmarks. Consider the percentage of patients who have purchased products in the past and the average spend per patient. The key is making progressive, but achievable objectives. Bear in mind: if you aim for nothing, you will hit it 100 percent of the time.

2 Streamline the number of retail lines you offer.

When patients are presented with too many choices, it can be overwhelming, leading to indecision and ultimately leaving empty-handed. For this reason, be choosy about the product lines you carry, selecting only those that you believe work and



INITIATE A SKINCARE DISCUSSION THE EASY WAY

Use the Start, Stop, Continue method:

- Which products should the client *Start* using?
- Which ones should the client *Stop* using?
- Which ones should the client *Continue* using?

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that you would personally use. Two characteristics to consider when deciding what to offer are simplicity and effectiveness. An additional benefit to carrying fewer lines is that you are more likely to have a close partnership with your vendors.

3 Work closely with your retail partners.

Fostering a positive relationship with vendors enables you to understand and utilize all the resources available to you. Most vendors offer valuable resources, such as professional marketing collateral and proven suggestions, staff and patient education, incentive plan ideas, and samples for various uses. Your retail partners can also keep products "top of mind" in the practice, which increases the likelihood that staff members will educate patients. Having confidence and enthusiasm in the products you recommend is critical, and retail vendors can help keep the initial excitement and swagger alive.

4 Educate your staff.

One of the most effective ways to better understand the positive impact of products is personal use. Whenever possible, encourage staff members to use the products you offer through incentive contests, offering staff discounts, and

asking your partners for assistance. By experiencing firsthand results, your staff is better equipped and more likely to highlight product benefits to clients. You may also consider regular educational meetings or monthly product updates so staff is knowledgeable on offered products. Superb product knowledge equates to passion and confidence, ultimately resulting in increased sales.

5 Create impactful merchandise displays that incorporate testers.

Retail directly benefits from tapping into the senses. People like to see, touch, and smell products. It gives them a chance to “try before they buy.” Therefore, make merchandise displays interactive, simple, organized, and bright. Consider placing key products at eye level and your “workhorse” products in treatment rooms to evoke patient questions and keep products top of mind. It is also helpful to feature a “product of the month” and place it strategically throughout the practice.

6 Monitor and manage inventory.

Know your stock run rates and periodic automatic replenishment (PAR) levels and set a quantity for each inventory item that should always be on hand. Having too much inventory can tie up valuable liquid assets or cash that may be needed elsewhere. Overstocking can also lead to products expiring, at which point you are forced to essentially throw money away. Meanwhile, understocking can lead to missed sales when patients are interested in purchasing a product that is not in stock. The goal is to find the right balance—maintaining positive cash flow while meeting your patient’s needs.

7 Drive behavior with incentive plans.

Design an incentive program that supports the goals of the practice and aligns with your brand. When it comes to retail, a team incentive plan often works best, as individual incentive plans can lead to focusing on personal gain versus positively benefiting patients. To support such a plan, create a collaborative environment that encourages staff to recommend effective products, since it sometimes takes multiple visits and suggestions to get a patient to make a purchase. Work to create a fun, motivating environment that drives everyone to “win together” and view retail sales as a team endeavor.

8 Make purchasing easy and convenient.

Enact a “brick-and-click” purchasing structure. “Brick” refers to offering tangible products patients can purchase while in your practice, while “click” refers to offering a way to purchase your products online. To encourage online sales, make purchasing products as simple as possible. Creating auto-shipment plans is a way to improve the online

customer experience. While online shopping is popular, it’s also important to offer products in store in order to reach the most clients and their purchasing preferences.

9 Integrate skincare packages with procedures.

Recommend skincare products by assuring patients they’ll see better results if they follow a set regimen. An easy way to implement this is to pair one key product with each treatment—a single product is easy for providers to remember and is likely a reasonable add-on for patients. For instance, consider coupling a brightening agent with a laser treatment for pigment issues. If a practice sees 200 patients per month, or 2,400 patients per year, and each patient buys a \$100 product, it would amount to \$240,000 in top-line revenue. A simple recommendation can significantly impact a practice’s bottom line.

10 Commit to discussing skincare during every visit.

Everyone uses skincare products at home, so clients may as well use the products you offer (as long as they are efficacious). An easy way to initiate a skincare discussion is to think “Start, Stop, and Continue.” Which products should the client start using? Which ones should the client stop using, and which ones should the client continue using? Hold this discussion during client appointments. To set the stage, inform patients while booking their appointment that ongoing skincare will be discussed during their visit, which sets expectations and can be a differentiator. When it comes to retail, you have to “Bring it up to ring it up!”

A TREMENDOUS COMPLEMENT

US patients spend billions annually on skincare products. Since your patients will likely spend money on products regardless, it makes sense that they buy them from you. While retail sales will likely never be your main source of practice revenue, it is one aspect that can be a tremendous complement to your service offerings and bottom line. ■

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