

**SPECIAL EDITION**

# veterinary **focus**

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## **COVID-19**

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## A CHALLENGE LIKE NO OTHER?

*"If you're going through hell, keep going" – (Winston Churchill)*

The veterinary profession has always been known for its ability to adapt, innovate and handle whatever comes its way, and not just because we have the skills required to deal with an almost infinite number of clinical problems in a multiplicity of species – although that would be reason enough. It is also that we have the wherewithal to cope with other challenges and problems – as exemplified by various individuals who have gone on to do something outstanding in areas above and beyond their core clinical abilities. Take, for example, John Boyd Dunlop, a Scottish veterinarian who found time in the 1880's to develop the first practical pneumatic tyre for his son's tricycle, an invention that would revolutionize not just cycling but eventually the global automotive industry. Or Arnold Theiler, an early 20<sup>th</sup> Century Swiss veterinarian who discovered the first pathogenic *Rickettsia* organisms. Then there is Peter Doherty, an Australian veterinarian who shared the 1996 Nobel Prize in Physiology or Medicine for research into how the body's lymphoid cells protect against viruses, and Richard Linnehan, who can include in his CV the fact that he is an accomplished NASA astronaut (having completed four space flights and six spacewalks) as well as a qualified veterinarian. But there are many others; we as a profession have the ability to meet a myriad of challenges head on and respond in a wholly positive way.



**Ewan McNEILL**  
Editor-in-chief

Which, as we face the unprecedented trials generated by the COVID-19 pandemic, is perhaps just as well. These are uncertain times, with many comparing it to the massive disruption and devastation that resulted from two world wars, but with careful planning and skilful management we will come through it. Churchill's assertion, uttered more than 70 years ago, is just as apt in our current situation; the profession can and will overcome this crisis and move ahead once more, for the ultimate benefit of animals – and humans – everywhere.

## • Focus on *Veterinary Focus*

Few veterinarians would claim to be **financial experts**, yet it is essential to understand the **basic concepts of accountancy** in order to stay in business during these challenging times and to ensure that the practice emerges from the pandemic prepared for a **rapid return to normal**.

**p02/19**

**The pandemic has thrust telemedicine to the forefront as veterinarians strive to maintain their business yet achieve social distancing; what do you need to consider before offering this service to clients?**

**p08**

**p14**

**The practice team is the most important asset for every veterinary clinic – yet how do you keep everyone focused, motivated and united when things are so different from normal and the future looks uncertain?**

**veterinary focus**



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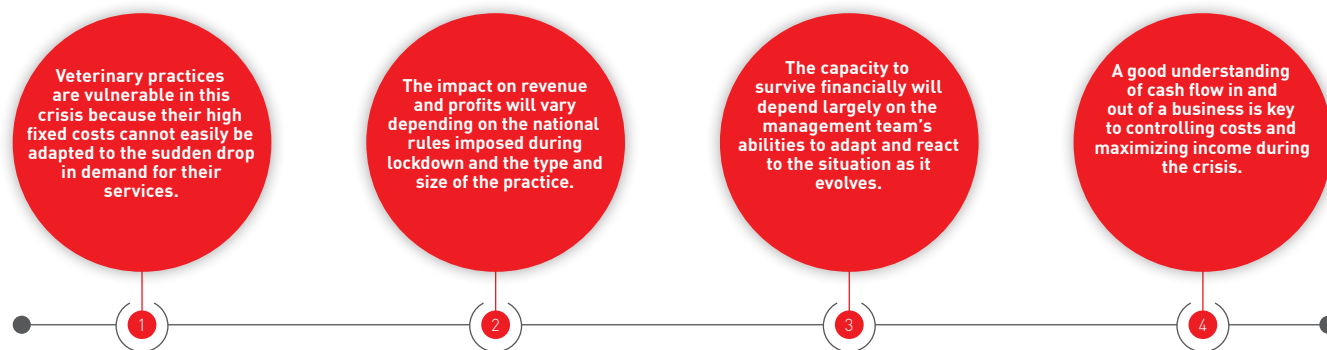
ROYAL CANIN



# INTENSIVE FINANCIAL CARE

Key to financial survival during the virus pandemic is having a basic understanding of the economics of veterinary practice, and how income, expenditure and profit are linked to each other.

## KEY POINTS



The authors express their thanks to Antje Blättner and Susie Samuel for their contribution to this article.

## Introduction

At the time of writing, we are only at the outbreak stage of the coronavirus pandemic, and varying degrees of confinement measures have been in place for a different number of weeks in different countries. What will be the financial impact of the virus and its consequences on veterinary practices in the short, medium and long term? It is still too early to have a clear understanding about what will happen, but some solid evidence has already emerged: according to the recent VMS COVID-19 report, which was based on a panel of 343 veterinary practices in Spain, total practice revenue decreased by an average of 33.2% in the three-week period starting March 16<sup>th</sup> 2020, with veterinary services also showing a worse performance than product sales (**Figure 1**). In a separate study performed by CM Research (coronavirus survey, wave 2: What is the impact of COVID-19 on veterinary professionals and their practices?) involving 870 vets from seven countries (US, UK, Australia, France, Italy, Spain and Germany), the week of March 27<sup>th</sup> saw a considerable decrease in practice revenue against the preceding week, ranging from a minimum of -12% (in Australia) to a maximum of -62% (in Italy) (**Figure 2**). In any case, it is clear that this pandemic is going to generate a serious revenue loss for veterinary practices, probably anywhere between 15% and 50%, and for an as-yet unknown duration.

## Why are practices particularly vulnerable?

Veterinary practices throughout the world are at risk if there is a sudden drop in demand for their services, mainly because of what are called “fixed” costs. In most practices, the typical profit and loss structure (with some obvious variation between practice types) can be broadly split as follows (**Table 1**).

A cost is considered as “fixed” when it does not vary with the level of workload of the practice, at least in the short term (*i.e.*, months or a year). Typical examples of this are the rent of the practice building or the size of the payroll, which will be the same (or very difficult to change) whether 20 or 100 pets enter the clinic on any given day. On the other side, the volume of goods and supplies purchased by the clinic will be more adaptable to the level of activity, meaning that if there are less clients for some weeks, the practice will buy less; these are *variable costs*.

It is possible to alter **Table 1** to show what the profit and loss structure of a clinic would look like using three different scenarios where revenue decreases by either 20%, 30% or 50%, as shown in **Table 2**.





## Pere Mercader

DVM, MBA, Veterinary Management Studies, Spain

Dr. Mercader established himself as a practice management consultant to veterinary clinics in 2001 and since then has developed this role in Spain, Portugal and some Latin-American countries. His main accomplishments include authoring profitability and pricing research studies involving Spanish veterinary clinics, lecturing on practice management in more than 30 countries, and authoring the textbook "Management Solutions for Veterinary Practices" which is published in Spanish, English and Chinese and has sold worldwide. In 2008, he co-founded VMS (Veterinary Management Studies), a business intelligence firm that provides a benchmarking service for more than 800 Spanish veterinary practices. Dr. Mercader was also a co-founder of the Spanish Veterinary Practice Management Association (AGESVET) and served on its board for eight years.



## Philippe Baralon

DVM, MBA, Phylum, France

Dr. Baralon graduated from the École Nationale Vétérinaire of Toulouse, France in 1984 and went on to study Economics (Master of Economics, Toulouse, 1985) and Business Administration (MBA, HEC-Paris 1990). He founded his own consulting group, Phylum, in 1990 and remains one of its partners to this day, acting primarily as a management consultant for veterinary practices in 26 countries worldwide. His main areas of specialization are strategy, marketing and finance, and he is also involved in training veterinarians and support staff in the field of practice management through lectures and workshop, as well as benchmarking the economics of veterinary medicine in different parts of the world. A prolific author, he has authored more than 50 articles on veterinary practice.



## Lucile Frayssinet

DVM, Phylum, France

Dr. Frayssinet is a French veterinarian who graduated from the École Nationale Vétérinaire of Toulouse, France in 2019. She is currently a consultant in Veterinary Practice Management at Phylum, with an international focus on strategic and marketing issues. She has a particular emphasis on the trend of corporatization in veterinary medicine, both in Europe and worldwide, and was also recently involved with an in-depth survey on the evolution of veterinary demographics in France and Europe.

### ●●● Are all practices affected to the same degree?

This is a difficult one to answer, as there is no previous experience in the veterinary sector of a sudden drop in demand as is happening currently. The outcome will depend on a number of factors:

- If a government enforces a "emergency only" policy, so that only urgent cases can be treated by a practice, this could force many small clinics to temporarily close; this would mean that their caseload could be taken on by larger units, which theoretically could even see an increase in their caseload and their revenue.
- If a government allows all veterinary practices to remain open with no restrictions on the type of "reasons to visit", then small local practices can be better prepared to maintain revenue, because they will remain the preferred option due to their physical proximity to the client; they will also often be able to offer better deals on petfood and supplies. This is the scenario that we are currently seeing in Spain.

- From a cost perspective, larger clinics and hospitals will certainly be affected to a greater degree because they typically tend to have a higher percentage of labor costs (as they have a more skilled and therefore higher paid team). The key factor for this sort of practice will be to what extent the national government puts temporary measures in place that allow downsizing of the workforce without incurring excessive costs for the practice or to the team itself.

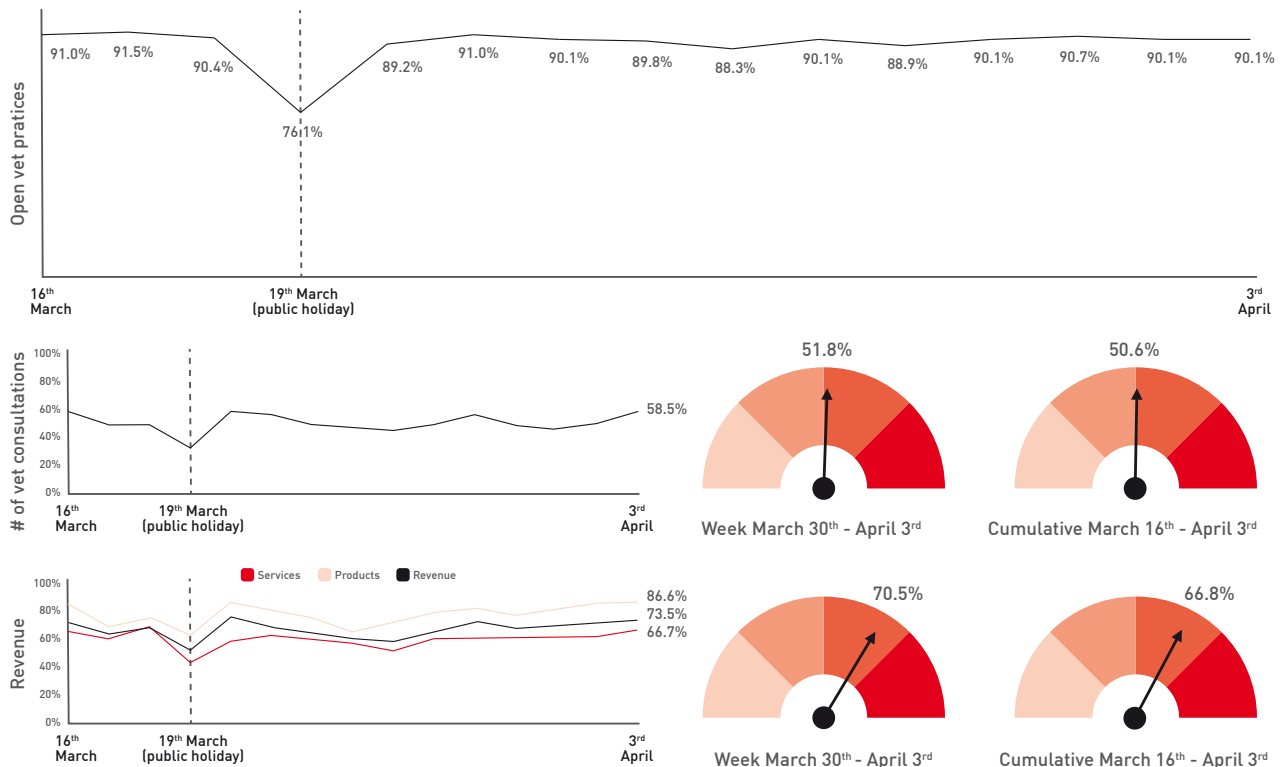
### ●●● How long can clinics survive "under water"?

How long can a veterinary practice resist a major drop in revenue without collapsing? Time is the critical factor here, and the answer basically depends on five variables:

- The acuteness of the revenue decrease; clearly, a gradual 10% drop is not the same as a sustained 30% or 50% decrease.
- The feasibility of temporarily reducing the size of the payroll without having to pay major indemnification penalties. In most countries

## Veterinary practice index activity during COVID

March 16<sup>th</sup> to April 3<sup>rd</sup>



© VMS/redrawn by Sandrine Fontègne

Figure 1. Veterinary practice index activity during COVID (March 16<sup>th</sup> to April 3<sup>rd</sup>/based on a panel of 343 veterinary practices in Spain).

this will only be possible if the government puts some extraordinary measures in place.

- The ability and focus of the practice management team to manage cash. This includes quickly and efficiently applying for and obtaining all available financial support programs (e.g., temporary tax exemptions, low interest loans endorsed by the government, etc.). It also includes renegotiating where possible all payment schedules with

various suppliers; these include the landlord for the rental of the premises, wholesalers, and equipment leases.

- The solvency of the business; this is essentially based on how healthy the balance sheet is. A practice with robust assets (its own premises, good cash reserves) and low levels of debt will be in a better position to weather a temporary crisis.
- The willingness and ability of the practice owner(s) to personally absorb losses and inject new equity in the business.

The weaker a practice scores on these five points, the shorter the period it can resist a financial downturn. A sudden, significant fall in revenue combined with poor cash management, rigid labor legislation and lack of financial support could kill a practice in a matter of weeks.



**“The ability and focus of the practice management team to manage cash is critical in surviving this crisis.”**

Pere Mercader

### Cash is oxygen: what about "artificial ventilation" for the clinic?

When experiencing a major crisis with a dramatic fall in revenue, it is sometimes necessary to

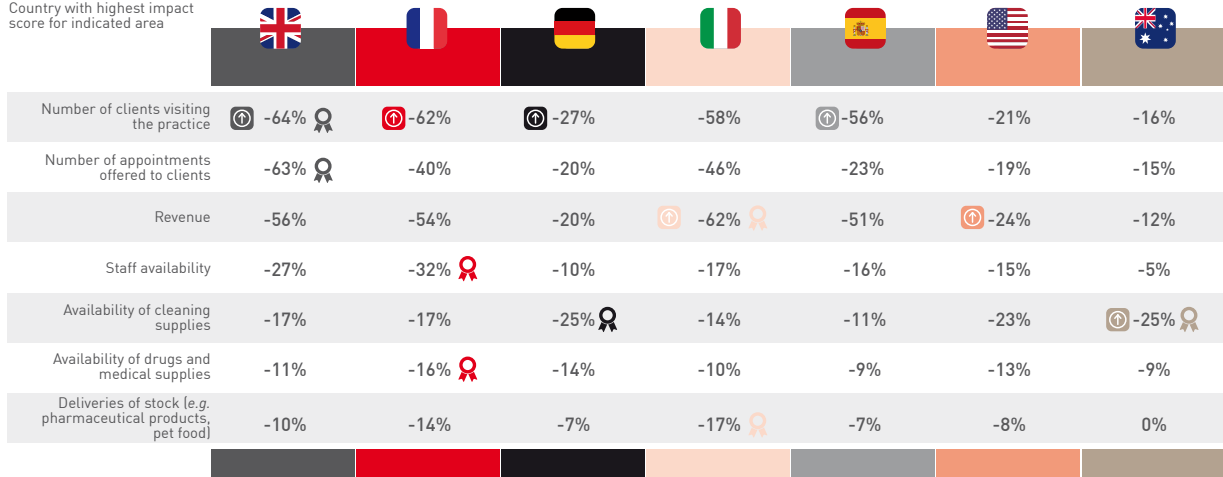
## Summary of COVID-19 impact on key areas

The UK, France and Spain have caught up with Italy on decreases in number of clients visiting the practice. Italy reports the highest negative impact on revenue, with UK, FR and ES not far behind. Germany reports a lower impact compared to other EU5 countries. US & AU report lower impact across all areas apart from availability of cleaning supplies.

📍 Area most heavily impacted in indicated country

🏆 Country with highest impact score for indicated area

Average % change reported compared to the **past week** in the following areas:



CM Research

**Figure 2.** Summary of COVID-19 impact on key areas (from an independent study carried out by CM Research Ltd. between 27<sup>th</sup> March and 2<sup>nd</sup> April 2020).

implement extraordinary measures to make sure a business can be kept alive. This means having enough cash to pay for all necessary expenses. Any business can make huge losses and still survive – or even grow – provided it doesn't run out of cash – for instance, until recently Amazon made consistently huge losses for years and yet became one of the largest companies ever.

### Understanding the sources and uses of cash

For a veterinary practice or a small group of practices the statement of cash flow can be summarized as shown in **Box 1**.

A period (which can be a day, a week, a month, a year...) starts with a certain amount of cash or cash equivalent (short-term deposits...). During this period, on the one hand, several sources will generate funds that adds to the amount of cash held, whilst on the other hand various expenses will deplete the cash. The balance of these operations explains the difference between the amount of money at the beginning of the period and the amount remaining at the end of the same period.

We usually distinguish three different sorts of cash changes:

- Firstly, cash changes coming from operating activities (the normal daily operations in the practice) which impact on the EBITDA; this is

usually in payments for services and goods that provide the main daily source of cash, and is affected by changes in the inventory (when purchasing stock) or in liabilities incurred (e.g., utilities, wages) that consume cash.

- Secondly, the cash changes linked to investing and financing activities. For instance, if a new item of equipment is acquired at a cost of 50 K€ and financed with a 50 K€ bank loan, there is no change in the cash held on the



**“A sudden, significant fall in revenue combined with poor cash management, rigid labor legislation and lack of financial support could kill a practice in a matter of weeks.”**

Lucile Frayssinet



**Table 1.** Typical profit and loss structure for a practice.

|  | % of income | Cost nature |
|--|-------------|-------------|
| Revenue                                    | 100         | -           |
| Merchandise & supplies                     | 20 - 30     | Variable    |
| Payroll (owners and employees)             | 40 - 50     | Fixed       |
| Overheads (premises, administration, etc.) | 15 - 20     | Fixed       |
| EBITDA *                                   | +5 to 15%   |             |

\* EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) is a measure of a company's overall financial performance and is often used to represent the profit in a business.

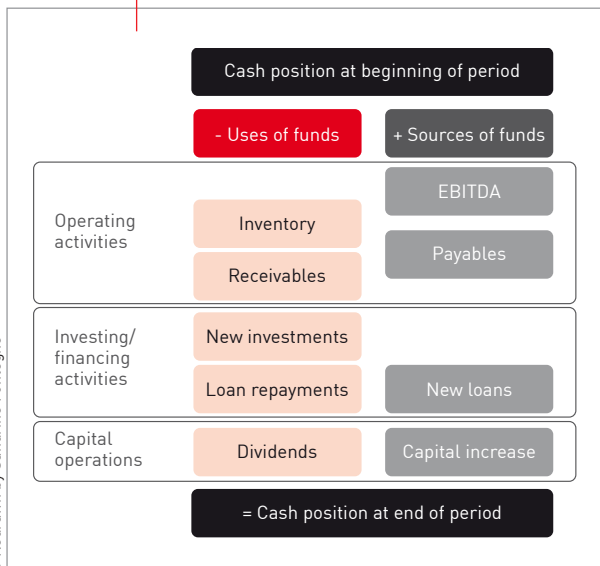
**Table 2.** Variation in profit and loss with decrease in revenue (all figures %).

|  | Pre-crisis situation | 20% revenue drop | 30% revenue drop | 50% revenue drop |
|--|----------------------|------------------|------------------|------------------|
| Revenue                                    | 100                  | 80               | 70               | 50               |
| Merchandise & supplies                     | 20 - 30              | 16 - 24          | 14 - 21          | 10/15            |
| Payroll (partners & employees)             | 40 - 50              | 40 - 50          | 40 - 50          | 40/50            |
| Overheads (premises, administration, etc.) | 15 - 20              | 15 - 20          | 15 - 20          | 15/20            |
| EBITDA                                     | +5 to +15            | -5 to -15        | -10 to -20       | -15 to -30       |

day it is bought, but there will be some cash consumed each time we repay a loan installment. Alternatively, if the same item of equipment is purchased without any bank loan to pay for it (by using existing cash held), we will experience a cash decrease of 50 K€ on day 1.

- Finally, cash changes linked to capital operations, when we pay a dividend to owners, partners or shareholders, or when we ask them to add funds in the form of equity or short-term loans.

**Box 1.** Simplified cash flow statement.



**“Explore every available legal measure to obtain extra cash, such as refinancing existing loans or even leasing back some assets, and applying for special loans offered or backed by the government.”**

Philippe Baralon

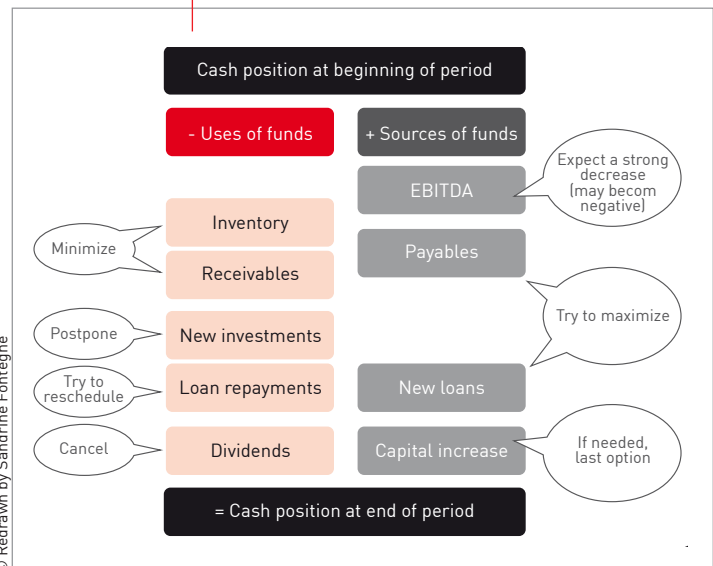
### Cash optimization during a crisis

- To be totally clear, during a crisis cash management is only a short-term therapy and any recovery strategy is not based on it, but it sometimes may be necessary, or even vital, to follow the recommendations shown in **Box 2** just to avoid running out of cash.

The main recommendations are as follows:

- The starting position is to expect a sharp decrease in EBITDA, even to the point where it is negative. Trying to mitigate this is a key issue and requires income to be kept as high as possible – although the caseload is expected to fall – mainly by working on increasing the average transaction value (ATV).

**Box 2.** Main recommendations for cash optimization during crisis management.





**Figure 3.** During the crisis, you should implement a “no-credit” policy – but taking payments remotely or using appropriate disinfection techniques must be implemented for staff safety.

- Minimize money owed to the business whilst maintaining income as much as possible, *i.e.*, it is wise to implement a “no-credit” policy to ensure the practice gets paid at the time of providing a service (**Figure 3**).
- Downsize the drug and food stocks, even if this means missing out on some promotions from suppliers, but ensure that the inventory is such that the practice can work normally and sell clients what they want to buy.
- When it comes to settling liabilities, keep the payment delay as short as possible for key partners, including staff salaries (but possibly not the practice owners). Nevertheless, try to negotiate longer payment terms with suppliers. In addition, do not hesitate to use as needed every available extraordinary measure allowed by the government to delay some expenses, such as social insurance payments and taxes.
- Non-essential investments should be postponed.
- Explore every available legal measure to obtain extra cash, such as refinancing existing loans or even leasing back some assets (although this may take some time to be implemented), and applying for special loans offered or backed by the government.
- Finally, if necessary, cancel any planned dividend payments. It may even be necessary to ask shareholders, owners or partners to introduce cash to the business, either as equity or as short-term loans, if the closing balance puts the business at risk.



## CONCLUSION

Recognition of the magnitude of this crisis and the very real threats that it brings to a veterinary business is essential for survival. It must be emphasized that none of the actions discussed above can cure the disease, but they can prove to be decisive in buying time in order to stay alive and implement true solutions until we can benefit from a strong recovery program once the crisis is over.

# THE TELEMEDICINE SOLUTION



## Susie Samuel

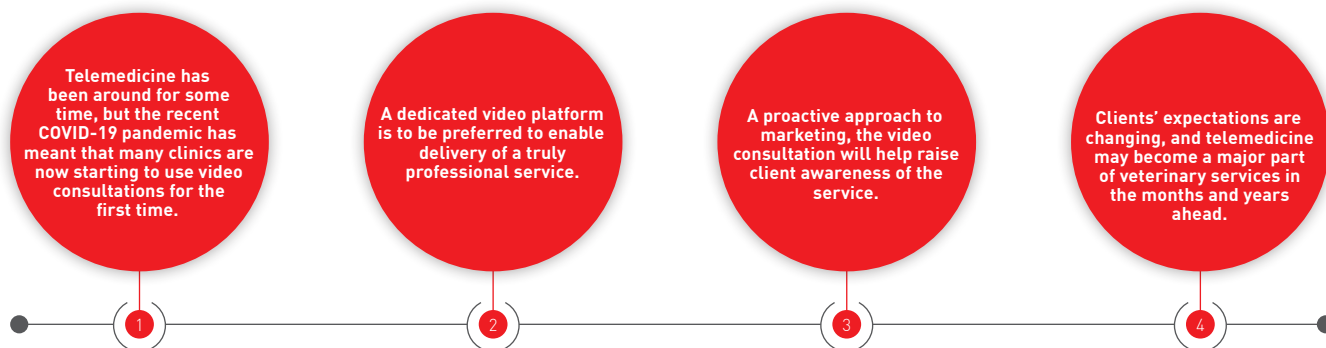
MA, VetMB, MRCVS, VetHelpDirect, Hampshire, UK

Dr. Samuel graduated from Cambridge University in 2001 and spent ten years working in both mixed and small animal practices. In 2006 she set up VetHelpDirect.com, a website that helps owners decide how quickly they need to seek veterinary attention for their pets. The business quickly evolved to become a specialist veterinary Internet marketing agency, winning the 2015 Veterinary Marketing Award for Practice Marketing, and Dr. Samuel eventually left practice to become managing director of the company. She also holds the Google Certificate in Internet Marketing, and trains veterinary staff in all aspects of Internet marketing.

*The author expresses her thanks to Philippe Baralon, Antje Blättner and Pere Mercader for their contribution to this article.*

The COVID-19 outbreak has meant that most veterinarians are having to consider telemedicine as a means of minimizing face-to-face contact with clients; this paper describes how the service can benefit both the clinic and its patients.

## KEY POINTS



## Introduction

Video consultations have very quickly become "front of mind" for the veterinary profession over the last few weeks due to the coronavirus outbreak. While there remains significant variation in levels of use between countries (for example, the UK has adopted the technology at a faster rate than other European states (**Figure 1**)), it is a solution that many clinics had already begun to seriously consider utilizing prior to the coronavirus pandemic. However, there remains a wide variation in legislation and regulation between countries regarding video consultations. In some, the use of telemedicine is forbidden; for example the

French Veterinary Chamber is currently lobbying the national government to create emergency legislation which will allow video consultations during the coronavirus outbreak. In the UK existing restrictions on the right of the veterinarian to prescribe remotely have been relaxed by the governing body, the Royal College of Veterinary Surgeons<sup>1</sup>, stating that "remote prescribing of POM-V medicines should be permitted where it is appropriate to do so".

<sup>1</sup> <https://www.rcvs.org.uk/setting-standards/advice-and-guidance/coronavirus-covid-19/>



## PRACTICE RESPONSE TO COVID-19

The UK is leading the way in adopting telemedicine to conduct consultations, while the majority of practices in all countries sampled are cancelling unessential visits and asking clients to wait outside during the consult. However, moving sales online is not a commonly used approach – except in a small proportion of US practices.

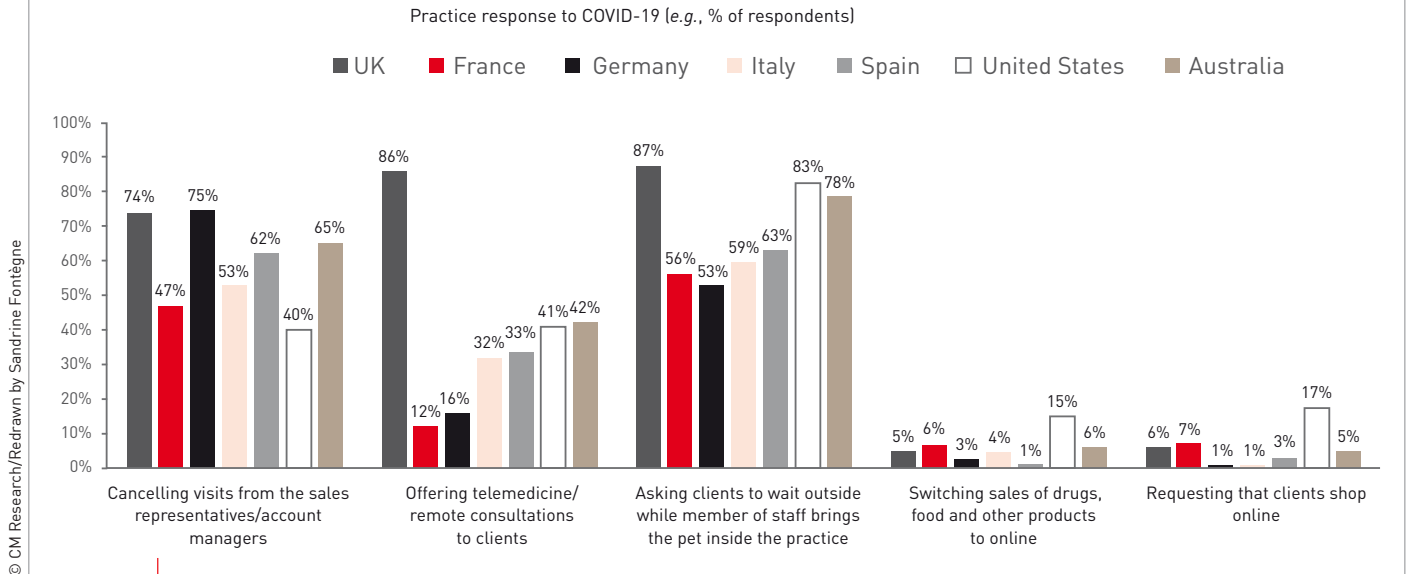


Figure 1. A recent international survey examined how practices had responded to the COVID-19 outbreak.

## Why telemedicine?

Running remote consultations during the COVID-19 pandemic through a video platform that can also collect payment means that a veterinary practice can continue to generate revenue during the lockdown period when only essential travel is mandated. It also has huge implications for animal welfare and offers peace of mind for pet owners during the outbreak.

Importantly, video consultations also allow veterinary staff that are vulnerable and therefore advised to self-isolate to continue to work from home, whilst pet owners who may not be able to leave their house for whatever reason can also access veterinary advice and care (Figure 2).

Video consultations allow veterinary practitioners to keep human contact to an absolute minimum; face-to-face interactions can largely be replaced with video, payments can be collected through the consultation platform, and – following the remote consultation – where necessary animals can be easily transferred between owners and practitioners whilst abiding by social distancing recommendations. In transferring the animal, the risk is restricted to the animal acting as a fomite, and is similar to the risk of virus transmission on other surfaces, such as when receiving a parcel. Although there have been a few reports of animals being infected with COVID-19, to-date these have been isolated and

the World Health Organization (WHO)<sup>2</sup> currently reports that there is no evidence that a dog or cat can transmit the disease to a human.

<sup>2</sup> <https://www.who.int/news-room/q-a-detail/q-a-coronaviruses>

Figure 2. Owners who find getting to the surgery difficult will often appreciate a telemedicine service to access veterinary advice and care for their pet.





**Figure 3.** Before commencing the video consultation, clients should be advised that they should sit where there is good lighting, for example next to a window. This will enable the clinician to see the patient more easily.

Telemedicine offers a number of advantages over a telephone consultation. Communication is more effective, as the owner can see the veterinary surgeon, their facial expressions and body language. Importantly, the clinician is able to see the pet behaving normally in its own home. The nature of a video call means that the veterinarian can direct the pet owner in achieving a suitable picture that will allow them to get the best possible view, asking them to change the angle of the camera, improve the lighting, or alter the part of the animal they are focused on (**Figure 3**). This real-time interaction makes it a more productive channel than a telephone conversation, even when a phone call is combined with asking owners to send in their own video or photos of their pets.

### ●●● When to use telemedicine

Veterinarians around the world are having to make rapid decisions about how best to incorporate telemedicine into their processes during the COVID-19 pandemic, including which platform to use and how best to run consultations. Because video consultations can be highly beneficial in the context of human health, public health and animal welfare, it is advisable to utilize them as the preferred method of interacting with clients whenever possible. Veterinarians can use video for a range of consultation types including triage, first opinion examinations, repeat prescription checks, nurse clinics, post-surgical reviews and behavioral advice clinics.

Some veterinary clinics have also been using video consultations to allow owners of inpatients to see their pet whilst hospitalized.

### ●●● Platform choice

It is possible to use non-specialist platforms such as Zoom, WhatsApp or Facetime for video consultations, but there are several disadvantages with such platforms. Not least is the fact that the veterinary surgeon often needs to share their contact details with the client, who could then attempt to contact them using the platform at a later, and possibly inconvenient, time and date. In addition, taking payment with these platforms requires a separate process, usually involving debit or credit card details being shared over the telephone. As veterinary staff are used to linking payment with hands-on examinations, they may feel awkward asking for payment for the clinician's time in the absence of a physical examination. Utilizing a platform which automatically facilitates payment from the client within the application, prior to a video appointment, can therefore result in a stronger ratio of paid versus free consultations.

Other advantages of using a specialist veterinary platform include creating appointment slots which can be made available for public booking, as well as the option of offering individual appointments for a client at specific times with a pre-selected veterinarian. This can provide the flexibility of charging different prices for different consultation types, or not charging at all for certain

consultations such as free post-operative checks. Some veterinary clinics choose to use a combined approach, whilst others prefer to use purely private invitations. In terms of minimizing friction and making the client experience as stress-free as possible, it can make sense to offer appointments for public booking, but given the speed of introduction of this service to veterinary practices it is understandable that some clinics may wish to control as much of the process as possible. Importantly, this article will not recommend specific video platforms, as their availability may vary from country to country.



## Involving and training the team

It is self-evident that there are significant limitations as to what can be achieved in terms of veterinary diagnosis and treatment over a video link. Exploring as a team ideas and suggestions for a policy on what may and may not be safely diagnosed or treated remotely may help to build confidence as to how the tool can be used. It is useful to plan the interplay between video consultations and any subsequent in-person care that is necessary. Helping the team to understand the value that a video consultation delivers – in terms of history taking and initial advice – is critical, even if a client is subsequently advised at the end of the video consultation that they need to bring their pet in to the clinic. It is also worth considering the various factors that will ensure a successful video consultation, as shown in **Box 1**.



## Introducing video consultations to the client

A pricing policy for video consultations must be agreed before the service is introduced. During the COVID-19 outbreak, where much of the day-to-day business of the practice will be conducted via video consultations, charging normal clinic fees makes commercial sense. The veterinary staff are investing their time in the usual way, and if the problem is resolved entirely via video the outcome is as valuable as usual for the owner. Should the client need to subsequently bring their pet into the clinic, the cost can be adjusted at this point, if appropriate, by undertaking the physical examination at a reduced cost or for no fee.

Client communications about the availability of online consultations is another important step in the successful implementation of telemedicine. If clients are unaware of the service during the outbreak, it is likely that many will jump to the conclusion that veterinary care is not on offer, particularly in countries where veterinarians have not been identified by the government as “key workers”. If clients assume that veterinary care is unavailable this can lead to negative outcomes, as

### Box 1. Tips and tricks for a successful video consultation.

- Ensure you are dressed appropriately to clearly communicate your role to the client; a clean uniform and neat appearance can help achieve this.
- Test your Wi-Fi before the video call.
- Check that your computer, tablet or smartphone has permission to use the microphone and camera.
- Test the software in advance; it is often necessary to upgrade operating systems or browsers to be able to utilize the platform effectively.
- Good lighting will make it easier for your client to see you properly and thus easier for you to communicate with them. Good lighting in the client’s home is also to be recommended.
- Advise the owner prior to the consultation to keep the animal restrained on a lead or in a room where there is nowhere to hide!
- Keep a soft toy dog and cat nearby during the consultation; these can be useful to demonstrate to an owner how you wish them to hold their pet or if you want them to show you a particular area in more detail.
- Clients should be advised to use smartphones rather than laptops if at all possible; this makes it much easier for them to get the required view of the pet.
- The veterinarian should ideally use a laptop with a large screen; this makes for a better quality picture and makes it easier for the clinician to get a good view of the pet.
- Ensure owners are warned of the limitations of any diagnosis by necessity without a physical examination.
- Always record this advice, plus full clinical notes, on the Practice Management System after the consultation.



**“Veterinarians around the world are having to make rapid decisions about how best to incorporate telemedicine into their processes during the COVID-19 pandemic, including which platform to use and how best to run consultations.”**

Susie Samuel





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**Figure 4.** Photographs posted on the practice website and social media posts showing clients using the telemedicine facility in their own home can be useful in promoting the video consultation service.

they may try to solve a problem themselves using online forums or self-help videos, rather than seeking expert advice.

Training the reception team so that they understand and feel comfortable with the role of video consultations is another important step. This should ensure that the option of remote consultations is offered to clients by all members of the team whenever appropriate, and will dramatically increase the number of video consultations per day.



**"Running remote consultations during the COVID-19 pandemic through a video platform that can also collect payment means that a veterinary practice can continue to generate revenue during the lockdown period when only essential travel is mandated."**

Susie Samuel

A proactive approach may be the best option. An email sent to all clients is the first, most obvious step to promote the service, asking them to register on the clinic's chosen video consultation platform. Social media posts should also be used, adopting a "drip-feed" approach, whereby reminders are posted regularly; these can be made more visually appealing by including simple graphics which can be easily made using online services such as Canva<sup>3</sup>.

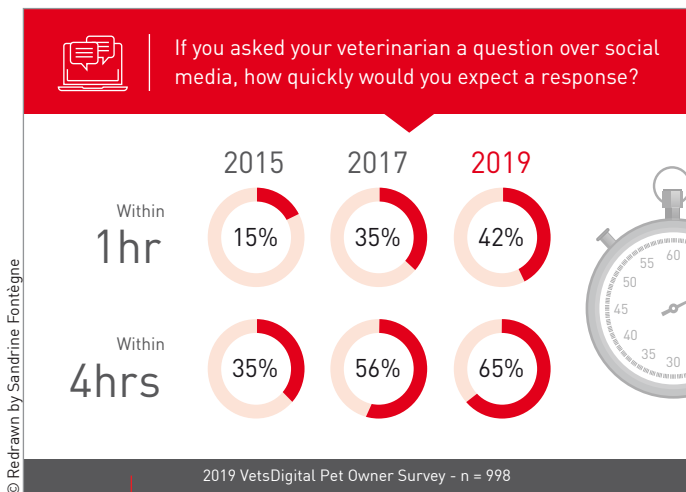
Photographs and stories of veterinarians consulting via video can also provide helpful and engaging reminders of the service (**Figure 4**). Paid advertisements on social media can be useful in some instances to ensure that the posts are seen by as many clients as possible, by targeting people who already "like" the practice Facebook page. Focused marketing can also be used to ensure that visitors to the practice website are also reached. Ensure the service is profiled with clear links from the practice website. Blogs or vlogs (video blogs) can be used to illustrate the use of videos, with stories (appropriately anonymized) about cases successfully treated via telemedicine. Getting the word out will ultimately benefit both the clinic and the client, and ensure improved animal welfare.

## ●●● Beyond COVID-19

Client expectations are changing rapidly. The VetsDigital biannual survey shows an interesting example of this by tracking pet owners' expectations for shortened response times to questions posed over social media over the last five years (**Figure 5**). Clients generally expect more instant access to services; remember that our clients are consumers in other areas of their lives and have become used to easy access to products and services without leaving their home via Amazon Prime, Netflix and entertainment on-demand, and increasingly they are becoming accustomed to video consultations with their doctor. Our evidence suggests that visiting the veterinary practice can be quite challenging for many owners (**Box 2**). As client expectations continue to change rapidly, those veterinary clinics that meet those expectations will thrive, whilst those that do not risk being left behind.

Perhaps recognizing this shift in client expectations, the last 3-4 years has seen the emergence of a variety of video platforms in many countries that offer consultations with veterinarians via video link. These services have grown in popularity with pet owners, particularly as they have also been adopted by pet insurance companies and offered free-of-charge to their customers. These services have the potential to open up an access point to veterinary care

<sup>3</sup>www.canva.com

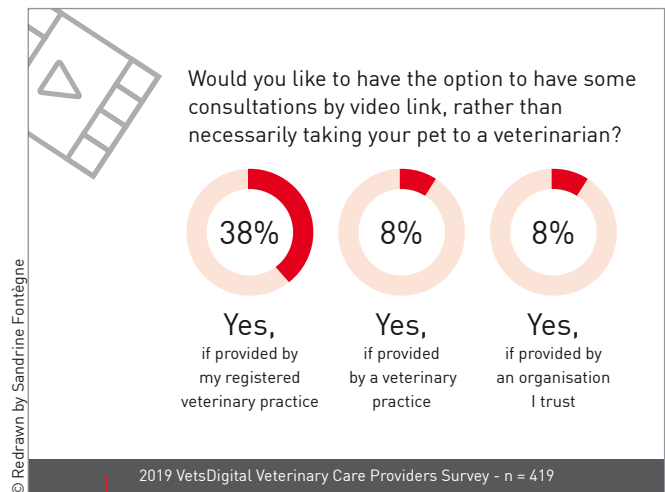


**Figure 5.** A survey showed that the expected response time for questions posed by pet owners on social media has shortened considerably over the last five years.

for those that might otherwise not access it at all, but this trend has caused concern to local veterinary clinics who see some of their “easier” consultations disappearing to these online services. Another challenge stems from the fact that remote video services provided to animals that are not under the care of the consulting veterinarian are more limited in what they can achieve. For example, in the UK, it is currently not permitted for veterinarians to provide prescription-only medicines (POMs) to an animal who is not under their care. When video consultation technology is put into the hands of local veterinarians it becomes a tool with far more scope to benefit the animal. Veterinarians in many countries (including the UK) can prescribe POMs if the animal has been seen recently enough. They can also perform follow-up consultations and post-operative checks that would be impossible

**Box 2.** Owners may cite many reasons why visiting a veterinary practice can be quite challenging.

- The staff don't understand me”
- “Parking can be difficult”
- “My pet gets stressed”
- “They have poor phone communication”
- “Waiting at the vets”
- “Climbing the stairs”
- “Carrying my pet”
- “Finding a suitable appointment time”
- “Transport isn't easy”



**Figure 6.** Evidence suggests that although pet owners would like to have the option of seeing a clinician via video, a far greater number of owners would use this option if they were able to see their own veterinarian.

for a third-party remote veterinarian. Additionally, when a local clinic performs triage or a first opinion consultation via video they are collecting a history that will be utilized should the pet need to come in for a physical examination, rather than the history having to be taken again at the practice. The video consult can also be used to provide relevant information to the owner on when their pet needs to come in for physical examination, and advise on any further requirements for a successful visit to the practice, such as asking the client to bring a urine sample from their pet.

Lastly, evidence also suggests that although pet owners would like to have the option of seeing a veterinarian via video, a far greater number of pet owners would use this option if they were able to see their own veterinarian rather than a non-specific clinician or generic organization (**Figure 6**).



## CONCLUSION

The COVID-19 pandemic has hastened the introduction of telemedicine into veterinary practices around the globe. Done properly, video consultation can help maintain the financial viability of a clinic, protect the health of both clients and veterinary staff, and be of major benefit to our pets. Veterinarians should recognize the necessity of offering such a service and ensure that they can deliver it in a professional and caring manner.

# PUTTING THE TEAM FIRST



## Antje Blättner

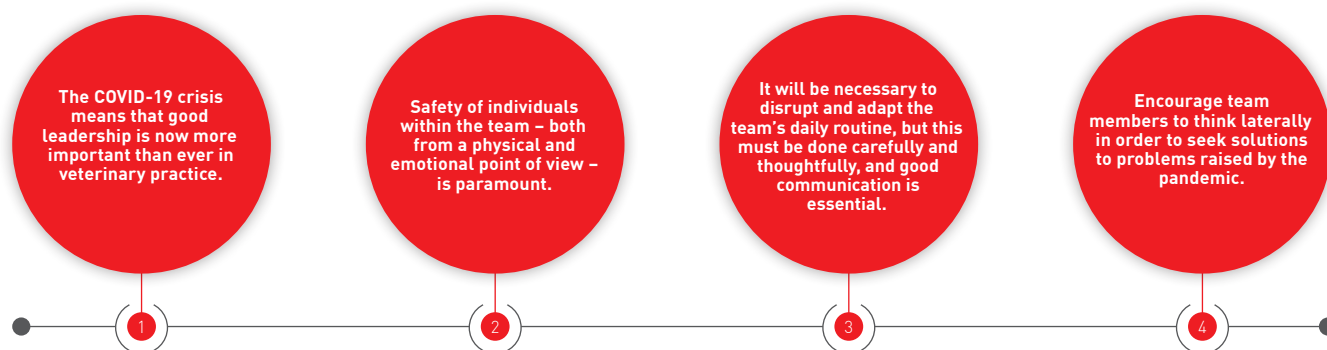
DVM, Vetkom, Neustadt, Germany

Dr. Blättner studied in Berlin and Munich and after graduating in 1988 she set up and ran her own small animal practice. She then completed a post-graduate course on training and coaching at the University of Linz, Austria before founding Vetkom, an international company dedicated to educating veterinarians and veterinary technicians on practice management, client communication, marketing and other related topics through lectures, seminars and in-house workshops. As well as editing two veterinary journals, she works alongside Royal Canin training veterinarians in more than 20 different countries.

*The author expresses her thanks to Philippe Baralon, Pere Mercader and Susie Samuel for their contribution to this article.*

Veterinary practice is being challenged as never before with the COVID-19 pandemic; this article outlines steps to consider which can help the team and the business successfully meet the challenges presented by the crisis.

## KEY POINTS



### ●○○○ Introduction

In times of crisis, good leadership becomes even more important than when you and your team are sailing in smooth waters. When the going gets rough, your staff will expect more from their boss; they will look to you to keep them safe, to give them clear guidance and direction, and to prioritize the tasks to be done. With the current threat of COVID-19 it is now essential to approach the pandemic as a team; by taking care of each other you can take care of your clients during the pandemic and maintain a functioning clinic, both during and after the crisis (**Figure 1**).

### ●●○○ People safety – physical

The first and most important issue is to keep the entire team safe from a physical point of view. This means that the clinic must be reorganized according to national rules and WHO guidelines, and it is advisable to check the relevant government department's website on a regular basis for updates. Methods for keeping the team safe can include the following basic measures:

- creating as much distance as possible between people – whether they are staff members, pet owners or delivery personnel;





**Figure 1.** A “to-do” list for you and your team to keep strong and motivated during difficult times.

- having separate outfits for the clinic and at home;
- wearing facemasks during work and in public places (**Figure 2**);
- setting up transparent screens as a barrier between personnel and clients, *e.g.*, at the front desk;
- avoiding handshakes and other close personal contact.

If you have staff members that have underlying existing health conditions, or who are pregnant, you should again check with local and national governmental guidelines in order to find ways in which they can distance themselves from pet owners and the rest of the team. Remember that these individuals do not necessarily have to stop working. It may be possible to allocate them to jobs that minimize contact, such as telephone services, telemedicine consultations, or website and social media maintenance. These are often tasks which can be done at home, assuming the necessary digital devices and good Internet connections are available. A considered overall view of the practice will help identify which jobs require a physical presence in the clinic, and which tasks (possibly including new services) can be achieved remotely – and it can be helpful to “think outside the box” and look for innovative solutions in certain areas.

## ●●● People safety – emotional

The next issue to address is the emotional welfare of you and your team. This can be assisted by developing daily habits which will give each other strength and help keep motivation high. A team will always have a mixture of individuals, each with their own character, and these can be broadly categorized as follows:

- Some will be quite resilient and can cope quite well under stress.
- Some will appear tough but are actually quite sensitive when under pressure.
- Some will be (very) sensitive to stressful situations.

No matter what sort of people you have in the team, and whether or not they show their true feelings (or if you can recognize the different characters), there is one thing that will really help, and that is being honest and open about the situation. With the COVID-19 crisis do not try to downplay the problems that occur and delude people – your team should be your biggest asset and you should tackle the necessary changes and make adjustments together. Key to this is remembering that what you give is what you get. This means that if you open up about your concerns and worries, you can expect your team to do likewise and share their thoughts – and this is the basis for finding solutions to deal with the pandemic and keeping motivated. Some ideas to strengthen the team spirit and to help the more sensitive staff members to cope better with this stressful situation are as follows:

- Introduce daily meetings to update one another and to chat – this may be face to face or can be via apps such as Zoom or Skype (**Figure 3**).

**Figure 2.** When a physical exam is necessary, the client can be asked to wait outside the clinic while the patient is held by a nurse wearing appropriate personnel protective equipment.





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**Figure 3.** A virtual coffee break with all the staff, when everyone can share news and support each other, is a good way to keep your spirits up.

- Share uplifting and funny events that have happened during the day via messenger apps.
- Encourage your team to discuss the concerns they have about the situation, so that you can find solutions together.
- Give your staff the feeling of being important and useful – people want to be involved, especially at unstable times.

By doing this you can create a “safe space” for you and your team during this critical period. This will enable everyone to retain the energy necessary to maintain good client service, and help prevent people being consumed by fears and worries about what might happen. Try to create a positive vision for the future “after corona” that involves your team and show them the opportunities that this unique, and at the moment very uncomfortable, situation can bring (**Figure 4**).

## ●●● Change management

There are many options to adjust your clinic to the pandemic situation in order to keep clients, retain and secure revenue, and maintain a functioning working environment. These include offering services such as telemedicine exams (see also “The telemedicine solution” paper on page 8), telephone calls to clients with pets who are chronically ill, home-delivery for medications, and a pet-taxi service. Sit down and think along laterally, asking what can be done to adjust to this situation. Then write down your ideas and slowly and gently prepare the staff for changes. Importantly, do not write a memo assigning people to carry out your ideas – change

management is a very sensitive area of leadership, and this is why professional experts are employed to address and oversee a change of direction within international companies. Clearly this is not an option for small businesses, but knowing about the importance of this issue and adjusting the way you communicate with the team is a big step in the right direction.

Most people do not enjoy adjusting to new working conditions. Therefore the need to disrupt and adapt the daily routine because of the pandemic will be challenging for everyone, and when confronted with change what often happens is that people try to escape from making the planned adjustments:

- They will find (often very good) arguments for not following the proposed solutions.
- They will turn a deaf ear to alternative requests – although they may say “yes”, they mean “no”.
- They will confront the leader with a clear refusal, openly saying “I will not do this!”

In between these behaviors there are many shades of opposition, and valuable time may be lost before it becomes apparent that people are not following you. But there is good news; something can be done about this, and the magic word in this context is *involvement*. This means that instead of choosing the same old top-down approach (by developing new ideas on your own and then telling the team to implement them), try something different: get everyone together, either physically or remotely, introduce the issues that need to be addressed, and then ask them for solutions. If you haven't

done this kind of meeting yet, it may take some time for people to adapt to the process, but the reward is an engaged and motivated team. Additionally, and importantly, solutions that people suggest are solutions that they are also prepared to implement and follow.

After this sort of brainstorming meeting there may still be some residual resistance where you as the leader has to apply slight pressure to get things done, but it is a much better method to engage the team and to move things forward efficiently rather than to just delegate or dictate your own ideas.

## ●●●○ Staff-related matters

Assuming you want to keep your team intact, it is probably necessary to start thinking about how it may be possible to adjust the workforce – and also reduce costs – without making people redundant (see also the “Intensive financial care” and “Financial strategy to recover from COVID-19” papers on page 2 and 19), for example:

- by reducing their working hours – but without causing financial problems for individuals;
- by postponing bonus payments – but in agreement with the employees;
- by letting staff take holidays now rather than when the business is fully operational again;
- by switching them from things that are not currently important to tasks that you have been meaning to address for a long time, or to develop new services, e.g., video consultations;
- by adjusting the staff rota.

**Figure 4.** Key issues to keep the team motivated in stressful situations.



**“With the COVID-19 crisis you should not try to downplay problems that occur and delude people – your team should be your biggest asset, and you should tackle the necessary changes and make adjustments together.”**

Antje Blättner

Crucial for all staff-related matters is that you are honest and open, and that the entire team is involved when it comes to problem-solving and issue-managing, as discussed above. It is not necessary to disclose all the figures, but it could be a good idea to show the team the general balance of income and costs to give a greater understanding of the situation. Staff members may think that the boss is very wealthy because they only see the daily income, but they often have absolutely no idea of the costs incurred when running a clinic. So being transparent can help to get the message across; “we’re in this together, so let’s see which changes we can make together to keep the business running”.

If the crisis affects the clinic to the extent that it will be necessary to let people go, then there is probably no way around it. In some countries government support is available to help reduce payroll costs, so always check the relevant websites, but if there is no support, or it is insufficient, then construct a plan and communicate it with the team. Here are some ideas which may help reduce costs, at least for a period of time:

- Check if you can reduce everyone’s wages, with the aim of retaining your entire team.
- Check which individuals have other sources of income and could manage if they are temporarily laid off.

Of course if wages are withheld from staff, this will have to be settled again in the long run, but reducing costs in agreement with your team can greatly help the business in the short term.

Once the necessary financial data has been gathered and decisions made, then it is time to talk to your people; again it is best to be open and honest, and to involve the team in matters that concern all of them. However,





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**Figure 5.** If the clinic is quiet, take the opportunity to review your practice management system in order to identify which services are in demand and then use the data to plan for the future.

discussion about individual financial matters – such as payroll, or other personal issues – should be done one-on-one with the boss and the staff member in a private meeting.

## Organizational & strategic matters

The pandemic makes life as a veterinarian much more difficult; daily routines and the organization of tasks are disrupted and we all are challenged to analyze our workflow, to make adjustments and make compromises. The comfort that stems from following well-known processes is gone and instead each day can present new issues to deal with: a shortage of staff and supplies, dramatically less revenue, insecurity as to how long this will be going on, etc. But a crisis can also offer some opportunities, such as stimulating you to make overdue decisions and adjustments for the business. These may be staff-related, strategic or organizational – all things where we would normally think “I’ll do this at some point, but right now I’m too busy”. If you and your team genuinely do not have time to take stock then do not worry, but if the workload is reduced because less clients are coming through the door, use the time productively to do an in-depth review of how the clinic’s workflow is organized. It is also pertinent to start thinking of how to emerge from the crisis and consider what changes and strategic adaptations could be introduced, including new services. This could involve the following points:

- Assess the daily tasks of the various divisions of your clinic, such as telephone service, reception, consultations and treatments, management of drugs and supplies, etc. and determine if the protocols and assigned responsibilities still fit with the actual needs of your business. If not, consider taking the chance to change things now.

- Check the quality of customer service in your clinic by using “mystery shoppers” (either by telephone or physical consults); get feedback on your strengths and weaknesses and set up a training program to ensure top-quality service.
- Review the practice website and social media accounts; check if the content and information are current, interesting and appropriate for your clients, and if the images are of high quality.
- Datamine the practice management system to identify which services, drugs and supplies are in high demand, and which can perhaps be deleted. In this way you and your team can fully focus on the important items and produce a more profitable outcome (**Figure 5**).
- Review the local veterinary landscape and the changes that have occurred in the last 2-3 years. Find out if there is a requirement for certain services – for example, new housing in the locality with young families and pets may mean there is a demand for puppy classes, or if there is a large elderly population nearby with many indoor cats where a house-call service would be welcomed.
- Get your team together to do a SWOT exercise: analyze strengths, weaknesses, opportunities and threats. Then create a to-do list, prioritize and highlight certain tasks, define deadlines, assign them to people and get them working.



## CONCLUSION

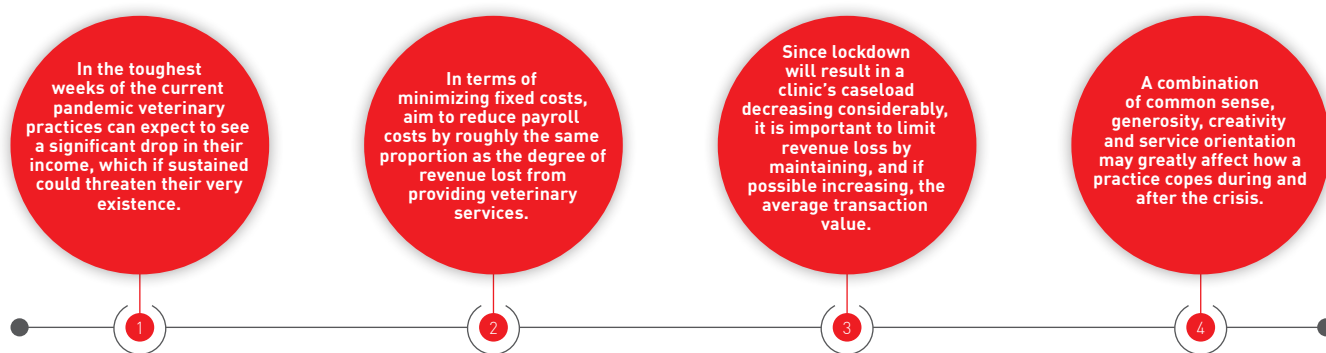
The COVID-19 pandemic is the biggest challenge the world has faced for many decades, and almost no business will be immune from its impact. For each and every veterinary practice it is essential that the team leader is proactive to ensure that priority is given to the safety and wellbeing of everyone, and that good communication is maintained at all times. Careful introduction of revised working methods and an appreciation of the pressure and stress individuals will be feeling at this time will help you and your team stay motivated and focused. Plan carefully, make wise decisions, and use this opportunity to prepare for the future.



# FINANCIAL STRATEGY TO RECOVER FROM COVID-19

Unique problems may require unique solutions, but to survive during the COVID-19 pandemic it is necessary for every veterinary practice to take a long hard look at minimizing costs and also to consider ways in which income can be maintained during this difficult time.

## KEY POINTS



The authors express their thanks to Antje Blättner and Susie Samuel for their contribution to this article.

## Introduction

When facing a crisis such as COVID-19 we need to deal with uncertainty. At the time of writing neither the magnitude nor the duration of the pandemic is known – but it is already obvious that the virus has had a very rapid and violent impact on the economics of veterinary business. Hopefully, it will be relatively short-lived. However it is apparent that during this period veterinary practice owners will experience a dramatic drop in revenue, so it is essential to reduce costs in order to minimize losses and avoid a financial crisis. Unfortunately, given the timeframe of the present pandemic it is impossible to fully adapt expenditure in proportion to income because of the importance of fixed costs. This paper offers a blueprint to help maintain a practice through these difficult next few weeks or months, and **Table 1** offers a summary in the form of a priority action grid (**Figure 1**).

## The vital need to reduce fixed costs

Most of the costs for any veterinary clinic are fixed, such as premises, equipment and (the main

**Table 1.** Priority actions to consider based on time frame.

| Time frame | Primary goal   | Priority actions   |
|------------|--|--|
| 1 month    | Stop the bleeding. Ensure liquidity                  | <ul style="list-style-type: none"> <li>Postpone all outgoings as much as possible. Freeze all investments</li> <li>Limit stock levels</li> <li>Enroll in all public programs supporting credit lines and financial aids to small businesses</li> </ul>                                 |
| 2-3 months | Adapt to the new scenario. Minimize financial losses | <ul style="list-style-type: none"> <li>Negotiate with the team and adjust team size to new situation</li> <li>Start revenue-stimulating initiatives (e.g., telemedicine)</li> </ul>  |
| 4+ months  | Prepare for the post-crisis recovery.                | <ul style="list-style-type: none"> <li>Write a business plan with 2-3 recovery scenarios (different speeds of recovery) and the corresponding team size that will be needed</li> <li>Adapt service offerings to the new situation (e.g., telemedicine, home delivery, etc.)</li> </ul> |



## Pere Mercader

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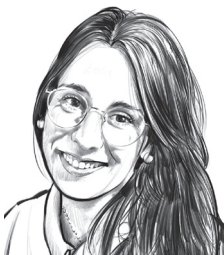
Dr. Mercader established himself as a practice management consultant to veterinary clinics in 2001 and since then has developed this role in Spain, Portugal and some Latin-American countries. His main accomplishments include authoring profitability and pricing research studies involving Spanish veterinary clinics, lecturing on practice management in more than 30 countries, and authoring the textbook "Management Solutions for Veterinary Practices" which is published in Spanish, English and Chinese and has sold worldwide. In 2008, he co-founded VMS (Veterinary Management Studies), a business intelligence firm that provides a benchmarking service for more than 800 Spanish veterinary practices. Dr. Mercader was also a co-founder of the Spanish Veterinary Practice Management Association (AGESVET) and served on its board for eight years.



## Philippe Baralon

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Dr. Baralon graduated from the École Nationale Vétérinaire of Toulouse, France in 1984 and went on to study Economics (Master of Economics, Toulouse, 1985) and Business Administration (MBA, HEC-Paris 1990). He founded his own consulting group, Phylum, in 1990 and remains one of its partners to this day, acting primarily as a management consultant for veterinary practices in 26 countries worldwide. His main areas of specialization are strategy, marketing and finance, and he is also involved in training veterinarians and support staff in the field of practice management through lectures and workshop, as well as benchmarking the economics of veterinary medicine in different parts of the world. A prolific author, he has authored more than 50 articles on veterinary practice.



## Lucile Frayssinet

DVM, Phylum, France

Dr. Frayssinet is a French veterinarian who graduated from the École Nationale Vétérinaire of Toulouse, France in 2019. She is currently a consultant in Veterinary Practice Management at Phylum, with a international focus on strategic and marketing issues. She has a particular emphasis on the trend of corporatization in veterinary medicine, both in Europe and worldwide, and was also recently involved with an in-depth survey on the evolution of veterinary demographics in France and Europe.

one) the team. The adjective "fixed" does not mean that such costs cannot be changed, but it implies that they cannot be adapted quickly or easily. For instance, there is almost nothing that can be done about premises costs within a short period of time. In terms of equipment, it is of course possible to postpone non-essential investment in new kit, but other than this nothing more can be done, given that staff will need all the necessary equipment to continue offering the same level of service during the lockdown period.

The most efficient target when managing fixed costs during the crisis is to focus on team management, because although it is a major fixed cost it is the one that can be – to a certain extent – most easily adjusted. Basically, we should aim to reduce the payroll by roughly the same proportion as the loss in revenue, or (to be more specific) the revenue obtained from services (rather than goods sold). **Table 2** shows the impact of a decrease in income on the profit and loss account from a typical first opinion small animal practice, keeping the core assumptions that were made in the "Intensive financial care" paper (on page 2). It demonstrates that if revenue drops by 30%, damage to the profit margin (EBITDA) can be significantly mitigated if there is a corresponding reduction in staff costs.

## ●●● Protecting the clinic's capabilities

First of all, although the impact from the pandemic has been brutal, if we expect the crisis to be relatively brief the most important thing to keep in mind is to protect the clinic's ability to rebound quickly and efficiently when everything is resolved. Therefore a clinic's owners or partners must not overreact. Do not think that it is immediately necessary to cut the payroll, either by firing people or by ending the trial introductory period for new staff members, especially if it was difficult to recruit them. The key point here is to think about the post-crisis period: business will restart, and the upturn may be very fast, so staff will be needed to handle the recovery.

## Can staff costs be cut without harming the team?

In most European countries – and elsewhere – governments are providing various legal frameworks to allow companies alleviate staff costs without firing people. The most widespread system is partial unemployment, or "furlough". The principles of this system are worth noting:



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**Figure 1.** Even during lockdown, the sales of products can represent a significant part of revenue.

- Staff members remain as employees, meaning their employment contract is still in force.
- Working hours for individual staff members can be reduced, even down to zero, provided there is evidence of a drop in the company's revenues.
- Affected staff are paid a proportion of their salary by the government, although the amount paid depends on the country.
- The business owner may choose (or sometimes has to) top up an individual's salary to the original level.

This system is a good way to quickly relieve the burden of wage costs from a business. In countries where such an option does not exist then unpaid leave (which keeps the employment contract intact) may be considered, but this is much more harmful for employees and can be used only for a short period of time. Essentially, if it is available, it is crucial that a veterinary practice implements the furlough system as quickly as possible, although only after careful consideration of its staffing needs.

Another option to consider is to ask staff members to take accrued holiday during the lockdown when the full team is not required. Although this will not actually cut wage costs (because it is paid holiday entitlement) it will allow the clinic to avoid a shortage of employees after the confinement period when the workload increases.

## On-going staff adaptation

From a financial management perspective it is important to review and reorganize team members and rotas at least once, if not twice, a week, in order to determine the correct team structure (for both veterinarians and support staff: receptionists, technicians and nurses) to cope with the caseload. Being in lockdown does not mean that the level of service usually provided to clients and their animals should decrease, so it is essential to maintain the optimal human resource. There is no doubt that the confinement will result in a drop in the clinic caseload, but it is important to bear in mind the necessity of limiting the loss in revenue, and consequently at least maintaining, and if possible increasing, the average transaction value (ATV) (**Figure 2**). In fact, given that clinics are likely to treat a higher percentage of complicated or severe cases in these difficult times (because most routine preventive procedures are postponed) this should help increase the ATV. Therefore we need to have enough people at work.

It is obviously very difficult to forecast the amount of work that will come into the practice each day, and it is likely that the team will either be overloaded with work or have some spare time. Although it may appear counter-intuitive, it is strongly advised that, in order to offer the best quality of service, it is better to have a slight excess of veterinarians and nurses than a shortage. Consequently, the solution here is to recall some staff members as soon as the workload exceeds the capabilities – although this must be with regard to the national furlough regulations. During days when demand is slow, it may be worthwhile to take the opportunity to retrain employees (for example, by using webinars), or to progress the implementation of new services that have been

**Table 2.** The impact on the bottom line depending on whether or not staff costs can be reduced when income drops (all figures %). The bold row shows the variable costs and the red rows show the fixed costs.

|   | Pre-crisis situation | -30% revenue without staff adjustment | -30% revenue with staff adjustment |
|---|----------------------|---------------------------------------|------------------------------------|
| Revenue   | 100                  | 70                                    | 70                                 |
| <b>Merchandise &amp; supplies</b>                 | <b>25</b>            | <b>18</b>                             | <b>18</b>                          |
| <b>Payroll (partners &amp; employees)</b>         | <b>45</b>            | <b>45</b>                             | <b>35</b>                          |
| <b>Overheads (e.g., premises, administration)</b> | <b>18</b>            | <b>18</b>                             | <b>18</b>                          |
| EBITDA*   | +12                  | -11                                   | -1                                 |

\* EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) is a measure of a company's overall financial performance and is often used to represent the profit in a business.



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**Figure 2.** It is important not to downgrade your level of service during the crisis, which means that appropriate treatment should continue to be offered as necessary. This will also help maintain – or even increase – the ATV (average transaction value).

previously postponed (for example, setting up work sessions on wellness plans or the management of chronic diseases). This is a good way to prepare for the restart when the lockdown will be eased or lifted, and at the same time to bring a positive message to the team.

## ●●● Maintaining income when times are hard

It is undeniable that the COVID-19 crisis is having a serious economic and emotional impact on veterinary practices; with very few exceptions, practices can expect a decrease in income of anywhere between 15 and 50% of normal revenue, at least in the toughest weeks of the pandemic. Given this frightening scenario, it is understandable that the first impulse of any practice owner is to find quick ways of cutting fixed costs (which will inevitably be salaries) and postponing any payments to suppliers. However, just as we would do in a clinical situation, once the patient (*i.e.*, the practice) is stabilized in the intensive care unit (by payroll adjustment and cash management measures), we need to identify ways of improving the general well-being in order to facilitate recovery. This is where revenue management comes in: the practice needs to identify how to minimize the expected reduction in client activity. In order to obtain good results, we need to use a diverse selection of tools; a combination of common sense, generosity, creativity and service orientation can make a real difference.

Do be aware that these are very emotional times, and consumers in general (including pet-owners) are very vigilant about the roles played by

governments, corporations and brands during the crisis. Veterinarians should be extremely careful with their client communications during this period: there is a very thin line between being perceived as friendly, committed and service-oriented, and being seen as opportunistic, commercially aggressive and insensitive to your patients and clients' real needs. When evaluating potentially new or creative revenue-generating initiatives to put in place, it is advisable for the practice management to first perform the following "control check-list":

- Does this initiative enter into any possible conflict or "grey zone" with the current **ethical and legal** regulations in my country?



**"There is a very thin line in this crisis between being perceived as friendly, committed and service-oriented, and being seen as being opportunistic, commercially aggressive and insensitive to your patients and clients' real needs."**

Lucile Frayssinet





**“Although it may appear counter-intuitive, it is strongly advised that, in order to offer the best quality of service, it is better to have a slight excess of veterinarians and nurses during the crisis than a shortage.”**

Philippe Baralon

- What is the potential impact of this initiative on the **safety** of my team, my clients and my patients; is it positive, neutral, or negative?
- What kind of **feelings** will this initiative generate amongst my clients; will they be positive, neutral, or negative?
- When I (as the practice owner) and my team have overcome this crisis, and look back at the things we did during it, how will we feel about this initiative – proud, indifferent, or uncomfortable?

With this checklist in mind, here are a number of ideas that could be considered by the practice team.

### Review and remake scheduled procedures

During the weeks of public confinement or lockdown there will already be a number of pre-booked appointments in the diary of every practice. In some cases the clients will automatically assume that these events are cancelled; in other cases hesitant clients may call to ask what is happening (or expect to be called!), whilst some clients may simply forget about the appointment altogether. It could be a good idea to proactively telephone all of these clients and (depending on the reason for the appointment) either directly suggest a rebooking (*i.e.*, “we will book you and Rocky for the same day and time 4 weeks from now, and don’t worry if the lockdown is extended, because we will call you again a few days beforehand and suggest a new date”) (Figure 3). When dealing with vaccinations, it may be appropriate to follow a different approach, especially with puppies and kittens – for example, telling the owner to keep the appointment but reassuring them about the safety measures implemented in the practice to minimize risks.

### Database mining and home delivery

If the workload is less than usual, invest some time in mining the practice database to identify patients or owners who would benefit from a follow-up call from us. Some of these calls – apart from generating a very positive reaction from clients – may also end up generating revenue in a natural way:

- Calling owners of overweight dogs and cats to check how they are adapting to the new situation, and sharing with them some basic tips about “nutrition during confinement”. During the discussion check that they have a sufficient supply of their pet’s regular diet, and if they need to order more ask if they want to “click and collect” it from the practice or if they would like it delivered to their home.
- Calling older owners just to check if they are doing well, ask if they are coping with the daily dog walking routine, and if they need any help from us with their pet’s supplies.
- Calling owners of patients with chronic conditions that are on repeat medication to reassure them that the practice is still open and to offer (where possible) home delivery for their prescription.

**Figure 3.** It is a good idea to proactively telephone your clients to inform them about your appointment policy during the crisis.



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## Pet taxi or pet ambulance service

This could be a convenient and welcome option for many owners who may be confined to their house or who prefer to stay at home themselves, while at the same time enabling their pets to receive the medical attention they require without delay.

## Telemedicine

Telemedicine is now definitely a service (both in human and in veterinary medicine) that is here to stay. If used properly (*i.e.*, where the patient is already known to the practice, and within the correct context) it can be a great asset for most practices. The legal framework for veterinary telemedicine varies from country to country, but it is becoming better understood – and accepted – by most national veterinary bodies which normally require a pre-existing veterinary-patient relationship for it to proceed. There are now a variety of new commercial solutions in many countries that can offer on-line appointment booking, video-consultation and fee collection, all integrated with the clinic PMS (Practice Management Software).

## Educational webinars

If we have the team, the knowledge, the technology (there are now plenty of software products for video-conferencing) and the time, why not organize thematic webinars? These can be targeted, whereby you selectively invite maybe 20, 30 or 50 clients with a mutual pet profile (such as the same breed, same clinical condition, or a common interest) to participate (**Figure 4**). Alternatively consider doing a webinar on a

**Figure 4.** Consider running a themed webinar for your clients, which will help maintain your bond with them.



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**“The most important factor to target when managing fixed costs during the crisis is to focus on team management, because although it is a major fixed cost it is the one that can – to a certain extent – be most easily adjusted.”**

Pere Mercader

relevant topic of more general interest, such as “behavioral adaptations of dogs and cats during and after confinement”. This could be a great way of maintaining the bond with clients and – very likely – lead to revenue opportunities, a real cross-selling opportunity.

## Adapt wellness plans

For practices that have clients enrolled in wellness plans, now may be the time to take some positive steps. For instance, an e-mail to your entire database (and/or a statement on your website and social media pages) announcing that you have decided to extend the duration of all current wellness plans by (say) one month, at no additional charge, as a courtesy to your clients. This could seem like a way to lose or delay revenue, but it will probably have a positive return, both in terms of goodwill and in the form of increased renewal rates in the wellness plans that finish in the coming months.

## CONCLUSION

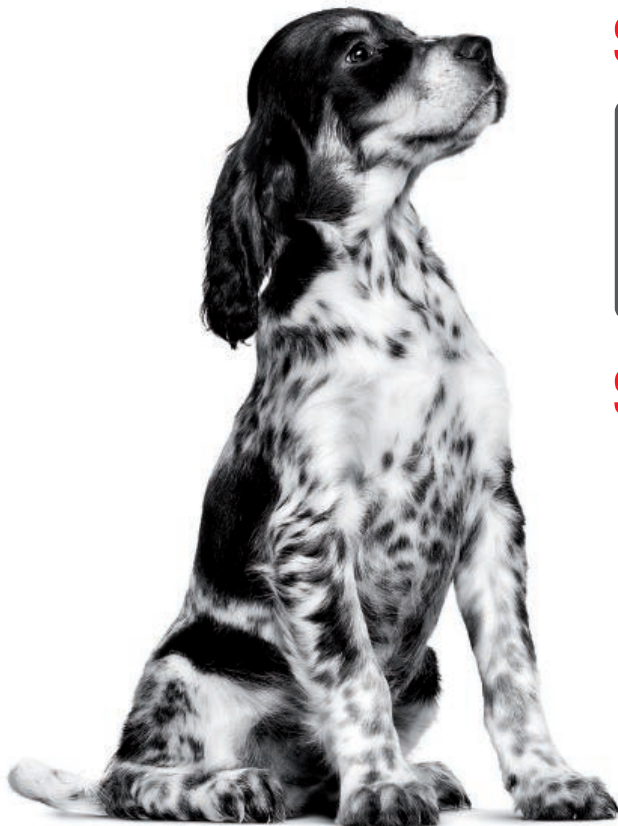
To conclude, all the propositions presented should be considered depending on the time frame. It is of paramount importance that all practice owners take early, appropriate and considered action in order to come through this unprecedented storm and recover from it in a form that is ready to move forwards and upwards. Whilst no business can expect to emerge unscathed from this global threat, the better prepared a practice is, the more robust it will be to withstand the problems this pandemic poses.



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