

Launching Botox as a Service Line
Summit Clinic – South Summit Family Medicine

Business Plan

Kristin Summers, FACMPE

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Project Summary

Summit Clinic is a multi-specialty clinic looking to expand its Botox line of business into the southern area of Summit City. South Summit Family Medicine is in a prime location geographically to expand and add this line of business. Dr. Stephen Smith is at this location and is a well-known and respected physician that has more than 20 years of medical practice experience. He has the training and expertise in Botox and has been using this skill as requested by a small number of his current patients. This will be a cash only service line with patients paying at time of service. Continued population growth in this area has presented Dr. Smith with an opportunity to expand this service to other patients within the community.

Executive Summary

The Company

Summit Clinic is located 75 miles north of a major metropolitan area. It is home to outdoor enthusiasts with access to a number of activities including, skiing, mountain biking, hiking, fishing, water sports and river rafting

Since 1950, Summit Clinic has worked hard to meet the ever-changing healthcare needs of families in our area. We offer more healthcare providers in more specialties at more locations and accept more insurance plans than any other healthcare facility in Summit City. Additionally, our physicians have privileges at Summit Regional Hospital and Mountain Peak Hospital allowing patients greater flexibility and choice when it comes to medical care.

Summit Clinic was founded by eight innovative and dedicated physicians who wanted to practice medicine independently. Today, the clinic has grown from a single location into a respected corporation with 16 locations and approximately 900 employees, including over 135 healthcare providers in 20 specialties. Along with this remarkable growth, Summit Clinic has been recognized with numerous awards in fields ranging from child immunizations to technological advancements and has become a staple in the community with leading medical experts providing quality healthcare. Summit Clinic's founding spirit of independence and excellence has been a cornerstone to the organization as it continues to grow.

Our culture is innovative, enthusiastic and driven. In addition to the solid primary care foundation we've provided for decades, Summit Clinic offers more services and programs than ever before, all performed by fellowship-trained physicians who are experts in their field. Summit Clinic proudly offers several specialties such as dermatology, neurology, urology, women's health, orthopedics, ENT, and general surgery. Several Summit Clinic physicians have been catalysts in bringing advanced procedures to the community and offering progressive alternatives to treating diseases and ailments.

Market Opportunity

Current population within the Summit City area is 87,397 with anticipated 5% growth in the next two years. Vital Statistic for this area:

- Median Age: 30
- Female: 51%, Male: 49%
- Births: 71% of births are from women 20-35 years old

With the increase in media influences, i.e., social media, reality TV, and celebrity endorsements, there has been an increase in patients seeking Botox treatments. Dermatologists at Summit Clinic Dermatology currently have a 30 day wait for a new patient appointment. Population growth in southern Summit City is projected at 7.1% in the next two years with growth steady at 3% thereafter. South Summit Family Medicine is in a prime location to take advantage of this anticipated growth.

Capital Requirements

There are no capital requirements as the building and equipment are already in place at South Summit Family Medicine.

Mission Statement

To be the place of choice for patients, employees and providers, by remaining a thriving independent, physician-owned, multi-specialty group practice.

Vision Statement

To be the leader in dynamic quality healthcare and unparalleled patient experience.

Values:

Excellence	Compassion
Integrity	Leadership
Innovation	Dedication
Open Communication	Unity

Management

South Summit Family Medicine is staffed with two family Practice Physicians, four Advanced Practice Providers and a Practice Administrator. Support staff consists of receptionists, medical assistants, phlebotomist, radiology technician, and two certified coders. Dr. Smith is the medical director at this location and works closely with the Practice Administrator, Malinda Jones.

Dr. Smith has been practicing at this location for 25 years. He has continued expanding his knowledge and training throughout his career. Dr. Smith dedication to this community and his patients has been noticed and in 2010 was awarded the physician of the year award for his outstanding commitment to excellence.

Malinda has over 20 years of experience as a Practice Administrator and joined Summit Family Medicine in 2002. She is a certified coder and has also earned a Bachelor of Science Degree in Health Service Administration and Masters of Business Administration prior to joining South Summit Family Medicine. Additionally, Malinda has expanded her education completing the requirements for Certified Medical Practice Executive through Medical Group Management Association.

Competitors

In Summit City, there are currently four companies that offer Botox or Dysport which is a form of the botulinum toxin. The closest competitors are 25 miles from South Summit Family Medicine and also provide dermal fillers like Juvéderm. Others offer estheticians to perform treatments. These services are usually restricted to specific appointment days.

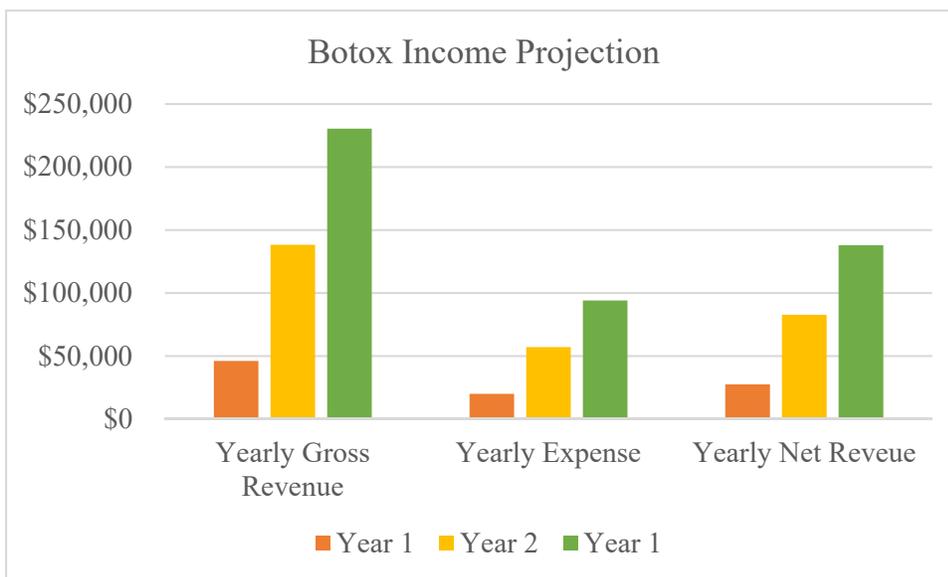
Summit Clinic currently has five other healthcare providers that offer Botox, but they are located over 25 miles away from South Summit Family Medicine.

Dr. Stephen Smith has over 20 years practice experience in Summit City and is certified to perform cosmetic and therapeutic Botox procedures. He also has a very large patient following and an excellent reputation in this community. With the projected population growth in this area, this is a prime location for Summit Clinic to expand their dermatology services.

Financial Projections

Gross revenue projections based on number of patient visits:

- Year 1 – 10 patient visits per month
- Year 2 – 30 patient visits per month
- Year 3 – 50 patient visits per month



Summary Description of the Business

Mission

The quality of care South Summit Family Medicine provides is a notch above the rest. Our providers and staff work day in and day out to provide our patients with comprehensive healthcare services in a friendly and comfortable environment. We know that going to the doctor isn't always easy or fun but it's our goal to deliver personalized attention that patients won't find at other health clinics.

Adding Botox will give this clinic a new procedure within this community eliminating the need for patients to drive 25 miles to receive this treatment. Using an existing facility and staff will allow this location to grow this line of service with a minimal investment. As a cash-pay fee for service treatment, patients will pay at time of service which will have a positive impact on cash revenue.

Over the next five years the strategic plan is to add more dermatology procedures, OB/GYN and general surgery to South Summit Family Medicine

Business Mode

With Family Practice at its base, South Summit Family Medicine is looking to expand and add other services at this location. Dr. Stephen Smith has the education and training to provide Botox injections and is ready to expand his current practice. This will be a new product to this area and is the first clinic within 25 miles to add Botox.

SWOT Analysis

The following SWOT analysis is a tool used to determine whether or not the proposed business idea is a good opportunity for South Summit Family Medicine.

Strengths <ul style="list-style-type: none">• Established Practice• Existing Location• Certified Physician• Quality Reputation• Existing Resources• Large Patient Pool	Weaknesses <ul style="list-style-type: none">• Family Practice Office• Limited funding for Advertising• Limited Procedures
Opportunities <ul style="list-style-type: none">• No competitor within 25 miles• Offer Home Appt/Botox Party	Threats <ul style="list-style-type: none">• Competitors offer lower prices• Competitors offer full line of cosmetic treatment• New businesses offering Botox

Strategy

Short Term Imperatives

- Begin by scheduling appointments once or twice a month so the physician is productive.
- Establish monthly goals for patient visits
- Train employees to look for opportunities to market services
- Rely on word of mouth and existing patient pool
- Discount procedures to staff
- Offer incentive for referrals

Long Term Imperatives

- Expand to therapeutic visits
- Consider hiring esthetician for home cosmetic visits
- Branch out to other cosmetic healthcare options like microdermabrasion, chemical peel, etc.

Strategic Relationships

South Summit Family Medicine is part of a larger multi-specialty company, Summit Clinic. The dermatology department is looking to expand to this location to help with current patient wait times. Patients seeking cosmetic dermatology are waiting over 30 days for their initial treatment. This department will refer all patients within 25 miles of South Summit Family Medicine to receive treatment from Dr. Stephen Smith.

Referrals to Summit Clinic Dermatology from Dr. Stephen Smith for patients requiring further evaluation and treatment will be beneficial to both locations keeping patient within the same company.

Key Stakeholders/Key Decision-Makers

As a physician owned company, the medical director, Dr. Stephen Smith, is the key decision maker for South Summit Family Practice. Summit Clinic is the parent company with a board of directors that has given Dr. Smith full support in expanding his practice to include Botox. Dr. Smith is the key decision maker for all aspects of South Summit Family Practice.

Products and Services

South Summit Family Medicine provides general care for all ages, as well as providing procedures to create a complete health care solution. The following is a list of services/procedures:

- Annual Wellness Exams
- Preventative and Routine Services
- Family Planning
- PAP Tests
- Newborn Care
- Infant Care

- Immunizations
- Removal of minor lesions, skin tags, mole and warts
- Biopsies
- Laceration Repair
- Toenail removal
- Fracture care
- Diabetes care and treatment
- Vasectomy

Dr. Smith provides all of the above services and is now adding Botox to that list which will be cash-pay fee for service with patients required to pay at time of service.

Administrative Plan

As the Medical Director at South Summit Family Medicine, Dr. Stephen Smith will work closely with the Practice Administrator, Malinda Jones to seamlessly add the new Botox line of service. The duties and responsibilities will be as follows:

Dr. Stephen Smith

- Determine the day and times each month that will be dedicated for Botox patients
- Compile list of all necessary supplies
- Train support staff on how to set up patient room
- Remain current with Botox education and training

Malinda Jones

- Order Necessary Supplies
- Develop Consent Forms
- Policies and Procedures for Front Desk Staff
- Policies and Procedures for Cash-Pay Procedures
- Training for Front Desk and Billing Office Staff

The parent company, Summit Clinic, will provide all accounting, human resource, information technology, group purchasing and marketing support as this is part of the management dues paid monthly by the providers.

Operational Plan

Dr. Stephen Smith plans to use an existing facility and staff to implement the addition of Botox within his practice. He will begin seeing patients formally on September 12, 2018. Over the past several months, he has been talking with patients, about this added procedure, and has 9 patients that have signed an interest card. These patients have been called and appointments scheduled for September 12, and 19. There are a few open appointments and the goal is start gradually with 10 patients per month the first year. Depending on the treatment area, Botox is usually repeated every 3-6 months and follow-up appointments will be made while the patient is in the office for their initial visit.

In growing this cash-pay fee for service line of business, it is anticipated that the number of patients will increase to 30 per month in the second year and 50 per month in year three. With anticipated growth, other providers will receive training to meet the patient demands.

With limited funds for advertising, we will rely on word of mouth as well as posters and flyers within the clinic to help educate patients. Discounted prices will be given to staff and this will also help with any concerns that this is family practice clinic offering this treatment. Dr. Stephen Smith will also look for opportunities to speak at local events, (i.e. chamber of commerce meetings, local church groups) to help dispel any concerns about this procedure or a family practice physician providing this treatment.

As competitors enter this market, we will promote a one stop shop for not only your healthcare needs, but also cosmetic dermatology.

Marketing

As part of a large multi-specialty group, branding is well established. South Summit Family Medicine has been in its current location for over 20 years. It is well known in the community and provides quality patient health care to all ages. Over the years this location has participated as a sponsor for many sporting events, county fairs, and other city functions. They also participate in community activities and volunteer to help where needed. One of the most enjoyable events of the year is the annual Shop with a Doc. The purpose of the event is two-fold. The clinic wants to help children become less fearful of doctors and have interactions with them outside of a medical office. Additionally, Summit Clinic wants to give back to the community. Summit Clinic doctors and employees took more than 60 children who are in need during the 2017 holiday season to shop for their Christmas list at a local Super Target. Each child, ranging from ages three to 12, receives a \$125 Target gift card to use while shopping with one of more than 80 Summit Clinic volunteers, including physicians, advanced practice providers, and other staff members. The children come from local community programs. Summit Clinic doctors also gave each child a backpack filled with treats, hygienic items, and warm clothing. Breakfast was also provided for the children and their parents.

Summit Clinic currently offers Botox at other facilities and adding this to South Summit Family Medicine is the natural progression for the company.

Market Analysis

According to Forbes magazine, the major city located 75 miles south of Summit City topped their survey of the vainest city in America based on market demand for taut faces, lush lips and flat abs and ranks 6th in the nation for the most plastic surgeons per capita.

With media influences such as social media, reality TV, and celebrity endorsements, more and more patients are seeking Botox and other forms of cosmetic enhancements. The average patient age seeking some form of cosmetic treatment is between 32-45 and is typically female. According to USA Today, wrinkle treatments nationally in 2016 totaled 7 million procedures.

As stated previously, dermatologists at other Summit Clinic locations have appointments scheduled out 30 days for a new patient. Population growth in southern Summit City is projected at 7.1% growth in the next two years with growth steady at 3% thereafter. South Summit Family Medicine is in a prime location to take advantage of this anticipated growth.

Market research is based on Summit Clinic Dermatology patient visit numbers. More detail is outlined below under market trends. Also 2010 census and Summit City publications based on home and business development.

Additionally, patients currently are traveling 25 plus miles to receive Botox treatments.

Target Market

Based on current patient visits within Summit Clinic Dermatology, the target market for Botox would be for patients between the ages of 41-60. Summit Clinic Dermatology is located 25 miles from South Summit Family Medicine with a similar demographic and population make up as South Summit City.

Competition

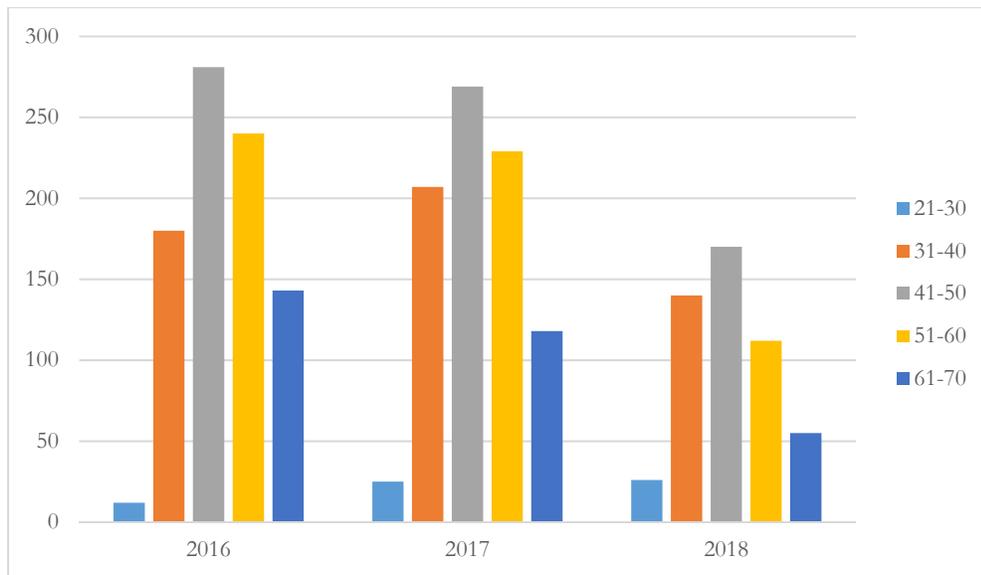
There are four competitors within 25 miles of South Summit Family Medicine, two dermatology offices and two day spas. Both day spas offer not only Botox but laser hair removal, facials, chemical peels, microdermabrasion, acne treatment, massages, pedicure, manicure, etc., as well as marketing skin care products. Appointments can be scheduled to spend the entire day or just for the time necessary for the treatment you desire. The spa locations are open six days a week 9:00 am-9:00 pm, closed Sunday, which really caters to those patients that are looking for relaxing after their workday or on a Saturday.

The dermatology offices are staffed with board certified physicians and offer more invasive skin care procedures including Mohs surgery. They treat patients of all ages and also offer surgical and cosmetic procedures. Patients can also choose products from several skin care companies. Office hours are Monday-Friday 8:00 am – 4:30 pm, closed Saturday & Sunday.

Dr. Stephen Smith at South Summit Family Medicine will be offering Botox injections one day a week to start and then add more clinic days as demand increases. Patients will be able to receive care close to home without driving 25 miles. Another advantage is that treatments are at the same clinic as their primary care provider.

Market Trends

Cosmetic Dermatology at Summit Clinic continues to increase each year. Below is a chart showing the number of visits per year by patient age at Summit Clinic Dermatology.



Visit numbers for 2018 are from January-June with expected total for 2018 to be 1006.

Marketing Strategy

South Summit Family Medicine has a very limited marketing budget. Due to the location of the closest competition, cosmetic dermatology can be developed into a niche opportunity.

Any on-line or social media advertising will be rolled into the regular quarterly update for South Summit Family Medicine so there will be no additional fees to promote this new line of service.

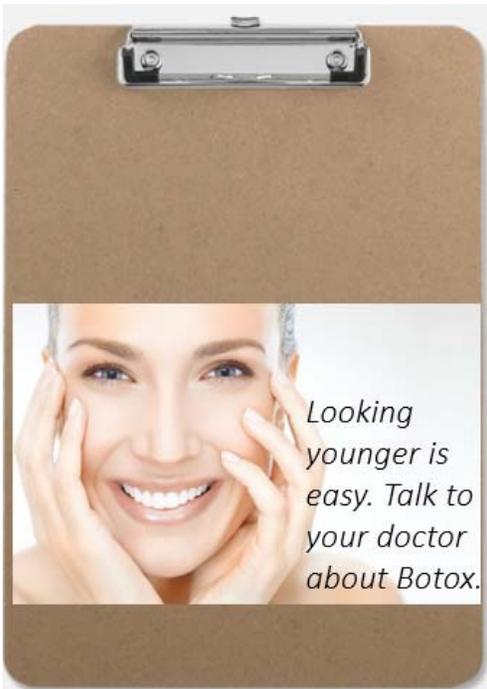
Marketing Objectives

- Track how patients heard of new service line
- Have patients “refer a friend” receive 5 units free (\$60)
- Market to millennials and men
- Offer discounts to employees

Marketing Action Plan

Launch the following immediately after training receptionists

- Add messaging to the telephone hold script at the next quarterly update
- In office flyers
- Clipboard ads
 - This will catch the eye during mundane paperwork



- Update website to include a rolling banner
- Dr. Stephen Smith YouTube presentation
- Include in monthly patient newsletters
- Post regularly on the clinic Facebook page
- Allow patients to schedule online
- Dr. Stephen Smith to present at community meetings
- Encourage patients to schedule a Botox party in their home

Marketing Budget/ROI

Beginning Balance		\$ 600.00
Expenses		
Office Flyers/Posters	\$ 250.00	
Telephone Hold Script	\$ -	
Clipboard Ad	\$ 50.00	
Update Clinic Website	\$ -	
YouTube Video	\$ -	
Update Facebook page	\$ -	
Attend Community Meetings	\$ -	
Botox Party (Hostess Gift/5 parties, 5-10 participates)	\$ 300.00	
Total Expenses		\$ 600.00
Ending Balance		\$ 0.00

10 patients 1st Month Total Net Revenue	\$ 1,747.60
Marketing ROI (1st Month)	318%
ROI First Year	1838%
ROI Second Year	5514%
ROI Third Year	9190%

Pricing

Botox is billed based on the number of units that are used in a procedure. The average unit used for one area of treatment is 32 units. Competitors pricing per unit is as follows:

	Medical Spa	Women Spa	Northern Summit Dermatology	West Dermatology	Summit Clinic
Price Per Unit	\$12.25	\$10.50	\$10.00	\$14.00	\$12.00

Based on the competition pricing, Summit Clinic Dermatology currently charges \$12.00 per unit and this will be the price at South Summit Family Medicine.

Financial Information

Financial Needs

Botox is a cosmetic treatment and is therefore a cash-pay fee for service procedure. South Summit Family Medicine will be using current facilities and staff and this will not change unless patient volumes increase above 50 patients a month. No capital investment is needed over the next three years. Dr. Stephen Smith will be adding Botox during one of his already scheduled clinic days. If the appointments allocated for Botox are not filled within 24 hours, they will be utilized for same day family practice patients. With Dr. Smith using appointment slots that would normally be filled with family practice visits, no additional staff will be required for the first year.

As a physician owner at Summit Clinic, Dr. Stephen Smith, pays a \$6300 management fee each month which includes the following services:

- Accounting
- Human Resources
- Information Technology
- Marketing
- Supply Contracts
- Building Maintenance

Any social media posts, You Tube videos, on hold scripts, etc., are part of the \$6300 management fee. Any printing or supplies would be an additional expense. As part of a larger company, South Summit Family Medicine participates in very favorable supply contracts which helps to reduce overall costs.

Pro Forma Cash Flow

As a cosmetic treatment, it will not be billed to insurance companies eliminating the need for coding and billing services. Utilizing a very favorable supply contract, all necessary supply costs for one treatment are as follows:

Botox	\$154.24 (\$4.82/Unit, 32 units/treatment area)
Syringe	\$0.03
Needle	\$0.01
Gloves	<u>\$0.02</u>
Total Cost	\$154.30 for one treatment area.

Patient Payment **\$384.00**

Profit **\$229.7**

Income Statement	Year 1	Year 2	Year 3
Gross Revenue	\$ 46,080	\$ 38,240	\$ 30,400
Staff Labor	0	\$ 12,751	\$ 85,008
Supply Cost*	\$ 18,509	\$ 55,526	\$ 2,544
Marketing Expense**	\$ 1,500	\$ 1,500	\$ 1,500
Total Expenses	\$ 20,009	\$ 57,026	\$ 94,044
Net Revenue/Income	\$ 26,071	\$ 81,214	\$ 136,356

*Botox, syringe, needles, gloves

**Botox parties (6/year) hostess gift

Innovative Elements and Expected Business Outcomes

In order to receive cosmetic dermatology, patients currently travel 25 miles to the closest office/clinic. Summit Clinic Dermatology's first available new patient visit for Botox treatment is out 30 days. Adding Botox at South Summit Family Medicine will give new patients a shorter wait time and provide a closer location and a shorter travel time. This treatment is a cash-pay fee for service treatment with the patient paying at time of service. One Botox treatment will result in a profit of \$230.

Additional staff will not be required in the first year as the appointment slots on the days assigned for Botox treatment are currently part of Dr. Stephen Smith's family practice schedule. Botox appointments

that aren't filled within 48 hours of the assigned Botox treatment day, will be used for family practice follow ups, same day or urgent care visits.

Working with a limited marketing budget will be challenging. Social media posts will need to begin immediately to keep our patients and community informed. Staff will need to stay engaged to help promote this new line of service. Management will need to work closely with staff to offer incentives and opportunities to promote within the community.

Providing treatments at South Summit Family Medicine will give Summit Clinic extra time to recruit and hire the right dermatologist to practice in this area. South Summit Family Medicine will continue to refer dermatology procedures, i.e. Mohs surgery, chemical peels, etc., within Summit Clinic keeping the revenue with the company.

Preparation of this business plan revealed a lack of cosmetic dermatology in this community requiring patients to travel 25 plus miles. Summit Clinic is well positioned to take advantage of this opportunity and be the first to provide this service in the South Summit City area.

In order to proceed with this action plan, supplies will be ordered, staff trained, patients contacted to schedule appointments, and finally market this new line of service to the South Summit City community.