



Businesses often fail because of poor financial management, poor marketing, lack of business and marketing skills, or a lack of planning

Under examination

Is your business ready for 2016? **Pam Underdown** explains why now is the time to think about doing a marketing audit to closely examine your business and how it is performing

As 2015 draws to a close, have you given yourself time to reflect on your achievements this year? As small business owners we all find it hard to take time out of the business and look objectively at everything we have accomplished, as we are often too busy. Quite often, once a business is established and running well, the owner is often inclined to let things continue to run as they are and may even become complacent. It's easy to focus only on the day-to-day running of your business, especially in the early stages. But once you're up and running, it will pay dividends to think about longer-term and more strategic planning. This is especially

true if you are considering expansion, taking on more staff, implementing new treatments and services or appointing a clinic manager for the everyday running of the business.

If we do take the time to review our businesses regularly, it enables us to learn from our mistakes, implement more of the good things that worked and put the right plans in place to move forward and grow. Therefore, if you haven't done so already, November is a great time to assess where you are right now, where you want to be next year and establish what is getting in the way, so you can put measures in place to make sure you reach the business goals, objectives and targets you have set for yourself in 2016.

Reviewing your progress will also be particularly useful for you if you feel:

- Uncertain about how well your business is performing
- Unsure if you're getting the most out of the business or making the most of your current opportunities
- Wondering why your marketing activities aren't producing the results you expected
- Your business is moving in a direction different to the one you had planned
- Your business is running you, rather than the other way around and you feel out of control
- Your business and marketing plans may be out of date, e.g. you haven't updated it since you opened

It is also useful if you have decided that your business is ready to grow and to move up to the next level.

To help my all of my new clients assess where the gaps are in their business, I use a detailed audit to really analyse their existing business, financial, marketing, social media and website activities and the results they are having. It's a very clear way of examining a business and its marketing at every angle, in order to identify where the gaps are. Once we have worked through the audit, if there are gaps and low scores – rather than be upset or disappointed, I encourage each person to look at every gap as an exciting opportunity, simply because it shows exactly where we need to focus our efforts to achieve some fast results. Carrying out this audit is always such an eye opener, so I have decided to share the highlights of it with the readers of Aesthetic Medicine Magazine in this month's article to help you to assess exactly where you have some exciting opportunities to gain some quick wins and what you need to do to achieve long term success.

ASSESS YOUR CORE ACTIVITIES

A good starting point for your review is to evaluate what you actually do - your core activities, the treatments and services that you provide and the products you sell. Which of your services are succeeding? Which aren't performing as planned? Which treatments, products and services offer both a high percentage of sales and high profit margins? Which ones achieve the best results for your patients? Which ones do your staff enjoy performing? Is each one profitable? If so, ask yourself what makes them successful, how they could be improved and whether you could launch new or complementary treatments, products or services.

How often have you reviewed your core activities and asked for feedback from your patients and from your team? How effectively are you matching your treatments and services to your patient's needs? Do you only take on new services if you have done a full market and patient analysis, or do you go by what is new in the market and the latest equipment that is on sale at an exhibition or event? Do you get easily blinded by 'shiny new toy syndrome'? If you have taken on new treatments, services and products that haven't been as successful and as profitable as you had hoped, why is

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this? A great starting point is a patient feedback survey. It's all well and good you thinking you know what patients want, however the proof is in the pudding: if your patients aren't buying it – perhaps they don't want or need it. Asking your patients for regular feedback on your business's performance will help to identify where improvements can be made to your treatments or services, your patient journey, your team or your business procedures. It's also great practice to get everyone into the habit of asking "How can we improve things for next time?" instead of asking "Are you happy with the service you received from us?"

I would also suggest that you carry out a staff feedback survey – as your team are the eyes and ears of your business. They work very closely and intimately with your patients and know what's really happening on the ground. Perhaps one team member prefers carrying out body treatments and one prefers skin treatments; if you can take the time to really match their skills and preferences to your services – you will have a happier and far more motivated team.

Once you have carried out your initial analysis and found that there are under performing treatments and services, ask yourself what's really behind the problems of each one? Consider areas such as pricing, marketing, sales and after-care service, design, packaging and patient feedback during your review. Look for "quick wins" that give you the breathing space to make longer term, fundamental improvements. Are you reviewing costs frequently? Are you keeping a close enough eye on your direct costs, your overheads and your assets? Are there different ways of doing things or new providers you could use that would lower your costs? Consider ways in which you can negotiate better deals with your suppliers.

When it comes to your business's success, developing and implementing sound financial and management systems is essential. Businesses often fail because of poor financial management, poor marketing, lack of business and marketing skills, or a lack of planning. Answering >



these questions will give you the basis on which to improve performance and profitability on a regular basis. When you started your business, you probably devised a marketing plan as part of your overall business plan. Has your marketing plan helped you to reach your objectives, or is it also sat on the shelf gathering dust? When you're reviewing your business's performance, you'll need to assess your patient database and market positioning as a key part of the process. Then make sure that you update your marketing plan at least as often as your business plan.

To remain successful it's vital that you regularly set time aside to ask the following key questions:

What's my direction? To answer this you need to look at where you are now, where you want to go over the next three to five years and how you intend to get there. Often businesses are able to work out where they want to go but don't draw up a roadmap of how to get there. If this happens, a business will lack the direction needed to turn even carefully laid plans into reality.

- Do you know exactly WHY you are in business (other than to make a profit?)
- Do you know exactly what type of business you want to build and what your exit plan is?
- Do you know exactly WHY you are where you are today? Is it where you want to be?
- Do you know exactly where your business will be this time next year?
- Have you taken the time to really master the business, financial and marketing aspects of your business?
- Do you have financial targets in place?
- Do you have a workable business and marketing plan in place?
- Do you have a database? Do you use it properly? Is it up to date?
- Do you measure and monitor everything? How exactly are you measuring your progress? And how often?

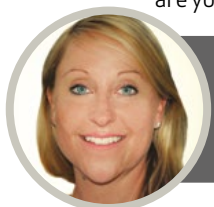
- Can you easily identify how many new and existing patients you have?
- Can you easily identify Your Top 20%?
- Do you know your average spend per patient?
- Do you know the lifetime value per patient?
- Do you know why your patients choose you? How they found you and how often they return and refer?
- Do you know your most profitable treatment? Is every treatment and service you provide profitable?
- Can you break your revenue down by treatment / service type?
- What resources do you require to succeed?
- Do you have the right team in place to take you forward? Or will you need external help?
- What skills are needed to overcome the obstacles and challenges you are currently facing?
- Do you have the skills available that you need in areas such as marketing, sales and finances?
- Or, do you and your team need new or improved skills or, is re-training required?
- Do you have a unique competitive advantage? What do you offer that no-one else does?
- How can your business perform better than your competition? How could you gain market advantage?
- Have you carried out regular competitor analyses?
- What external factors may affect your business's ability to compete?
- What skills, finance, relationships, competences and facilities do you need to compete? Have these changed since you started?

A business audit, gives you the opportunity to stand back from your day-to-day business activities and look again at factors such as:

- Changes in the aesthetics marketplace
- New and emerging treatments and services
- Changes in your patients' needs and expectations
- External factors such as the economy and new technology
- Changes in local competitive activity

At the same time, it is important to remember that while reviews of this kind can be very effective - they can give your business the flexibility it needs to beat off stiff competition at short notice - which is essential in our marketplace. The more you can stay one step ahead of your competition by improving, learning, developing your marketing and business skills and pushing yourself out of your comfort zone to do more than most others will - the more chance you have of success. Make sure you always think through the implications of any changes and plan your finances and resourcing carefully at all times and remember my No.1 marketing rule: spend small, test small, fail small, measure, change and then "rinse and repeat".

If you have found this useful and wish to download the full audit, whilst following three FREE simple training modules to help you to maximise your opportunities in each area, then please email info@aesthetic-bt.com for the full details. AM



Pam Underdown is the founder and owner of Aesthetic Business Transformations, a business growth specialist working exclusively to help medical aesthetic business owners increase their profits and reduce their costs. Pam has more than 25 years of business development, sales and marketing experience and has been specialised in the aesthetics industry since 2005.