

NEW DIRECTIONS, NEW OPPORTUNITIES IN THE ECONOMIC ADJUSTMENT PERIOD!



Jump Start Marketing Symposium 2008

Patients Unlimited Marketing Consultants
Hyatt Regency Long Beach
Long Beach, CA

JULY 18, 2008

Presenter: Greg Washington, Sr.

"Vision is the art of seeing the invisible." — Jonathan Swift

WELCOME!

Introductions

1. The Hyatt Regency Long Beach Facilities
2. The Importance of the Speaker Evaluation Forms
3. The *Jump Start 2008* Long Beach Team
 - a. *Greg Washington Sr.*, President, CEO, PUMC
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4. PUMC Services

PUMC's perspectives, concepts and ideas to be presented are drawn from more than 650 major client consultations in four countries and thousands of PUMC Marketing Symposia attendees just like you.

- a. Unique credentials-PUMC's 34 plus years of international leadership role
 - Integrated marketing solutions- Full-service cosmetic surgery and aesthetic services promotion agency.
 - PUMC is the only organization that has regularly exhibited at major cosmetic specialty meetings for the past 25 years
 - PUMC is the only organization that has conducted regular training for cosmetic care specialists for the last 16 years.
pumc.com/training.htm
 - PUMC has published expert articles on cosmetic services marketing for the past 25 years and provided an expert speaker's bureau for the same period
 - PUMC was the original ISP for Internet solutions for the cosmetic specialty in 1995.
pumc.com/webdesign.htm

- b. PUMC services. Also visit our Web site at:
PUMC.com
- On-site Practice Assessments to expand, relocate, purchase, sell or prepare a practice to sell
 - Off-site Practice Assessments
pumc.com/sample/offsitepa119.htm
 - Consultation Productivity Analysis (CPA)
 - Training services provided I
 - Annual Jump Start Marketing Symposia
 - In-office, online and through seminars
 - Staff training and motivation on consultation closure and presentation and promoting services (These services are offered on a regional basis, on-site and soon online.).
 - Managers Academy
 - Online and on-site training
pumc.com/training-onsite.htm
 - CD/DVD Trainings
 - Internet Solutions (Since 1995)
 - Web Design
 - Site Hosting

- Site Promotion (SEO)
- Strategic Marketing Plan Development for:
 - Practice expansion and re-engineering
 - Site location analysis
 - Transfer of practice legacy
 - Refinement and enhancement of service presentation
 - Staff performance enhancement
- Professional specialty-specific **Images System design and writing services** for logos, brochures, newsletters and ads
- Print and electronic advertising campaign services
- Yellow Pages advertising campaign services
- Budget and results-tracking consultative services
- Patient Communication Services
 - Patient Satisfaction Surveys
 - Patient Testimonial online design
- Expert witnessing services
- Practice transfer services

5. Let's get to know each other
 - a. Symposium participants' collective profile

OVERVIEW

SYMPOSIUM OBJECTIVES

It is PUMC's goal to give you specific strategic preparation and guidance for your practice to thrive and continue to find Blue Water opportunities in 2008 (blueoceanstrategy.com),

even within an economically challenging environment. We will discuss the essential factors required including your leadership abilities, capital deployment, time resource utilization, staff capacity, facilities usage and promotional opportunities.

This session examines the critical issues of Best Practices for successful cosmetic surgery/aesthetic service businesses.

- √ What are the most important trends that you can use to your advantage during the *Economic Adjustment Period*?
- √ Examine the critical market forces impacting your practice in 2008

√ The features of the Three Basic Practice
Formats for Growth!

√ Income and banking considerations

“A leader's role is to raise people's aspirations for what they can become and to release their energies so they will try to get there.”

— David Gergen

√ Identify The Seven Key Indices of Success

√ Interim practice development strategies

We will answer the question on all of your minds... "Is this the best time to launch or transition into an aesthetic enhancement practice?"

The answer is yes... for almost everyone in the room!
The cosmetic industry prospered in the Great Depression!

Reference links for Estee Lauder and Max Factors growth during the Great Depression

<http://www.cosmeticsinfo.org/history2.php>

http://harvardbusinessonline.hbsp.harvard.edu/b01/en/common/item_detail.jhtml?id=801362

"No one is less ready for tomorrow than the person who holds the most rigid beliefs about what tomorrow will contain."

— Watts Wacker, Jim Taylor and Howard Means
The Visionary's Handbook: Ten Paradoxes That Will Shape the Future of Your Business (1999)

Let's Define the 2008 "*Economic Adjustment Period*"

A. Government Definition

1. Home building slowdown
2. Recession
3. Retail spending slump
4. Excessive credit card usage
5. The energy dilemma
6. Inflation!

B. Consumer Definition and Reality

1. \$4 gas & \$4 milk---Consumers' shift in priorities for spending discretionary funds
2. Asset depletions
3. Fear to spend for the "wants" versus the "needs"
4. Travel distance influencing selection of services and products.
5. Internet is a must use shopping tool to save time and money.

C. Physician Definition and Reality

1. Fewer patient consultations
2. Lack of funds for marketing or expansion
3. To start-up or not to start up?

4. Timing for practice transition
5. Cost and space requirements of technologies
6. Most productive procedures are being put on hold.
7. More competition for aesthetic patients
8. Difficulty of finding staff that can sell services.
9. Commodization!

Today's Cosmetic/Aesthetic Practice Productivity ...Let's take a look!

I. Practice Productivity - In discussing practice productivity it is important to consider the three formats to consider within the Surgical and Non-surgical presentation of services.

A. Surgical Practice - (Addendum A) - A 100% cosmetic surgery practice that is four to six years old can generate a minimum of \$2,000,000 plus annually by performing approximately 350 to 450 plus major cosmetic procedures (\$4,000 to \$5,000) a year. A non-cosmetic surgery practice that generates the same revenue is required to perform a higher volume of procedures and work longer hours.

COSMETIC PRACTICE PRODUCTIVITY CHART*

GROSS RECEIPTS/STAFF SIZE	TIME IN PRACTICE	# OF SURGEONS IN PRACTICE	STAFF PERFORM'S CONSULT	COSMETIC CONSULT CONVERSION RATIO		REVENUE PER DOCTOR		IN-OFFICE SURGERY	LOCATION	LEVEL OF MED SPA SERVICE
				% COSMETIC SURGERY	AVG FEE PER MAJOR SURGERY					
\$500,000 + 2+ Staff	2-3 years	1	Highly Desirable	Better than 30%	More than 50%	\$2,600 to \$3,200	Not required	Not A Critical Issue	Not Required but usually offered	
\$800,000 + 4-5+ Staff	Greater than 3-4 years	1	Usually	Better than 30-50%	Greater than 70%	\$3,200 to \$3,900	Available	Critical Issue	Basic Skin Care Limited Light Sources	
\$1,250,000+ 4-8+ Staff	Greater than 4-6 years	1	Always	Approximately 50-60%	Greater than 85%	\$3,500 to \$4,000	Usually in office	Good visibility, spacious	Basic Skin Care Light Sources	
\$1,800,000+ 7+ Staff	5-6 years +	1	Always	Approximately 60-70%	Greater than 90%+	\$4,000 to \$4,400	Usually in office	Great visibility, free standing, signage 4-6K sq. ft.	MedSpa with staff used as revenue centers Multiple Light sources	
\$2,000,000+ 10+ Staff	6-8 years +	One plus extenders	Always!	65-75%	100%	\$4,500 to \$5,000	Always! in office	Great visibility, free standing, signage 5-6K sq. ft.	MedSpa with staff used as revenue centers Multiple Light sources	
\$2,500,000+ 12+ Staff	At least 7 years	One plus extenders	Always!	65-75%	100%	\$4,000 to \$5,300	Always! in office or very convenient outpatient	Great visibility, free standing, signage 6-8K sq. ft.	Significant Revenue Centers	
\$3,000,000+	At least 8+ years	One plus extender	Always	65-75%	Greater than 90%+	\$3,800 to \$5,500	Always! in office or very convenient outpatient	Great visibility, free standing, signage 8-10K sq. ft.	Significant Revenue Centers Special space requirements	

* Assumes a normal five-day workweek. ** Also includes fractional procedure income

Revised 2/16/07 ©PDMC

B. MediSpa Practice (non-body contouring) a medical aesthetic practice that is three to five years old can generate approximately \$500,000 to \$1,200,000.

MEDISPA PROCEDURE PRACTICE PRODUCTIVITY CHART*

GROSS RECEIPTS/ STAFF SIZE	LEVEL OF MEDI SPA SERVICE	TIME IN PRACTICE	# OF PHYSICIAN PRACTICE	STAFF PERFORMS CONSULT	COSMETIC CONSULT CONVERSION RATIO	LOCATION
\$500,000+ ?? Staff	Skin Care Products Limited Light Sources	1-2 years	1	Highly Desirable	Better than 80%	Not A Critical Issue 1,500+ sq. ft.
\$800,000+ ?? Staff	Skin Care Products Multiple Light Sources	Greater than 2-3 years	One plus extender	Usually	Better than 80%	Critical Issue 2,000+ sq. ft.
\$1,250,000+ ?? Staff	Skin Care Products Multiple Light Sources	Greater than 3-6 years	One plus extenders	Always	Better than 80%	Critical Issue 2,000+ sq. ft.
\$1,800,000+ ?? Staff	Skin Care Products Multiple Light Sources A Special Procedure	Greater than 3-6 years	One plus extenders	Always	Better than 80%	?
\$2,000,000+ ?? Staff	Skin Care Products Multiple Light Sources A Special Procedures	?	?	Always!	Less than 70%	?
\$3,000,000+ ?? Staff	?	?	?	Always!	?	?

Assumes a normal five-day workweek. * Also includes fractional procedure income. Revised 2/6/07 ©PMMC

C. Non-Surgical Body Contouring... a body contouring practice that features one of several *fat dissolving technologies* and other medical spa and age management services, operating for two to three years can anticipate an annual income of \$500,000 - \$1,000,000 .

"Big thinking precedes great achievement."

— Wilferd Peterson

