

Has the Time Come for Multispecialty Aesthetic Centers of Excellence?

Necessity is the mother of invention, and the necessity of survival through our current economic contraction is mandating reinvention of business approaches for many cosmetic physicians. Difficult conditions force providers of discretionary services to listen, analyze, and respond to the market. As cosmetic physicians, we are pressured to improve decisions and operations in meeting customers' needs and maximizing profitability.

Demand for cosmetic services remains strong, but prospects are seeking value more than ever. Patients want their investments in cosmetic procedures to produce visible improvements in their appearance and long-lasting results with minimal risk and recovery time at a low price point. Patients are shopping more, both online and among local practitioners, and consumers are becoming better educated. They want convenience and they want choices. They seek practitioners with highly specialized expertise in the procedures they are considering. To many consumers, value also includes status related to objective factors (eg, office location and trim, quality of staff, media portrayal of the practitioner) and subjective factors (eg, popularity, trust, comfort level with the practitioner, and reputation in the community).

For a given practitioner, or even a single-specialty group of practitioners, these demands are increasingly difficult to reconcile. The evolving panoply of available treatments and technologies challenges all cosmetic physicians to keep current and maintain the highest level of expertise. Yet, it is impossible to be all things to all people. Broadening the spectrum of services that we offer allows us to serve more patients; however, it increases office overhead expense, threatens our level of proficiency in each technique, and perhaps increases liability. For a single practitioner or single-specialty group of practitioners, maintaining a large list of services blurs brand identity by implying that because you do everything, you are expert at nothing. On the other hand, maintaining a high level of expertise in a small market segment renders us increasingly dependent on referrals and less able to adapt to changes in technology and in the market. Recent examples of this phenomenon

are the impact of coronary artery stenting on cardiac surgeons and the impact of medical weight loss and lap band procedures on bariatric surgeons.

One potential solution to some of these problems is a multispecialty aesthetic center of excellence. The concept involves participation of multiple aesthetic specialists, both medical and surgical, as shareholders in a single group. This business model allows the entity to offer the broadest range of services while simultaneously maintaining specialized expertise in those services. This type of professional corporation is not new and is successful in law practices and nonaesthetic, multispecialty medical practices.

Benefits of such an arrangement are manifold. Shared costs decrease duplication among practices, diminishing expenses of technology, office space, marketing, personnel, and other overhead costs. Communication among onsite professionals regarding patient care, new technologies, and treatments would flourish. A prominent center fosters brand recognition in the community. Convenience and continuity of care are improved because patients can receive all of their cosmetic information, evaluation, and treatment at one destination. Cross-referrals within the group keep revenue in-house.

Ideally, patients would benefit from a single, local, trusted full-service destination for lifelong aesthetic maintenance and enhancement that is appropriately staffed by board certified specialists and well equipped with the safest, most effective technology. Although some groups in the United States now approach this ideal, they have not become widespread. Although protocols would differ, dermatologists are positioned to be primary aesthetic service providers, referring for surgery when indicated, with confidence that the patient will return for postsurgical care and maintenance treatments. Plastic surgeons could focus more sharply on surgery and spend less time doing nonsurgical procedures, thereby maximizing revenue generated per unit time.

Because fewer practitioners would be performing new techniques and passing through the learning curve with each new technology, individual liability may be better controlled. There would be less financial imperative to pursue marginal treatments. The more like-minded, noncompeting aesthetic specialists in a group, the stronger the group would be. Weight loss, dental, and other

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services could potentially be offered. Another possible advantage for physicians is a return on investment upon retirement. Shares of a multispecialty group practice with a built-in database of repeat customers and built-in referral base of noncompeting specialists may be easier to sell than an entire individual practice, or even a position in a single-specialty practice staffed by locally known competing specialists. Retirement of an individual would not jeopardize the entire practice because of others continuing their employment, as well as robust share value.

If there are many advantages to multispecialty aesthetic groups, why have such partnerships not been established yet? My belief is that until now, the market has supported conventional individual practices well, the number of procedures and techniques to master were not so large, and cultural differences and large individual egos prevented dermatologists and plastic surgeons from sustaining cooperative businesses. We

have reached a point in the development of aesthetic medicine, surgery, and in the major American metropolitan marketplace that the most efficient aesthetic businesses will have distinct survival advantages. Combining forces properly could introduce tremendous efficiencies and allow well-trained and capable dermatologists and plastic surgeons to more clearly differentiate themselves. Characteristics of any successful business are important for the multispecialty aesthetic group, including first class management and administration, a culture of candor and teamwork, flexibility, and passionate commitment to the group agenda.

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