

How to make a good value proposition for your practice

By Karen Felsted

Although some practices remain busier than they want to be, overall, practice growth (revenue, visits and new clients) has slowed over the last year or so and, on average, has moved away from the increased growth rates seen during the pandemic. This leaves some practices in the position of actively trying to grow and attract more clients.

One of the most important things a practice can do when evaluating their marketing is to define their value proposition. There are multiple definitions of the term “value proposition” in business, but, generally, a value proposition is a concise statement that focuses on the big-picture reasons a customer chooses to patronize

Highlights:

- As practices try to attract new clients, it's important they have a clear value proposition: a statement explaining why customers choose their practice versus that of a competitor.
- This proposition should guide decision-making and form the basis of the hospital's business plan, helping it attract its target clients.
- To define their value proposition, hospital leaders should begin by identifying what makes them similar to competitors and what makes them unique.



one particular business and buy its products/services versus those of a competitor. Those reasons could include the convenience of the product/service delivery, the cost, the product/service quality or the customer experience that is part of the product/service delivery.

“Value proposition” isn't about the value of an individual product or service but the value of the overall benefits the company provides with every product/service it sells. A well-thought-out and well-worded value proposition should clearly differentiate the company from its competitors and answer the consumer's question: “Why should I select your business instead of another?”

The value proposition also becomes the basis for a successful business plan and gives guidance in all decision-making—the products and services the hospital

offers, its pricing and how it interacts with clients. For example, a practice with a “premium branding” value proposition will only offer the highest-quality products and services and a high-tech/high-touch approach to service, and it will operate from a very attractive facility filled with all the latest equipment. Prices would be consistent with the value offered. This hospital would not typically offer a service such as a low-cost vaccine clinic that would clash with its premium branding value proposition.

Neither value proposition—premium branding or cost leadership—is “better.”

On the other hand, a value proposition based on “cost leadership” may offer a more limited range of services at lower prices and operate from a more modest facility. Low-cost vaccine clinics would be very consistent with its value proposition, but an emphasis on in-house specialists would not. Neither value proposition—premium branding or cost leadership—is “better.” They are both appropriate but aimed at different segments of the market.

Most veterinary practices can describe what they do well—great medicine, good customer service, etc. But these descriptions are often generic and don’t identify anything unique about the particular practice that can be used in a marketing plan to attract pet owners to their hospital. Remember that if there is nothing truly unique about a

hospital, then absolute low price is the only differentiator in a pet owner’s mind.

The first step a hospital needs to take in creating its value proposition is to identify the “points of parity” and “points of difference” between their hospital and others in the area. Points of parity are those features of the hospital that are essentially the same across many or all hospitals that a pet owner might consider in deciding where to take their pet. Common points of parity often include:

- › Similar hours of operation (for example, all hospitals are open 8am-6pm Monday-Friday and 8am-noon on Saturday).
- › Similar service and product offerings: general wellness care, vaccines, dentistry, flea, tick, heartworm preventives.
- › No after-hours emergency care available at the hospital.
- › No specialists on-site.

While including this information on the website or elsewhere is important just to provide basic needed information to clients or potential clients, it does nothing to persuade a pet owner to pick one hospital over another because all the hospitals under consideration are the same.

Points of difference are the opposite—these are features of the

hospital that are unique to just one or just a few hospitals in the area. Examples include:

- › The practice sees exotic pets in addition to dogs and cats.
- › Feline-only practices.
- › The practice offers acupuncture, chiropractic care or other less-common services.
- › The practice has extended hours.

These and other features can form the basis for establishing a unique “personality” that differentiates the practice from others in the area and gives pet owners a reason, besides low price, to select this hospital. Of course, the existence of the benefits isn’t enough; they must be communicated to pet owners in multiple ways.

Next month, I’ll talk about how to get the information needed to do a deep-dive analysis of the points of parity and points of difference. I’ll also share additional points of difference seen in practices and how to communicate these to pet owners and potential clients.



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