

STRATEGIES FOR SUCCESS: JOINT VENTURES, CORPORATE PARTNERS CAN HELP DRIVE GROWTH

By Stephanie Tarry

One of the biggest challenges facing surgery centers, physicians and health systems today is finding ways to work together to grow market share and profitability. There are many things a center can do to improve profits and attract new business. Here are just a few suggestions:

Increase same store growth initiatives to include adding services and specialties in addition to evaluating, and possibly increasing, marketing activities. Some specific ideas and areas to evaluate include:

Recruitment and Retention

- » Ensure center management staff incorporate sales planning, open houses, luncheons, tours and public education sessions in their initiatives
- » Use employee physician liaisons to call on existing and potential physician partners
- » Develop programs specific to your individual facility to promote its product lines
- » Develop programs to recruit new specialties to the facility

Marketing and Strategic Planning

- » Conduct a yearly in-depth strategic planning session with your board to plot out sales and promotional goals
- » Outline strategies, market needs and a patient demographic analysis
- » Review programming and advertising opportunities to fulfill goals
- » Analyze sponsorship, marketing, creative and advertising coordination for the facility

Get a corporate partner to help develop and manage a facility. Facilities run by management companies tend to be more profitable, more efficient and better able to leverage contracts. Corporate partners are able to use their experience and expertise to help gain community acceptance of de novo facilities. As a result, permit approvals and other key steps in the development process can be completed in a timely manner.

A corporate partner can help identify financial institutions that would be willing to fund a project. Management companies can also bring great value to a project, including:

- » Access to working capital, credibility, contracts and help with certificate of need (CON) issues
- » Extensive experience with maximizing reimbursement, increasing staff efficiencies, and lowering supply costs and equipment
- » Bringing structure to the process and keeping budgets and timelines on track
- » Finding ways to increase revenue and reduce expenses.

For example, analyzing case volume projections that physicians provide to ensure a facility is focused on the right specialties

- » Providing financial, clinical, operational and sales/marketing strategies for increasing business within each service line
- » Identifying savings opportunities in product standardization, utilization, or lower-priced alternatives

Develop a joint venture. Joint ventures between physicians and health systems can help systems expand geographic presence while improving the bottom line and delivery of care. Health system benefits include:

- » Establishing new markets
- » Developing new access points in that market

- » Strengthening physician relations and increasing physician satisfaction
- » Reducing outmigration of cases

Physicians can benefit from a joint venture through:

- » Improved managed care contracting
- » Help with physician recruiting and retention
- » More options for financing for equipment and real estate
- » Maintaining a primary care referral base

In addition to these benefits, financial institutions tend to be very supportive of joint ventures because they are a winning combination. While physicians have a vested interest in the facility being successful, the health system brings a strong balance sheet and the corporate partner has the management experience. Joint ventures can mitigate risk for all partners

involved in the project.

Overall physician-health system joint ventures offer a strategy for protecting market share, expanding healthcare services into a community, attracting new physicians, and providing a more affordable and efficient healthcare delivery option.



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