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Practice Management Systems - Are They All The Same?

A practice information management system (PIMS) is the backbone of virtually every veterinary practice. When this system is used efficiently, practice workflow is smoother, staff can focus on the client experience, and DVMs can concentrate on treating and diagnosing patients.

- From a clinical perspective, the PIMS allows practices to schedule, check in and check out appointments, keep track of patient records, view laboratory and diagnostic results, and create treatment plans and relevant patient reminders.
- From a business perspective, the PIMS is the curator of valuable client demographic, revenue, invoicing and inventory information that can translate into actionable strategies for revenue growth and profitability.

In our experience, most practices use a very limited amount of their system's capabilities, and many times do not understand how to use the features that can improve both clinical and business performance. In addition, we've seen a distinct lack of consistency in the use of many system features, which can muddle the appearance of how a practice is performing in key areas such as client compliance and inventory tracking.

In order to understand more about the current market share of various systems, as well as how practice owners use and perceive their management systems, we surveyed 271 practices about their choice of system, satisfaction and utilization of several features.

As we expected, the two most widely used systems are currently AVImark and Cornerstone, which together have over 50% of the market as well as the highest user satisfaction (Exhibit A). Both AVImark and Cornerstone have been gaining market share for some time, though it is important to note that switching to a new PIMS is an arduous task for most practices:

- Transitioning from one system to another risks the loss or incompatibility of existing patient and client data.
- Training staff to understand and use a new system is a lengthy process. While most systems have similar capabilities, their respective functions are neither intuitive nor interchangeable.
- Overall, the process of switching PIMS is subject to a long adjustment period fraught with potential for clinical errors and client dissatisfaction.

“Switching to a new PIMS is an arduous task for most practices”

Exhibit A

Market Share and Satisfaction Rates of PIMS

System	Market Share	Satisfaction Rate*
AVImark	33%	67%
Cornerstone	22%	70%
ImproMed	13%	47%
Intravet	9%	57%
Other	23%	

*Satisfied means on a scale of 1 to 5, the practice rated the system a 4 or a 5.

For survey participant demographics and study methodology, see page 4

Do larger practices opt for one practice management system over another? Our survey did find a correlation between a hospital's choice of PIMS, revenue and number of visits. On average, Cornerstone practices generate the highest revenue, while AVImark practices generate 26% less revenue than Cornerstone practices and ImproMed and IntraVet practices generate 14% and 31% less revenue than Cornerstone practices, respectively.

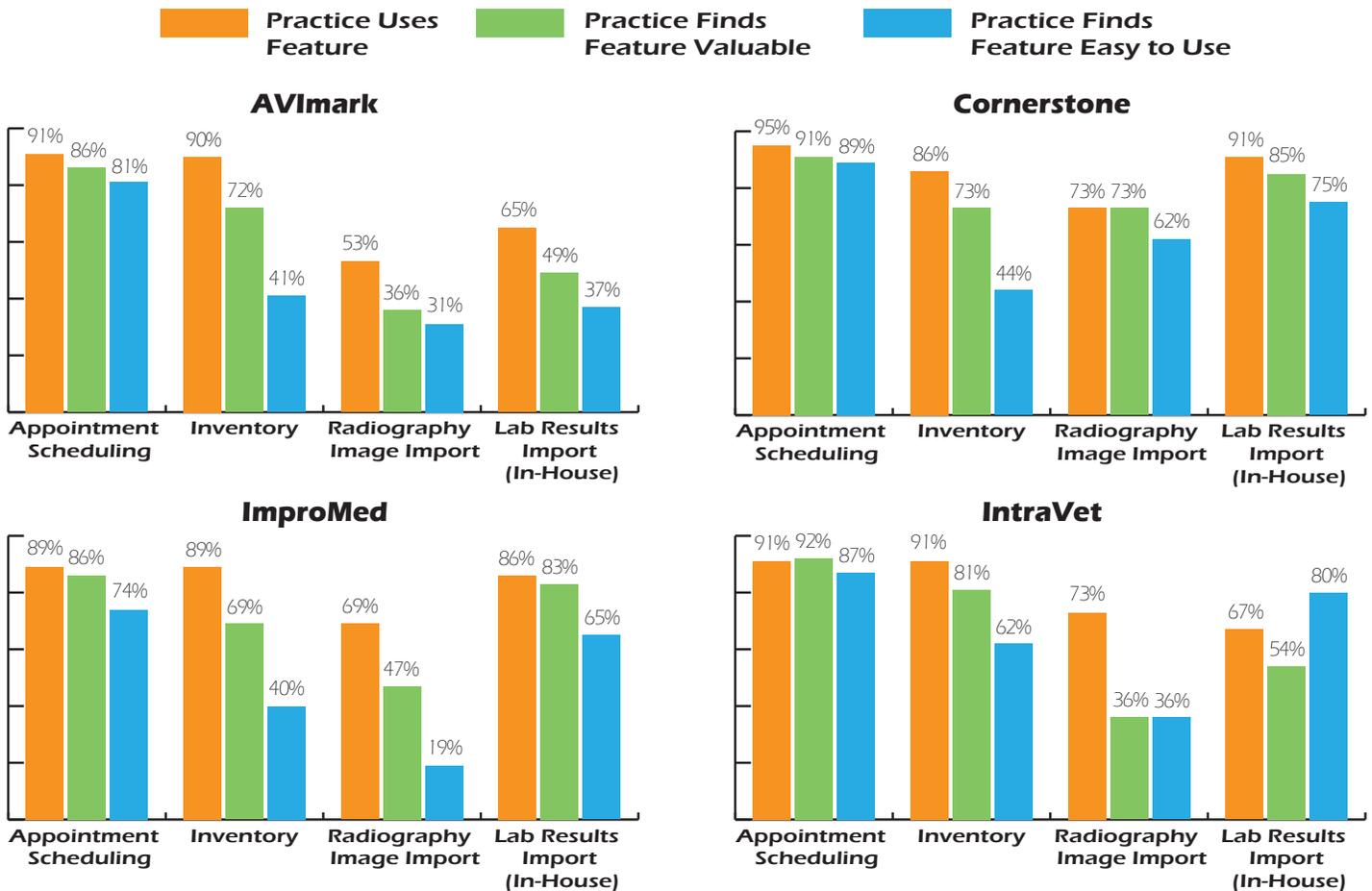
“Our survey did find a correlation between a hospital's choice of PIMS, revenue and number of visits”

We believe that because Cornerstone is priced higher than the other systems, it is a more attainable and attractive option for larger and higher-performing practices than for smaller practices, which accounts for much of the difference in both revenue and number of visits. Cornerstone also provides more high-end features and functionalities that larger practices are more likely to use.

We were also curious to learn more about the perception of specific features across the systems: scheduling, inventory, reminders, electronic medical records, lab imports from in-house equipment, lab imports from reference labs, radiograph imports and electronic whiteboards. We asked practices about the importance, value and ease of use of each of these features, which revealed several trends across systems (see Exhibit B for some of the data):

- Inventory has the widest gap between the 'value' of the feature and its 'ease of use'. While at least 70% of each system's users feel that inventory is extremely valuable or very valuable, less than 45% of users of the three largest systems feel that inventory features are easy to use. In fact, inventory is seen as the second most difficult feature to use overall (the first is electronic whiteboard.)

Exhibit B Use and Perception of PIMS Features



- The more technically complex features – lab imports, radiology imports and whiteboard – are more highly valued by Cornerstone practices and are typically rated easier to use than the same features in other systems.
- AVImark practices tend to value the more technically complex features materially lower than Cornerstone practices, and AVImark’s ease of use scores are also poor in these areas.
- Scheduling and reminders scored high in all areas: they are viewed as very important, very valuable and the features are rated as relatively easy to use.

It is important to note that while reminders are viewed as important and easy to use, **our experience shows that many practices do not set up this critical function properly and fail to review it regularly!** Reminders functionality should be clearly understood and should accurately reflect the DVM and practice’s clinical protocols.

The data from the survey confirmed our view of the practice management system market and is consistent with what we’ve seen at VPP practices. While these PIMS are feature-rich, their interfaces are not often intuitive, which creates a large gap in efficiencies between the practices that invest time into training and optimization, and those that do not.

At VPP, we explain and discuss the value of these features to our partners and provide support (on-site or through vendor e-learning platforms) to practices that wish to learn more. Throughout the years, we’ve seen clear and positive impact on both clinical and business outcomes from better utilizing several features:

- Ensuring that treatment reminders are set up to generate the correct and proper type of reminder communication can lead to a better-informed, more compliant client base.
- Streamlining the processes of ordering, receiving and tracking inventory can result in a much better understanding of the flow and cost of inventory as well as a long-term reduction in time spent on manual input.
- Training staff to be consistent in the way they input clinical and financial information (diagnosis and treatment codes, line items invoiced) can allow for cleaner and more robust analyses and reports to identify potential opportunities or inefficiencies.

As a practice owner, you should think about the features that are critically important (scheduling and reminders are always at the top of our list) and ensure that your staff understands how to use these features correctly and consistently.

Market Growth Statistics

As part of our commitment to educating veterinarians on market trends, we include market growth data in each issue so you can compare your practice with industry benchmarks. We analyze revenue growth from VPP practices, VCA and IDEXX’s data that is a proxy for the market.

The first quarter of 2015 saw an acceleration of the market due to a good comparison against the 2014 harsh winter and further improvement in the economy.

“The first quarter of 2015 saw an acceleration of the market due to a good comparison against the 2014 harsh winter”

Year-over-Year Revenue Growth

	2013			2014				2015
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
VCA Antech	1.3%	1.1%	0.9%	.5%	2.2%	4.1%	4.4%	5.3%
IDEXX (Market Proxy)	4.9%	6.1%	5.2%	2.1%	4.3%	4.9%	6.1%	6.7%
VPP	10.8%	12.2%	11.0%	10.8%	13.4%	11.4%	5.4%	8.5%

Survey Methodology

The survey was conducted by a New York City-based market research firm. The survey questions presented in this newsletter were part of a larger ongoing market tracking study which has been conducted for several years to assess changes and trends impacting veterinary practices. Practice-wide metrics captured in this survey, including monthly revenue data, is provided directly from electronic practice management systems. The survey is not affiliated in any manner with any veterinary practice management system.

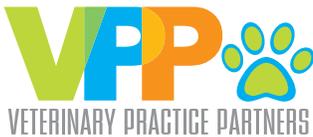
Practices were recruited randomly from a universe listing of veterinary practices provided by InfoUSA, a leading provider of medical databases. During January 2015, 259 veterinary practices participated in this survey, of which 68% were veterinary practice owners, 18% were office managers, and 14%

were non-owner DVMs or had other titles. The practices participating in this research represent a good regional cross section of the country as illustrated by the table above. Additionally, from a total practice revenue standpoint, those surveyed are very similar to the national averages:

Region	All Practices in Sample Set (n=259)	Universe of Practices in US (n=32,755)
New England	6%	5%
Middle Atlantic	6%	10%
East North Central	20%	15%
West North Central	15%	10%
South Atlantic	17%	19%
East South Central	5%	7%
West South Central	9%	13%
Mountain	9%	8%
Pacific	12%	14%

“The survey is not affiliated in any manner with any veterinary practice management system.”

Practice Revenue	All Practices in Sample Set (n=259)	Universe of Practices in US (n=32,755)
Under \$700,000	43%	59%
\$700k to <\$1.5 million	38%	27%
\$1.5 million - <\$3 million	17%	11%
Over \$3 million	2%	4%



Rich Lester, CEO

About Veterinary Practice Partners

VPP is a management company in the veterinary industry; we buy ownership stakes in practices and then work behind the scenes to manage and grow those practices. VPP handles marketing, accounting, human resources and vendor contracting so our DVM co-owners can focus on patient care. Working together as partners, VPP and the DVMs make all major business decisions.

For more information on our unique approach to managing veterinary practices, and to learn how we might be able to help your practice meet its goals, please contact us:

- Visit our website at www.vetpartners.com
- Give us a call at **866-VET-PART (838-7278)**
- Send us an e-mail at info@vetpartners.com