

# Are You an Entrepreneur? Take This Simple Test.

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Lot's of people are called "entrepreneurs," from the kid at the end of your street selling lemonade, to Donald Trump. And if you're an ophthalmologist running your own practice, you probably think you qualify as an entrepreneur. But are you really?

What defines a doctor-entrepreneur? Is it starting a solo practice on your own, in the face of adversity? Taking over a small practice and making it larger? Adding a new elective procedure and handling all the details from service development to promotion and pricing? These are all vanguard activities that would make you stand out from the crowd of eye surgeons who take a safer path. And these are certainly examples of "little-e" entrepreneurship. But to my way of thinking, to be a "Big-E" *Entrepreneur*, you need to take your business enterprise to the next step: from a business that lives and dies based on your personal, daily inputs...to an enterprise that no longer needs your daily production or presence.

Here's a simple self-exam to determine if you're a "Big-E" or "little-e" entrepreneur, or if you might be more suited to join an existing enterprise rather than failing to thrive in one that you own. There is no value judgement in this exam; it's equally honorable to score high or low.

## **Vision and Opportunism**

Doctors at every place in the entrepreneurial spectrum have the ability to creatively take in the facts and data of their business environment, dream about the future, and invent in greater or lesser detail the endpoint they then aim for. Which of these best fits you?

\_\_\_ People who know me well often kid me about how I have my head in the clouds. I really enjoy imaging my practice in the distant future, and am very comfortable thinking in terms of a 5-, 10-, even 20-year plan. I really don't mind if it turns out that my long-term vision was incorrect—I just really need a big goal to strive for. When I see a clinical or business trend, I'm often among the first to jump on it. (5 points)

\_\_\_ I can readily think of my practice in terms of 3-5 years out, but beyond that the picture gets a little fuzzy. I don't think we can reliably predict the environment any farther out than that, and I'd rather not get my hopes up for nothing. I'm neither the first nor the last person to adopt new ideas and trends. (3 points)

\_\_\_ I prefer to wake up and simply take each day as it comes. I've never really been one to plan my life or career out more than the next year. When I see a new trend, I like to wait to see how it pans out, and not be the first one to jump in...it might just be a fad. (1 point)

## **Positive vs. Negative Orientation**

Super-entrepreneurs tend to be extremely positive people. They see the glass as half full, and believe that even the most difficult circumstances will somehow lead to an otherwise undiscovered opportunity. Which one of the following three descriptions best fits you?

\_\_\_ I have found that life pretty much hands you what you can handle and overcome—even the toughest breaks. I may get down from time to time when disappointments arise, but this feeling is fleeting, and I bounce back stronger than ever. I mostly wear a smile, even at times when most people would be down. My staff are attracted to my positive outlook on life, and I really enjoy getting folks to see the bright side whenever problems come up. (5 points)

\_\_\_ I am a realist. So when problems come up in the practice, I groan like the next guy. However, for the sake of the team, I put on a smile when I have to, even if down deep I'm really worried and pessimistic. I really appreciate being around "up" people who can keep me from thinking the cup is half-empty. (3 points)

\_\_\_ I believe that life is basically difficult and unfair, unless you happen to get lucky. It can really bug me to be around highly optimistic, positive people...I mean, who's kidding whom? Life's tough. Keep a low profile, be careful, and you won't get hurt. (1 point)

### **Ability to Drive to the Finish**

All the business brilliance in the world has to be combined with years and years of hard work to see your plans come to life. Each of these years contains an opportunity to throw your hands up and quit pressing so hard. Giving up prematurely on a satellite, an associate doctor or a marketing plan is a lot easier than gutting it out and making things work. Strong entrepreneurs keep marching forward when others would quit.

\_\_\_ When a project is looking dim, that's when I really shine. I just can't bear the thought of quitting something our practice has made a commitment to accomplishing. My clinical and business career is full of examples where pushing just a little harder and longer, no matter the cost, gets the job done. (5 points)

\_\_\_ When I'm faced with adversity I'll push for awhile, but not like some people I know. I'm all for giving projects our best shot, but when it seems we might be going in the wrong direction, I change course pretty quickly. (3 points)

\_\_\_ When projects get too tough, that's a clear signal to me that it's time to quit. There's only so much we can do, and if we take on too much, we're going to fail. It doesn't take much for me to say, "Let's try something else, this isn't working." (1 point)

### **Risk Taking**

Some of us love risk...others are risk-adverse. Most are between these two extremes. The classic entrepreneur will mortgage their home to the hilt to start a long-shot business. Risk must obviously be weighed by an intelligent judgement of the odds involved, the consequences of failure, and the scale of off-setting benefits.

\_\_\_ I *love* taking calculated risks. So long as the odds are even remotely in our favor, and the potential payoff is big, I'll roll the dice and go for it. If it's legal and ethical, and the practice payoff is huge, I'd risk almost anything if it could help us accomplish our long-term dreams. (5 points)

\_\_\_ I don't feel comfortable putting it all on the line, but I'm OK proceeding with policies and projects for the practice that we can reasonably survive in the event of failure. (3 points)

\_\_\_ I break out in a cold sweat and my heart races just *thinking* about taking a business or clinical risk. (1 point)

### **Delegation**

This is one of the most important attributes of any entrepreneur, but especially in medicine, where it's common to say, "It's faster to do this myself." or "Sally couldn't do this quite as well as I do without lots of experience." Unlike a car wash or furniture store, it's much harder to build an ophthalmology practice and turn it over to non-owner employees to run for you and generate a passive profit. But that's exactly what the entrepreneurial doctors of the future will be doing.

\_\_\_ Anything that others can do for me, I delegate avidly. That goes for clinical, surgical and business chores. I know that if I would simply stop and take 30 minutes to teach someone a task, I can potentially save myself hundreds of hours over the course of the next few years. (5 points)

\_\_\_ I am pretty good at delegation, but still find myself from time to time doing routine, mundane tasks that others in the practice could be handling for me. (3 points)

\_\_\_ Nobody can do things as well as I can, so I rarely delegate. (1 point)

### **Business vs. Practice Orientation**

Some practices run their operations like a 1950's non-profit foundation, with little regard for the bottom line, and every decision based solely on the quality of care. Other (thankfully few) practices are on the opposite side of the spectrum, ignoring quality in the interest of profits. Over the last two decades, it has been increasingly necessary to shift somewhat from a "foundational" model to a "bottom line" model. Just where you place yourself on this continuum is obviously a sensitive and difficult decision for every eye surgeon today.

\_\_\_ I absolutely respect and honor my role as a clinician, providing the very best care I can to my patients. But having said that, I know in today's world you have to run an ophthalmology practice like a fine-tuned business, and that's exactly what we do. (5 points)

\_\_\_ I would say that an increasing number of our decisions are driven by the bottom line, but that still leaves us running things kind of casually around here. (3 points)

\_\_\_ Even at the risk of business failure, I run my practice the old-fashioned way and I'm not about to change. (1 point)

### **Reproducible "Systems" Thinking**

Medicine is both an art and a science, and a great deal of spirited discussion is now playing out about what the balance should be between the two of these. Scaling up, training extenders and delegating requires that entrepreneurs take a systematic approach to care, doing things the same, predictable way each time to the extent possible.

\_\_\_ I think of our practice as a finely tuned assembly line, in the good sense of that concept. We try to break down every step of the patient visit, and have it go as predictably, smoothly, briskly and pleasantly for the patient as we can. Everyone here knows the agreed "one best way" to do just about everything. (5 points)

\_\_\_ I have make this practice a little more systematic and organized than most, but I allow our doctors and staff a wide degree of latitude in how they treat each patient. (3 points)

\_\_\_ We are clinical artists. I treat each patient encounter as a highly customized event, based on the patient's personality and their unique needs from us. We really don't think in terms of "pathways," "branching logic trees," or "algorithms"...we just take care of each patient based on what seems to be right for them at the time. (1 point)

### **Process Documentation and Control**

Let's compare professional surgeons to professional airline pilots. Somewhere long ago you read a cataract textbook or two enumerating the step-by-step process of safe and effective surgery. But odds are long, after of thousands of cases, that you have anything like a how-to checklist for surgery today, because it's all become a rote routine for you. And the pilot? There are manuals and checklists galore, even after thousands of hours of practice. Medicare is a lot looser than the FAA, obviously. And this same laxity resonates to your practice's business operations, unless—as an entrepreneur—you've recognized the value of process documentation and controls.

\_\_\_ I have insisted that we prepare and regularly update an operations manual for the practice. This is used for training, procedure auditing and regular staff re-credentialing. (5 points)

\_\_\_ Many of our important procedures are written down, but at least half of what each staff member does is in their heads, and passed on verbally to new staff members. (3 points)

\_\_\_ We only have a few handwritten crib notes; the rest of what we do is not documented in any way. (1 point)

### **Staff Selection, Training and Development**

Being entrepreneurial and growing at faster rates requires that you replicate your ace technician's or billing clerk's skills in successive staff ranks, and that you do this efficiently and consistently....so that everyone is taking pressure checks and posting charges in the same, optimal way. To do otherwise results in error, frustration and costly re-work.

\_\_\_ We put lots of time and care into the selection of staff here, allowing in only those workers who have a willingness and ability to learn our way of doing things. We quickly weed out new staff who can't step up to our pace, fit into our team mode, or who insist on importing the bad habits they learned at their last job. In fact, we're so good at spotting raw talent and "trainability," that we no longer rely on finding experienced job seekers...which saves us a lot in labor costs. It's not unusual for us to put 5% of a typical work week into training...two hours or more. (5 points)

\_\_\_ Of course, we think that staff selection and training are important, but frankly we're so overwhelmed with day-to-day patient care that we don't put much time into the hiring or training process. We follow our instincts, hire the best people we can find at the time, give them a week to settle in, then it's sink or swim. Lot's of our new staff drown and leave well before their probation period is over. (3 points)

\_\_\_ We almost always hire staff who have experience from somewhere else, and let them run with the way they've done things in their last job. It means we have to pay top dollar, and there's not that much consistency, but it makes life easier for our managers to not have to waste their time training workers from scratch. (1 point)

### **Process Improvement**

Even in the most successful, mature companies, constant, ongoing improvement is essential for continued prosperity. Every owner and manager—ideally every single member of the team—

should ideally be questioning every process and sub-routine for opportunities to reduce costs or improve quality.

\_\_\_ In our practice, there are no sacred cows and everything we do is subject to scrutiny. We not only do this formally by ourselves, but we invite patients, visiting doctors and managers from other practices, consultants and regulatory officials to tell us how to do a better job. We're not defensive hearing criticism. And we don't just listen; we rapidly implement every reasonable suggestion. We see the job of "improving" like housework—something that never gets permanently done. (5 points)

\_\_\_ From time to time we ask ourselves, "Could we do this or that better?" We read articles and go to meetings, and frequently we'll find a pearl here or there. But you know, there's probably not that much more we could do to improve without driving everyone crazy. (3 points)

\_\_\_ I guess we're pretty complacent around here. It takes a major clinical blunder or patient complaint for us to stand back as a team and reinvent the way we do things. We certainly don't go out of our way looking for outside advice. And even when we improve something, things often shift back to the way they were. Old habits are hard to break. (1 point)

### **Fiscal Management and Resource Apportionment**

In bygone days of 50+% profit margins, financial planning and cash flow management was relatively easy. There were plenty of reserves to fund any reasonable practice initiative. Today, ophthalmology is typically a +/-35% profit margin business. And we are on an all but inevitable glide path to the lower percentile levels seen in "normal" businesses. Business growth takes time, expertise and capital. Lots and lots of capital.

\_\_\_ The doctors here realize that to grow we have to invest profits back in the practice. To accomplish this, we have a lot of personal discipline. We have each learned how to sacrifice and live on a lot less than we make. We know that if we invest wisely, the practice will thrive. We may take a personal pay cut this month and even this year, but we're confident that over the next 10 years, we'll be dollars ahead, provide better care, and be more secure in our market. (5 points)

\_\_\_ Doctors in our practice take a middle path. We are certainly willing to fund obvious money-making opportunities, but the pay-back period had better be within the next year or we would just as soon take the money home personally. (3 points)

\_\_\_ The doctors take every available penny out of the practice. Even though we've been in business for years and years, we're still caught short during lean months, and have a hard time making payroll. Our facility is getting a little shabby. We're short of some equipment. It feels like we're starving the golden goose.(1 point)

### **Succession Modeling, Planning and Execution**

Every individual ophthalmic career has a beginning, a middle, and a finite end. Not so practices, which with planning can live on, constantly improving and growing, for many generations. Some eye surgeons see their practices as a personal money machine, something they would just as soon discard at the end of their career, rather than taking on the hassle and uncertainties of bringing in one or more successors. Other ophthalmologists think in bigger terms. They see their practices as institutions that should outlive them, serving future doctors, staff and patients. Like proud and responsible parents, such doctors are more than willing to make personal sacrifices to see that their practices live on and succeed.

\_\_\_ It would be a very great disappointment to me to not have my practice thrive and grow after I'm retired. To this end, I've already worked out the timeline for phasing in the next doctors. My plan even includes a way for me to earn a little passive income during the last years of my practice, and to have a private office to come to and work on my novel after I've retired from medicine. (5 points)

\_\_\_ It would be nice to see some young doctors carry on with my practice after I'm out of the picture, but if that means the cost and risk of taking on a long string of trial associates like my old medical school roommate, forget it. Maybe in the last three years of active practice I'll try to find a successor, but not at the cost of topping up my retirement savings. If it doesn't work out the first time, or maybe the second, I'll just work until I'm ready to walk away, and hand the keys over to one of my local colleagues for salvage value. (3 points)

\_\_\_ I see the business nuts and bolts of my practice as a personal tool to use so long as I'm professionally active, and then discard. I worked hard to build this practice with little help from anyone else. Let the next guy figure it out for himself. (1 point)

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Now add up your total score, and see where you seem to fit in the ranges below. The maximum score is 60, the minimum 12:

50 to 60 points: Consider yourself a "Big-E" Entrepreneur. You may have the drive, perspectives and attitudes necessary to build a larger, multi-generational, multi-location, multi-subspecialty practice that at some point in the future no longer needs your personal input. Such a business could provide you with a passive source of income or allow your personal take home pay to rise, even as fees and margins fall, by hiring employee providers to increase your practice's total output well beyond your individual capacity.

25 to 49 points: Perhaps you're a "little-e" entrepreneur, which is the vast majority of eye surgeons. You still want to build a great business, deliver outstanding care, and may even be successful in passing it on to successors who pay you a small buy-out for what you have created. But nearly all of your income from the practice will be active—generated by your own personal efforts—not passive. As fees fall along with normative profit margins, and you reach the limits of your personal time and output, your income will inevitably fall.

Under 25 points: You may be more comfortable, happy and successful in a modest practice, operating at relative stasis, where there's a lot of room for customization, and complexities can be kept under your personal control. Alternately, as medical economics change and put a premium on efficiency and scale, it may be appropriate for you to consider joining a more entrepreneurial practice, rather than building a larger company on your own.

Please keep in mind that wherever you score on this informal self-evaluation is perfectly ok so long as you're true to your personality, your aspirations, and the practical realities of your local marketplace. And please realize that there's an important age-related factor in all of this. It's not at all unusual for doctors younger than 40 and older than 55 to be quite adverse to being entrepreneurial, and doctors 40 to 55 to be more risk taking and vanguard. It may be interesting for you to bring this evaluation tool out every few years to see if your perspectives change...and in what direction.

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