ANDREW R CLARK DVM, MBA, LLC

The Power of Executive Thinking

Surviving in Recession

Lessons in Supply & Demand and Managing Change

November 17, 2012

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Over the Horizon Look at Where Recession and Regulatory Change May Lead Equine Practitioners

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Learn From The Past What Lay Ahead

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Supply and Demand:

Our Friend

Our Enemy

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Perspective on Veterinary Medicine In Recessionary Times

- Regulatory Change
- Life Experience
- Financial Climate Change

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Higher Demand

- Higher Volume
- Higher Price

Lower Demand

- Lower Volume
- Lower Price

Law of Demand

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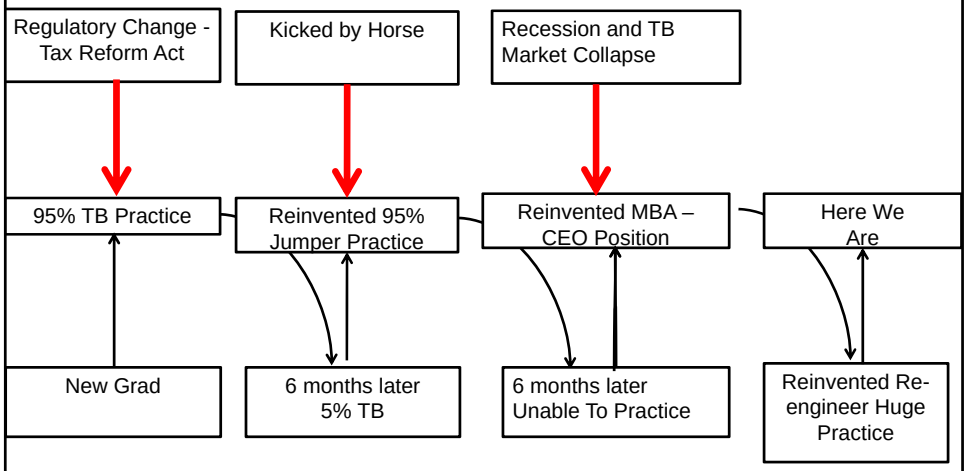
Responding to Supply, Demand and Change



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What Is The Only Constant In Our Businesses?

CHANGE!

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Jack Welch, former CEO of General Electric

"If the rate of change inside your organization is less than the rate of change outside your organization, THE END IS NEAR."

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United States Veterinary Business Management Strategy Prior to September 2008

- Work hard for long hours
- Raise fees once a year
- Achieve Desired Results
  - Increase Revenue
  - Keep up with inflation
  - Sustain profitability

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Post 2008 Veterinary Business Management Rules

- The old rules no longer work
  - Fewer subscribe to long hard hour strategy (probably a good thing)
    - Work life choices
  - Many markets will not tolerate across the board fee increases necessary to sustain profitability
    - Demand Elasticity

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How Do We Respond to Changes in Supply and Demand?

- Don't Use Hope as a Strategy
- Manage our Businesses Better!

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Decreased Demand Due to Regulatory Changes

Reinvention

- Understand new markets
  - The people
  - The horses
  - What the people and horses do
- Your old skill set and management style probably won't work

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Decreased Demand Due to National or Global Financial Turmoil

Manage that over which you have influence

- What services you provide
- Control costs-Workshop Model
- Focus on client outcome