



Rewarding Everyone: Creating Team Bonuses That Work

By Glenn Morley

Rewarding a Patient Care Coordinator (PCC) with a financial bonus can be a catalyst for improving the sales activity that is central to this role, and many aesthetic practices offer one.

But the truth is, *everyone* in the practice plays a vital role in the sales process. Like an effective track and field relay team, a successful plastic surgery team requires coordination, synchronization and effort to create a five-star patient experience—and no one can “win” alone.

That’s why I’ve found team incentives to be a clever strategy for inspiring practice staff to collaborate. When you incentivize the team instead of the individual, you create a partnership in which employees strive *together* to improve the bottom line and build lifelong relationships with patients.

It’s a Relay Not a Marathon

Unlike the many solo miles run by a marathoner in training, relay team runners must work together to achieve greatness. Each relay team member knows that his or her own personal speed and performance directly impacts the success of the team. Each is intensely aware of the importance of a “clean” baton exchange. Drop that baton as you hand it off to your teammate, and your entire team is disqualified from the race.

A successful practice team strives for a “clean” baton catch every time, and works together to win. The receptionist credentials the surgeon and establishes the foundation of the patient relationship. The PCC builds rapport with the patient and juggles all the balls associated with surgery scheduling. The clinical staff educates, allays fears, and provides the confident, pre-operative counseling that reinforces safety and the importance of an experienced, surgical team.

The team that can finesse these handoffs achieves more success together, and data show that incenting the entire group can strengthen the bond of the team. In fact, a joint study by the International Society for Performance Improvement and The Incentive Research Foundation found that incentivized teams increased their performance by 45 percent, whereas incentivized individuals increased performance an average of 27 percent.

The study indicated that individuals have less of a need to “game” the system when rewards primarily come from working together, and that teams can reach stretch goals more effectively because they will seek recognition opportunities by performing better. The study also posited that incentivized teams increased performance due to peer pressure.

Anatomy of a Team Bonus

We see team bonus incentives as a growing trend in the aesthetic world. The most effective ones include multiple measures so as to avoid the myopathy that results from narrowly focused incentives.

One of our clients offered a plan that rewarded the PCC on the volume of surgeries scheduled, nothing else. Her performance was predictable: she focused heavily on the tasks that pertained to scheduling surgeries—such as sending thank-you letters quickly and calling potential surgery patients post-consult.

That was all well and good, but if this PCC was asked to do something for an injection or laser patient, forget it. Anything that wasn’t related to scheduling surgery was someone else’s job. She wouldn’t collaborate with the aesthetician to build medspa patient relationships or fill in at the front desk when someone called in sick.

One way to avoid this is to develop a plan that incentivizes the team, and is more broadly focused. The model that follows was developed with a client whose small practice had grown to eight, valued employees. The system provides incentives for the entire staff, as well as for smaller teams within the practice, such as the Front Desk. The system combines revenue goals and performance metrics and avoids focusing too heavily in one area—such as surgeries scheduled. It uses a *flat dollar amount* bonus pool, which is a great starting point for most practices because of its simplicity and predictability. The pool enables the practice to earmark an amount each year, and thus have a predictable expense.

When the goals of this plan are met, each attainment amount is evenly distributed to all members of the team. This strengthens the incentive for employees to collaborate, because when they all work together, they all

receive an equal share of the bonus amount. Here’s an overview of the plan:

- **Practice Revenue Bonus.** All eight staff equally divides a quarterly bonus of \$2,000 if revenue grows 5% over the average of the last two years. If the team reaches the revenue growth goal, the annual bonus opportunity per employee is \$1,000, or \$250 per quarter.
- **Practice Revenue “Super Bonus.”** A year-end \$500 *super bonus* can be earned after meeting *each* 5% quarterly growth goal. And, there is a big carrot for staff if they over perform: if the practice’s annual revenue growth is 6%-10%, the team receives an additional \$1,000. If it’s 11%–15%, they receive an additional \$2,000. And if it’s 16%-20%, they receive an additional \$3,000.

After this bonus goal was implemented, the practice achieved 18% in revenue growth, and the team divided a “super bonus” of \$3,500; \$500 for meeting the 5% quarterly goal each quarter plus \$3,000 for the total growth of 18%. The amount was very palatable for the practice owner, given that the incremental, increased revenue for the practice was \$325,000. A win, win for all.

- **Metric Bonus: Front Desk Team.** The Front Desk Team has the potential to receive an additional annual bonus of \$2,400, or \$600 per quarter, by achieving these goals:

Team	Metric	Goal	Payout
PCCs	Surgery Scheduling Rate	50%, Consult to Surgery	\$300
	Surgery Scheduling Rate	51-55%	\$600
	Surgery Scheduling Rate	56-60 %	\$900
PCCs and Clinical Support Staff	Practice Capture Rate	Goal 75%, Inquiry to surgery or non-surgery procedure completed	\$500
PCCs and Clinical Support Staff	Retention of Surgical Patients. Conversion to other services or surgeries in following year.	Growth goal of 5% each quarter.	\$300

Continued on Page 53

Rewarding Everyone

Continued from Page 52

- **Metric Bonus: Patient Acceptance Rates.**

The PCCs earn bonus by achieving the following goals.

Metric	Goal	Qtr. Payout
Practice Capture Rate	Goal of 75%, inquiry to anything: surgery or non-surgery procedure completed	\$150
Injectable Revenue Growth	8% increase year over year	\$150
Non-Surgical Patient Retention	Increase 5%, year over year	\$150
Ancillary Skincare Sales	5% increase, year over year	\$150

The *Retention of Surgical Patients* metric is particularly important to the bonus system. When a team is incented to collaborate on ways to have patients return for additional, non-surgical services, amazing things can happen and new revenue becomes very real.

In this practice, which does primarily breast and body procedures, the PCC provides breast augmentation and lift patients a customized menu of spa services they can choose from as a gift with purchase—neurotoxin treatment, peel, hydro facial, etc. This tactic has been a real revenue-builder by creating a reason for the patient to return after surgery, and patients typically come back for more than just the “gift” service. Essentially, the practice has built a thriving non-surgical business through excellent team collaboration with surgical patients.

- **Management Bonus.** The manager can earn an additional \$4,500 annual bonus, by coaching and supporting the teams that report directly to her, in order to attain the preceding eight, separate employee performance metric goals. The manager must work with individuals and teams to create tactics and strategies to achieve goals, and the goals and performance-to-plan tracking are all added to each individual's work performance review templates.

The total bonus system payout, if all team goals are met, is around \$25,000 per year. This amount has proven to be a small expense

compared to the amount of new revenue generated as a result of the system.

Tips for Success

Whether you're new to team bonuses, or enhancing one you've got in place, these five things ensure greater success.

1. Identify what you are trying to achieve with the bonus system.

Is the goal to increase revenue? Boost surgery volume? Decrease turnover? Build your plan to align with these goals so everyone understands the overarching strategy for what you are trying to achieve.

2. Set an affordable starting point for the bonus pool.

If you've never offered bonuses before, it's critical that the physician be comfortable with the amount of the pool. Start on the low side, for example, \$5,000. (It's not unusual for practices that have a mature bonus system to budget \$20,000+ or more annually.) This gives the practice room to increase the bonus pool year over year instead of having to dial down the first year's amount if it was set too high. Once you nail the number, put it into the annual budget.

3. Identify and assign the right metrics.

A metric is a quantifiable and measurable indicator of performance. The metrics you choose must be designed to reward team efforts and hand offs. Be sure the computer system can generate the reports that quantify them. Evaluate your processes to ensure staff is entering data correctly in order to result in accurate reports. The following metrics are commonly used:

- Inquiry to Consults: Number of Cosmetic Inquiries that Convert to Scheduled Consults (Track this metric independently for web, phone, and in-office inquiries)
- Patient Acceptance Rate (PAR): Number of Consults that Convert to Scheduled Surgeries or Scheduled Non-surgical Treatments (Track separately.)
- Surgical Revenue Growth
- Retention: Year-Over-Year Patients Retained for Injectables/Skin Care/Laser/Additional Surgery
- Patient Satisfaction Survey Scores

4. Fix and tweak.

Once staff is told they'll be rewarded as well as held accountable for achieving measurable goals, they'll become acutely interested in improvements and training. It's a great opportunity to fine-tune your systems and identify any stumbling blocks that could limit goal achievement.

For instance, if increasing the Patient Acceptance Rate (PAR) is the metric, discuss who “owns” each part of the process that impacts the PAR. Then consider each step, from inquiry to consultation to surgery, and who does what at each point. The goal is to understand:

- Is the goal realistic and achievable given the team's knowledge and confidence? If not, what kind of training or coaching is needed?
- What are the key talking points they need in order to increase the inquiry to consult? Is there a script? If so, do people follow it? If not, who will create one for the team?
- Have team members who speak with patients by phone received active listening training? Has someone verified that they have implemented what they learned?

The more you listen and address the improvements needed to achieve bonus plan goals, the more capably your team will perform and attain them, and everybody wins.

5. Keep it simple.

A simple plan is easy to explain, easy to understand, and easy to manage. All of these things are important in order for staff to achieve their targets. With a clear plan and realistic goals, your team can collaborate and unleash their potential to improve the overall patient experience as well as the bottom line. And that's a beautiful thing.

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