

**LASERAID**

Your Business. Our Solutions.

**HOW TO GROW  
YOUR CLINIC  
MATHEMATICALLY**

**A LASERAID  
WHITE PAPER**

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## Introduction

The purpose of this White Paper is to assist clinic owners in growing their businesses scientifically. Over the last decade we have had thousands of conversations with owners, managers and technicians, and there is a clear theme –

**When it comes to growth, uncertainty is the greatest barrier.**

*Uncertainty of which direction to go in, “which treatment would my clients want? How do I know they will keep coming back for more?”*

*Uncertainty around when to expand, “I’m not sure if I have enough clients to sustain the additional cost.”*

*And uncertainty around finances. “How do I know that the money I make will be enough to cover the costs associated with a new treatment?”*

This guide will attempt to answer all of these questions and put in place a framework for when to grow and how to do it. We will give you the tools you need to effectively analyse your clinics performance, put targets in place and understand the triggers for growth.

Additionally, we will assist you in conducting a detailed analysis of how effective your clinic is at the moment, and put you in a position where you can make some – potentially unexpected – decisions.

In summary, this is a scientific guide. They will differ from most of the white papers and guidebooks you may have read in that you won’t find any motivational tips or unproven theories. The end result may be that you choose to abandon certain treatments, perhaps to expand your clinic exponentially. This guide is not written for any other reason than to give you the power to make educated choices based on mathematical realities.

Let’s begin.

## Understanding Your Business

Numerous studies have demonstrated that most business owners and managers make decisions based on instinct rather than science. You will have no doubt heard, or perhaps even said, things like

“I’ve got a good feeling about this new treatment.”

“People in this area will definitely want this.”

“This type of treatment is getting more and more popular.”

The statements may or may not be true, depending on the location, business environment and numerous other factors. Luckily, it’s easy to test comments like this: just say, “prove it.” If the response is generic, based on feelings or comments they heard from faceless advisers, you know that there is no evidence to back it up.

The purpose of this section is to give you evidence on your own clinic.

### Understanding Capacity (c) (mc)

Capacity is one of the key metrics related to clinic performance. Importantly, when we talk about capacity we are not talking about a perfect scenario within which no team members need lunch breaks, nobody gets sick and devices always perform perfectly. Capacity, especially when used in a formula, should always be realistically, or preferably pessimistically, estimated.

Included in capacity which we formulaically refer to as (c) is machine capacity (mc). Where capacity refers to clinic performance, machine capacity is specific to a particular device. For example, capacity could be 147 treatments for the week, or  $(c) = 147$ . Whereas a particular device may only be capable of performing seven treatments a day, or 42 over the course of a six-day week, or  $(mc) = 42$ . This is important because it can identify a reliance on particular treatments, and opportunities to expand those treatments.

The final subcategory within capacity is treatment capacity (tc). This is simply the capacity of treatments that don’t require a device. For example, traditional facials, massages etc.

### Calculating Capacity (c)

We have found that many clinic owners don’t understand the capacity of their clinics. This also means that many clinic owners don’t know the potential of their clinic, where to best allocate their resources, and when they have a business that is underperforming. Through numerous discussions, and by sharing this formula, we have been able to offer a simple clarity that has empowered owners and managers to make what they previously saw as tough choices, quickly and easily.

To calculate clinic capacity, first create a list of all your treatments and devices.

For example –

**Laser Hair Removal (Candela GentleMAX Pro)**

**Organic Facial**

**Waxing**

**Carbon Facial (Laseroptek Helios III)**

**Microdermabrasion Facial (Viora Ultraderm)**

Then, work out the average spend per treatment. This is a pessimistic approximation of how much each customer spends.

**Laser Hair Removal (Candela GentleMAX Pro) \$130**

**Organic Facial \$120**

**Waxing \$70**

**Carbon Facial (Laseroptek Helios III) \$190**

**Microdermabrasion Facial (Viora Ultraderm) \$90**

Now, work out what your capacity is for each treatment on a normal working day. Remember to be realistic – no clinic is capable of servicing four laser hair removal clients effectively in an hour.

**Laser Hair Removal (Candela GentleMAX Pro) \$130 (mc)=8**

**Organic Facial \$120 (tc)=7**

**Waxing \$70 (tc)=9**

**Carbon Facial (Laseroptek Helios III) \$190 (mc)=6**

**Microdermabrasion Facial (Viora Ultraderm) \$90 (mc)=8**

Now have a formula to work out capacity. Take each of your average treatment costs (atc), multiplied by machine or treatment capacity and you have your daily clinic capacity (c). Multiply that by the number of working days in a week and you have your weekly capacity.

In this example, daily capacity would be:

$$(mc) \times (atc) \times 6$$

Laser Hair Removal (Candela GentleMAX Pro) \$130	(mc)=8	\$1040
Organic Facial \$120	(tc)=7	\$840
Waxing \$70	(tc)=9	\$630
Carbon Facial (Laseroptek Helios III) \$190	(mc)=6	\$1,140
Microdermabrasion Facial (Viora Ultraderm) \$90	(mc)=8	\$720
		<b>\$4,370 per day</b>
<b>Multiplied by six</b>		<b>\$26,220 per week</b>

Now that you have an understanding of the machine and device capacities, along with your clinic capacity, let's move onto growth triggers.

## Understanding Growth Triggers

Now you have the metrics, you can use them to effectively analyse clinic performance, and make decisions based on growth triggers.

A growth trigger is a percentage of capacity that is used to determine when action should be taken. Although termed “growth” trigger, this tool can also be used to determine when a treatment, device or even your clinic is underperforming. If you are managing multiple locations, benchmarking against growth triggers should be the core metric that is used to determine the success of a particular period, and to identify weak spots.

### Why are growth triggers important?

They are an emotionless metric that gives a business owner or manager prior warning that action is required. Often, particular treatments or devices have been underperforming for months before they are noticed. This can cost the clinic thousands of dollars which could have been saved had a growth trigger been in place. With early diagnosis, a more detailed analysis may have revealed the reasons for underperformance, enabling the owner or manager to solve the problem or move to a different treatment.

But delayed action on a high performing treatment can cost money also. A clinic that is “booked up for months,” may appear on the surface to be doing very well. We consider it to be an underperforming business. Why? Because if that waitlist was halved, the money would already be in the clinic’s bank account, and if the treatment is may be additional opportunities also. A growth trigger, properly set, would let the business owner know that it’s time to invest more in that treatment.

### Determining Growth Triggers

A growth trigger should be set so that it gives enough warning to the business owner, without encouraging premature action. We consider 25% and 75% to be the ideal shrink and grow triggers. These levels mean that treatments are most likely only beginning to under or overperform, rather than being at a point where delays will prove to be too costly.

To work out growth triggers, take 75% and 25% of your weekly capacity.

<b>Laser Hair Removal (Candela GentleMAX Pro) \$130</b>	<b>(mc)=8</b>	<b>\$1040- \$260 - \$780</b>
<b>Organic Facial \$120</b>	<b>(tc)=7</b>	<b>\$840- \$210 - \$630</b>
<b>Waxing \$70</b>	<b>(tc)=9</b>	<b>\$630- \$158 - \$473</b>
<b>Carbon Facial (Laseroptek Helios III) \$190</b>	<b>(mc)=6</b>	<b>\$1,140- \$285 - \$855</b>
<b>Microdermabrasion Facial (Viora Ultraderm) \$90</b>	<b>(mc)=8</b>	<b>\$720- \$180 - \$540</b>

In the case of laser hair removal, the growth trigger for analysing underperformance is \$260, where the over performance trigger is \$780. At this point, there should be a non-emotional and immediate pathway to action.

## **Summary**

By analysing treatments using mathematical data rather than gut feel, you are making higher quality business decisions based on what is happening now in your clinic, rather than hypothetical or instinctive circumstances. This puts you in a powerful position compared with your competition, helping you and your team understand what is working and what isn't. These measures, when shared effectively and used in partnership with growth triggers, can expand everyone's knowledge of the business, empowering others to recognise success and failure and understand why certain actions are necessary. Additionally, when new team members join the business they can adopt these metrics to maintain consistency and create an operational framework that is effective and sustainable.