Tips to Be a Good Physician and a Good Business Person

By Wayne Lipton [2]

The qualities associated with an excellent physician are not always those associated with successful business people. Here's how you can strive to be both.

Is it possible to be both a good businessperson and a good doctor? Yes, of course. For those who run their practices, it is a necessity. However, the qualities that are associated with an excellent physician are not always those associated with successful business people. Often, physicians are challenged by the business world. Particularly in today’s challenging economic environment, there is no "wiggle room" for practices that are not run at maximum efficiency.

Operating a successful business requires decisiveness and dispassionate decision making; the practice of medicine is a mix of decision making and compassion for people. In addition, few medical schools prepare physicians with the skills needed to operate a business.

Those who run a business but may not be as successful as they would like often exhibit some of the following tendencies:
1. "I know more than they do." — Relying too little on the knowledge and experience of others more qualified. Many feel no need to go to outside experts in matters of business, because, just as they often do in medicine, they are self-reliant.
2. "The tail wags the dog."— Some physicians do not want to manage and look to others to carry much of the responsibility. They tend to empower the most convenient people, and not necessarily the best people to make decisions (e.g., "I'll let my staff decide.").
3. "A deer in headlights." — Then there are the physicians who are so risk adverse in business they make no decisions out of fear of making the wrong choice.
4. "No news is good news." — We could also call this the ostrich effect; physicians who don't worry about business at all as long as they are able to draw their salary.

Here are a few examples:
• Physicians have been burned by business decisions in the past. HMOs promised to make payment easier for those practices that struggled to collect money from patients. "Just accept a small discounted fee and you get paid promptly each month," they said. We all know how that worked out.
• Twenty years ago, I learned from many physicians that they had invested in restaurants. Of course they would be successful since they knew the difference between a good restaurant and a bad one, based on "eating" at good restaurants. Almost every investment ended up badly.
• Then there were the endless lists of people who sold them equipment which would make them a fortune by billing for these new services. The costs were always more than anticipated as were the revenues. And if there were revenues, they eventually dissipated as the payer environment changed (but the leases remained).

Cautionary tales are important to recall today when it is imperative for physicians who wish to remain autonomous to learn about the business of medicine: What drives profit? What creates a successful practice? What are the pitfalls to avoid?

Here are a few recommendations that physicians have told me work for them:
1. Acknowledge what you are good at and what you are not. Pay for the knowledge and experience that you need. Do not be pennywise and pound foolish about who you rely on for advice and counsel.
2. Whenever possible, try to make sure that the people who give you advice have some skin in the game — that is, they only win if you do. Consultants benefit regardless of the business outcome. Recognize that. (Do not be afraid of win-win situations.)
3. Understand that time has value. No-decision may be the worst decision. Do not wait until you are at the edge of the cliff.

In my career, I've been fortunate enough to know and personally work with hundreds of physicians. I've seen that more than anyone else, they understand what their practices need. The challenge I see is the lack of time and/or resources to create the practice they want and need. The solution is not to tackle it all on your own. Don't fall for empty promises. Instead, tap into knowledgeable resources and people you trust who can help you reach your practice and business goals.
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