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POWER STRATEGIES

Essential Marketing Strategies
for Extraordinary Practice Success



YOUR MARKETING ALCHEMY STRATEGIC JOINT VENTURE PARTNERSHIPS MANUAL

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What can be said but not practiced...
is better not said.

What can be practiced but not spoken of...
is better not done.

[So] ultimately [you] will be able to speak without
trouble and act without disgrace.

– *Thomas Cleary*

Keep it with faith.

Practice it with keenness.

Perfect it with faithfulness...

then, though the task be great, you shall surely succeed.

— Thomas Cleary

POWER STRATEGIES



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STRATEGIC JOINT VENTURE PARTNERSHIPS

POWER STRATEGIES: STRATEGIC JOINT VENTURE PARTNERSHIPS

Strategic joint venture partnerships have also been termed strategic alliances, joint venture partnerships, host beneficiary relationships, host-parasite relationships... and all relate to a strategic relationship whereby your practice and another business enter into a defined relationship, either contractually or outside the terms of the contract to support and promote each other for the purpose of serving clients at a higher and better level with the potential of increasing profit as a result.

For example, you may have a strategic joint venture partnership (SJVP) with a health food store that you refer your clients to for acquiring their wheat-free, dairy-free, sugar-free food needs, while the health food store simultaneously provides leads for your practice and discounts to your clients.

The term strategic applies to the fact that this is thought through, analysed and facilitates powerful outcomes from both partners. The joint venture element is the relationship that exists between the two parties.

Strategic also relates to the system or putting in the process of action that produces the beneficial outcomes of the relationship, and the fact that there are specific goals in mind from the outcome. These goals include increase in leads and profitability for both parties and the plan goes so far as to include preparation of documentation, scripts and a methodology to achieve the outcomes.

The joint venture element has inherent within it an understanding that the relationship has, at its foundation, the service of the client at its highest and best level as its primary philosophy. However, there is a recognition that there is simultaneously economic activity taking place.

It is important to recognise that there needs to be terms and conditions up-front and in writing for the specific elements of the relationship. You need to define what profits will be shared as well as what risks and responsibilities will be undertaken by each party. Who will do the work and at what percentage will the profits relate to the extent of work that is delivered. Who will provide the names and referrals and what benefits will be provided as a result.

Each of these elements need to be determined to ensure that the relationship is constructed and created in the appropriate way, and therefore, sustainability of the relationship is achieved.

It is important to note that the joint venture is not the coming together of the two companies to form a new company or corporation, it is more in the form of an alliance where the businesses come together to pursue an agreed set of goals to meet the marketing or business outcome, while remaining independent organizations.

One of the most powerful and effective reasons for creating a SJVP is the fact that it enables cost efficiencies in regards to marketing and business development. It allows you to leverage other people's databases, products and services, while simultaneously offering yours for the same mutual benefit. Of key consideration is that there must be a significant link between you and the other business and that link establishes a benefit to your mutual clients.

CONSIDERATIONS FOR A STRATEGIC JOINT VENTURE PARTNERSHIP

1. Who can you use... the best and most appropriate strategic joint venture partners are those businesses who your client uses prior to, and in conjunction with, or after you have delivered care.

For example, as a practitioner, you're delivering wellness and healthcare benefits. Prior to, during or after your consultations, people are eating healthy foods (therefore, going to health food aisles in stores or health food stores), going to the gym or exercising (gym memberships, exercise equipment or sporting equipment), and potentially seeing other practitioners that are not directly competitive to the care or services you provide (for example, a sole practitioner chiropractor who does not have other practitioners in their practice and does not have the expertise of diet and nutrition, may refer to a naturopath).

As you can see, these businesses offer a perfect opportunity for a strategic alliance.

2. Know what you can give... you have to know the value you can provide to other businesses' clients before you approach that business. It is not simply about getting names in a database from other people. If you take that attitude, you are very unlikely to form any lasting relationships. Rather, think first, how can you serve? What benefit can you add to other businesses? How can you help other businesses grow, add value to them and provide opportunities that they otherwise wouldn't have had?

For example, if you're a practitioner approaching a health food store, you have the opportunity to provide them with large numbers of new clients who you will refer down to the health food store in order for them to begin eating better and healthier foods. As such, you become a referral source for the health food store, for new clients supporting their business, growing their business and adding value before you even ask anything in return.

Equally, the same applies to gyms or equipment stores that sell sporting or rehabilitation devices. You can approach those companies saying that you recommend your clients to undertake exercise programs and you'd like to be able to refer them to the gym or to purchase equipment from the store. You're offering value as your very first introduction to their business... this establishes the foundation for a relationship.

3. Be willing to do the work... once you know what it is that you can offer these businesses, be willing to do the work to establish the relationship up-front. For example, be willing to write introductory letters to your clients demonstrating the relationship that exists and provide these by way of example to your potential strategic joint venture partner.

For example, if you show a health food store that with every new client you give them a letter introducing the health food store, the health food store will see you have gone to extraordinary lengths to support their business, to add value to their business and this establishes the foundation for a relationship and trust within that relationship.

4. Reciprocation... when you have established a relationship, when trust exists, invariably what will take place is the potential strategic joint venture partner will feel grateful for the benefits provided and will be willing to provide some reciprocation for the work you're doing for them. They will no doubt want to provide referrals to you or support in some other way. This provides the opportunity by which you can liaise and interact with them to build your business simultaneously for the mutual benefit.

You may then write a letter for their business, for their clients. In that letter, consider the offer that you want to make and the value that you are going to provide to their clients in compensation for receiving their database. For example, the strategic joint venture partner may be overjoyed by the fact that you're offering them such a wonderful service and they would like equally to refer back to you. As such, you may have drafted a letter that they can give to each of their new clients offering a 50% discount for an initial consultation. This offer is written by you, put on the letterhead of your strategic joint venture partner and given to their clients. This gives you the opportunity to create new clients, offer significant value to your strategic joint venture partner as a result, while simultaneously building your business.

5. High performance client care... when you serve the clients generated from your strategic joint venture partner, make sure that you understand the value of high performance client care. High performance client care delivers outstanding service and extraordinary care on a consistent and reproducible basis. It recognises the referral, values the referee, and continues to ensure that the outcomes, benefits and advantages of wellness care are delivered to the client, and that you demonstrate an appreciation for the referral through communication to the client about the appreciation you have for the business who referred you, and to the business that referred them for the appreciation for the client that has been referred.

GIVING TO RECEIVE...

You might at this point be saying, "Gee, I have to give away quite a lot to set up these SJVP." This is true. You need to add value, you need to be willing to work hard to establish the relationship and trust that is the foundation for a SJVP.

However, the benefit is enormous.

In order to be confident with the benefit you will receive, there are a few things you need to know. These are:

1. The lifetime value of a client.
2. Profit margins on your clients.
3. The accumulative benefit of SJVP (including future referrals).

The lifetime value of your client can be calculated by taking a sample of client files (depending on your client numbers that may mean 50 files or 100 files) and calculate how many times these clients have come in over their time in your practice. To be most accurate, you should include lapsed clients and discontinued clients. Once you know how many times they have come in, multiply that by your average consultation fee for that person. Average this out for the population of files.

For example, you do a sample of 100 client files. Some come in two times, others ten times and some 100 times. You average these out to find the Client Visit Average or CVA. Many practitioners find their average client frequency for a client is less than 14 visits before they discontinue care.

Then calculate the consultation fees these clients generate over those visits. Add your initial consultation fee, your repeat and review consultation fees as well as any supplements you may have prescribed. Total this and divide by the number of consultations to get the average consultation fee or Dollar Visit Average (DVA). This figure is often around \$37.00.

Use this average for calculating the Lifetime Value of your Client (LVC) as follows:

$$LVC = CVA \times DVA$$

$$\begin{aligned} LVC &= 14 \times \$37.00 \\ &= \$518.00 \end{aligned}$$

For many practices, the Lifetime Value of their Clients is \$518.00. Meaning, over the life of that client they can expect to receive \$518.00 in consultation and supplement fees.

Determining the profitability of a client requires that you have a working budget and financial reporting mechanisms in place for your practice. For example, by knowing your profit margins and the profitability of each client, you can begin to calculate how giving away a \$50.00 (50%) discount on a new client actually adds significant profit to the bottom line and is more profitable than marketing, where the marketing indefinitely costs \$110.00 to generate the same new client.

Many practices are reluctant to give things away because they see it as a form of discounting. They'd rather spend \$4 000.00 on a Yellow Pages ad that only brings in 50 new clients throughout the year. Fifty new clients, however, translates to \$80.00 per client.

In this case, you have a \$30.00 savings by giving away 50% of your initial consultation.

More important than that, referrals made by like-minded companies and individuals are more likely to be in alignment with the philosophy of your practice than people who are coming from the Yellow Pages, who are more often than not, pain-based clients.

As such, you may get a higher quality of client from a referral that is generated from a \$50.00 discount.

Finally, when you understand the fact that like people invariably spend time together, when you have one person referred from a health food store or a gym, oftentimes they are seeing their friends and family there. They then share their association with you and the positive and beneficial experience they derive make for further referrals and recommendations... this time to your practice. The accumulative benefit of the strategic joint venture partners is the continued sending of new and more clients and further referrals from those clients to your practice, continuing to exponentially grow your practice and magnify the profits.

POWERFUL APPLICATIONS FOR A SJVP

One of the most powerful ways to make use of a SJVP is to work with a business that has a large database, preferably a database that already exists. For example, a large gym that has the contact details and addresses of each of their members so that communications can be sent out directly to that database. Especially if that database has email contact information!

Alternatively, a business where they send out invoices on a monthly basis in writing, so that you can piggyback their mail-out without any additional expense.

When you write a letter to your potential strategic joint venture partner or their database, use the same principles that apply to sales letter writing found in the Power section on sales letters.

THE STRATEGIC JOINT VENTURE PARTNERSHIP TWIST

There are many permutations and twists of the SJVP. For example, you may look for variations to the process by brainstorming thoughts around:

- How you can get a commission as part of the SJVP.
- How you can sell somebody else's product in your practice as part of a SJVP.
- How you can sell your products or services in another person's business as part of a SJVP.
- How you can pay other people commission on new clients generated by their databases or lists as part of your SJVP.
- Be creative, look for opportunities where you would not have looked before to create new streams of clients, new income opportunities and greater opportunities for service.

Remember, the key thing is... what are you going to do for the business that you are serving?

Key consideration:

Why would you consider SJVP as one of your marketing strategies?

Leverage!

Exponential business growth!!

With traditional marketing, you have a linear improvement in your marketing results based on the effort you put in. The more effort you put in, the more time you invest... the more likely you are to have positive responsiveness. Unfortunately, it is a linear process.

However, with SJVP you have the opportunity to align yourself with others, leveraging their databases, leveraging their relationships and having access to the resources that other people have built through their endeavours. Through SJVP, marketing is not incremental or even linear... it is exponential. The dramatic effect on both the number of clients you receive and the turnover of the results is nothing short of miraculous.

While leverage and exponential growth are valuable benefits of the SJVP... there is another, equally important, consideration.

THE CHINESE BAMBOO TREE

Steven Covey in his book, *Seven Habits of Highly Effective People*, describes the fascinating phenomenon that is the growth of the Chinese bamboo tree. After planting of the tree, you need to water it, tend to it and care for it, just like any other plant or tree. However, the Chinese bamboo tree takes years before you see any evidence of its developmental growth.

This is because all of the changes are taking place in the root system beneath the ground. However, when the tree does sprout, it grows 60 feet in 90 days, one of the fastest growing plants on the planet. This is a wonderful parallel for your strategic joint venture marketing.

You need to care for the people that you are working with, tend to the clients in a genuine and passionate way. You need to continue to nurture the relationships that are part of your SJVP, your partner and clients alike. All the time you keep going, keep going... all the benefits are being accumulated, even if they are initially unseen. And then, when the results do finally flourish, they explode into what seems like a miraculous, overnight success.

This is why many people marvel over the reality of the overnight success. They want the same success for themselves but they have never cultivated the environment, the relationships, or put the effort into the learning, communication and development that goes into the overnight success. Be forewarned, SJVP programs do require work... but they do give the exponential growth as a result of that work.

THE KEY ELEMENTS OF A STRATEGIC JOINT VENTURE PARTNERSHIP

1. Strategy... defining the basis for the SJVP and the process moving forward.
2. Structure... what are the ownership structures of the deal? Who owns the database? Who owns any intellectual property that is created? What are the distributions of the profits?
3. Mutual gain... ensure that both parties benefit from the relationship. It is important that the overlapping strengths are not directly competing.
4. Personalised contact... ensure that your communication is personalised and relevant to the individual you're communicating with (one of the errors many people make with joint venture partnerships is creating a bulk communication, working with multiple strategic joint venture partners and sending the same document to everybody... please do not make this mistake).
5. The relationship... it is important that you have an honest, open relationship that is mutually beneficial to both organisations and businesses, as well as being beneficial to the recipients of the relationship, the clients or new clients generated from that relationship.
6. The agreement... it is essential that you have a clear, written and documented agreement of the benefits, of the inputs and what is expected of everybody in the relationship.
7. The product and/or service... it is important that you define the product and service being delivered as part of the SJVP. Who is giving what? What is expected for what has been given?

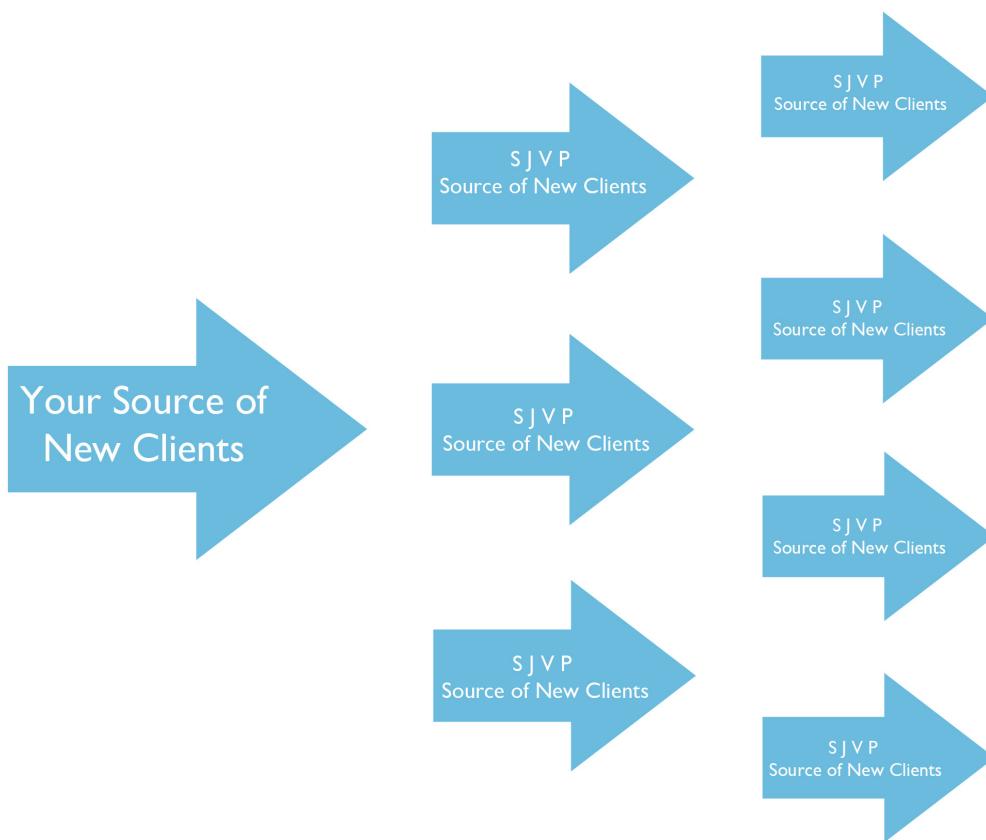
8. Roles and responsibilities... what is each person doing within the SJVP? You need to answer, not only who is giving what but what are they doing in the giving process?
9. Marketing material... who is providing the marketing material? Ensure that it meets all of the *Marketing Alchemy* standards.
10. Sales procedures... ensure that you have in place strategies to provide sales service to those generated by the marketing endeavours. This includes the sales letters and the scripts necessary to support effective marketing.
11. Database capture... ensure that all new clients entering your practice as a result of the marketing endeavour are recorded within your database.
12. Database management and follow-up... not only record that information, manage that database, communicate with them and continue to communicate with them after the initial contact.
13. High performance client care... make certain that you have service standards in place that enable you to confidently deliver the same level of extraordinary care on a consistent and reproducible basis.
14. Service-focused... it is important that the primary emphasis of philosophy of your strategic joint venture partner is the same as the care you deliver... being service-oriented. (Remember, don't be income-focused, be service-focused).
15. Backend products and/or services... whatever offer was part of your marketing and sales process that was delivered to the clients of your strategic joint venture partner, now you have the opportunity to add more value to their life by providing additional products, services and benefits. This is the proverbial upsell, cross-sell, down-sell, and optimization of the value of the client.
16. Analysis... now, review your process and maximize it for future endeavours. In the review process, look at your statistics of how profitable the marketing endeavour was. Look both at the initial up-front gains and any backend gains. Do an assessment on the profitability of the marketing endeavour and any other incremental growth that may have been derived from the effort. Review all of your marketing sales materials and refine for improvements. Ultimately, we're looking to test and measure every element of your SJVP in order to maximize success for future endeavours.
17. Exit strategy... be sure to have a specific and defined exit strategy, both to bring the strategic joint venture to a close or in the event of conflict.
18. The offer... what exactly are you going to offer your strategic joint venture partner and their clients?

Having these points in place maximises the likelihood of the success of the program. Failing to address these points are mistakes that lead a strategic joint venture partner to failure.

THE STRATEGIC JOINT VENTURE MARKETING TREE OF LIFE

The exponential growth is derived from understanding the strategic joint venture marketing tree of life. Here, we see in the below diagram the fact that your practice communicates and forms a relationship with multiple strategic joint venture partners. Each of these strategic joint venture partners communicate with their clients (your potential new clients) through a marketing communication endeavour. As you can see, even from one branch, there are many marketing opportunities and potential new clients. A well-organised strategic joint venture marketing campaign can have multiple links, and therefore provides the exponential impact of having opportunity to communicate or relate with significant numbers of clients.

When you compare this with the usual linear impact of individual practice marketing, where your target market is a small group, your potential new client numbers are lower and it becomes a more linear impact, and therefore does not have a result.



THE OFFER

Within the strategic joint venture marketing plan, we defined that there needed to be an offer that you make available to your strategic joint venture partner and their clients.

Here are a number of possibilities for you to consider:

1. Free initial consultation.
2. Discounted consultation.
3. Free products, such as supplements, homeopathics or herbs.
4. Discounted products, such as homeopathics, herbs or supplements.
5. A referral fee, either for up-front use of the database or as a percentage of sales made.
6. A fee for every new client that is created as a result of the marketing endeavour.
7. A unique or special offer.
8. Special bonuses, premiums or gifts not available to other clients.
9. Special consultation fees unique to the arrangement.
10. Free workshops, seminars or events.
11. Reciprocation to marketing to your own database.
12. Making available to your database to each of the above benefits provided by your strategic joint venture partner.

MORE ON THE EXPONENTIAL GAIN OF STRATEGIC JOINT VENTURE PARTNERSHIPS

I cannot complete this section without emphasising how valuable the exponential benefits of leverage in the SJVP are. However, it was J. Paul Getty who defines the value of a SJVP best.

“I would rather have 1% of the effort of 100 men instead of 100% of my own effort.”

– J. Paul Getty

APPROACHING YOUR STRATEGIC JOINT VENTURE PARTNER

Here are a few key considerations when approaching a potential strategic joint venture partner for a business relationship:

1. Be certain that their product or service complements and is not competitive to your own.
2. Be certain that your product or service is complementary and non-competitive to theirs.
3. The arrangement should not detract from your business or reduce the amount of income possible for you to derive from the endeavour.
4. Your entrance should not take away from the income that the strategic joint venture partner would otherwise realize as a result of this marketing endeavour.
5. Instead, the SJVP should add to the business, relationships and profits derived as a result of the marketing endeavour of both businesses.
6. If there is significant advantage to your business as a result of the SJVP, minimise the effort, energy and financial cost required by your strategic joint venture partner.
7. Facilitate the marketing activity by managing the process as far as is possible and practical, by creating marketing material, training their staff, paying for any marketing costs, etc.
8. Reduce risks for your strategic joint venture partner by use of guarantees and certainty through high performance client care practices.
9. Demonstrate credibility through offering tangible ways to measure results, and therefore, confirm the value both businesses are receiving as a result of the activity.
10. Finally, demonstrate how for very little effort, they are receiving income they would not otherwise have received, and therefore, it is an excellent business decision.

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