



## Will The Real Conversion Rate Please Stand Up?

By Karen Zupko, Cheryl Toth and Amy Boyer

Everyone agrees that it's important to understand how many patients seen in consultation actually schedule surgery. Aesthetic surgeons measure their value on it, and patient care coordinators are rewarded for improving it. Nearly every aesthetic surgeon we talk with wants to know what is a "good" conversion rate.

But if your team calculates a "lump" conversion rate for the year, you're missing the bigger picture. Not to mention lacking the nuanced data needed for making strategic marketing and performance improvement decisions.

This article sets the record straight. It explains why and how to correctly track this essential metric, the importance of understanding how the practice management system algorithm calculates it, and how to take action if your current data collection procedures need a clean up. Throughout the article, "conversion rate" is referred to as "Patient Acceptance Rate (PAR)," our firm's preferred term. "Conversion" has an unfortunate religious connotation. And PAR takes into account three important variables for getting patients to "yes, schedule me:" connection to the surgeon, procedure recommendations, and fee.

### More Than a Gross Number

Blame it on cultural artifacts or an old formula used by a previous office manager, but many staff still calculate one gross PAR and use it as the primary stick for measuring performance. This aggregate data point is of little use. It prevents you from knowing where

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Table 1. Patient Acceptance Rates By Procedure

	2017	2016	2015
Breast Augmentation	79%	57%	50%
BAM with Lift	68%	63%	0%
Abdominoplasty	65%	69%	69%
Facelift	60%	52%	47%
Rhinoplasty	33%	30%	30%
<b>Average</b>	<b>61%</b>	<b>54.2%</b>	<b>39.2%</b>

your consultation strengths are, where you should invest in marketing, and where you might need to make some improvements.

The more accurate and useful way to review PAR is by procedure. That means your practice should track and review multiple PARs—one for each of your most common procedures. We advise reviewing the data quarterly, as well as year over year. Doing so indicates performance over time and can assist you in pinpointing the trouble spots. Table 1 shows an example of how we recommend surgeons review annual PAR data. And, we suggest looking at a rolling 12-month period each month. We'll explain how to generate that report later in this article.

Are some procedures always going to have a higher PAR than others? In our experience the answer is yes. Most aesthetic surgeons find that their PAR is highest for breast augmentation, and lower for procedures such as rhinoplasty (unless you are known as a nasal surgery expert). The variance is logical when you think about the various characteristics of each procedure. Usually, "facial rejuvenation" would have a lower conversion rate than *breast augmentation*. It's more expensive surgery, has longer downtime, is sought by a mature patient population who typically consider multiple surgeons, and it typically requires a lengthier planning/decision-making time frame.

In addition to tracking the PAR by procedure, monitor how it varies over time. Once you see what's revealed at the procedure level, you may decide to sharpen your focus on procedures with high PARs. Or, assess why the procedures you'd like to do more of have a lower PAR, and determine ways to modify your consultation style or process to improve it. Here are several questions to ask as you analyze the data:

- Which procedures do you enjoy performing most? Your enthusiasm (or lack thereof) can become apparent to patients and influence their decision to say "yes." Perhaps the PAR for your lesser favorites can be increased with a few consultation tweaks.
- Are certain high PARs due to your reputation "the breast aug doctor" or for your "Mommy Makeover?" Is this the reputation you want to maintain? Or could you modify it through marketing and different messaging?
- Is your fee higher than the market for the procedures with the lower PARs? Deservedly so, based on your reputation?
- Is the consultation flow or technique different between the procedures with a higher PAR than the ones with a lower PAR? Should it be different? Could it be changed?

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- Does everyone on the staff understand the procedures with low PARs, as well as they do the highest scoring ones? Does staff show enthusiasm for some procedures more than others?

### How to Correctly Calculate the PAR

The basic PAR calculation is straightforward: the total number of surgeries in a procedure category, divided by the number of consultations. Thus, if you saw 40 patients during the first six months of the year for a facelift and 20 patients scheduled, your PAR for facelift is 50%.

But the simplicity ends there. There are several other things that impact the calculation. And staff must understand these in order for data accuracy. In many practices we visit, this is not the case and re-education is in order.

First, you must generate the PAR report from your practice management system using the correct date range filter. As previously suggested, we advise that practices generate the report for a 12-month period, up to the previous month or two, depending on how far out patients schedule. Based on how the algorithms work in most practice management systems, the date of the patient's consult and the date of the surgery must *both* be within the selected date range in order for the selected procedure to count. So, if you generate the report for a single month, the PAR will typically be very low, because many of the consults have not yet turned into surgeries within that same month. If you, instead, generate the report based on a 12-month period, it is more likely to capture both the consult and the surgery within that date span, thus calculating a more accurate PAR.

Second, you must understand how the algorithm in your practice management system calculates the conversion, and ensure your practice workflow and data entry support the system to work as intended. In the majority of practices we visit, staff is unaware that how they schedule patients, categorize information, and generate quotes and invoices may *impact the PAR calculation*. A common result is that nobody trusts the PAR report because it's "wrong." The surgeon or patient care coordinator sense that they are

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doing better than what the report says, but don't have the data to prove it. Or, they spend significant time calculating the PAR by hand, using their own methodology.

Here's how to fix this. Most systems calculate the PAR by procedure, correlating the procedure for which the patient scheduled a consult appointment for with the procedure for which the patient scheduled surgery. In order for the calculation to be correct, *the two must match*. If they don't, the conversion rate report data will be incorrect.

For example, in Nextech the PAR is based on the data entered by *scheduled appointment*. A successful conversion is counted when a patient has a *Consult* appointment type and a *Surgery* appointment type with the same "purpose." If the patient schedules an appointment to discuss breast augmentation and schedules a breast augmentation, Nextech calculates the conversion accurately. But if that breast augmentation changes to a mastopexy, the only way the system knows this is if staff updates the *Consult* purpose. This is a vital step that many practices miss. If yours is one of them, modify practice workflow so that if the *Consult* purpose changes from the original appointment, staff makes this important update. Only then will the system calculate the conversion correctly.

PatientNOW pulls the data based on the appointment type configuration, not on the name of the appointment. If you use patientNOW it's critical that you configure your appointment types correctly on the back end—or the software's conversion retention report will not calculate properly.

PatientNOW also bases the PAR calculation on the schedule. All new patients are counted as inquires and a report table shows conversion to consult and then consult to procedure. Different from how Nextech calculates the

data, the specific type of consult or procedure does not matter, so there is no need to change the appointment type.

PatientNOW's conversion retention report pulls data based on the *appointment type configuration*, not on the name of the appointment. For PatientNOW to calculate PAR accurately, practices must configure *appointment types* correctly on the back end, in Admin Data Tables. To do this, configure a *consult* for each procedure or treatment you offer—for example, laser, breast augmentation, Botox. Doing so enables the *inquiry to consult conversion* table to correctly count and calculate new patients who schedule an appointment type marked as *consult* to the corresponding appointment type marked as *surgery or procedure*, which will result in an accurate PAR.

The Aesthetic Society's new Aesthetic Neural Network (ANN) system uses a different methodology. In ANN, PAR is calculated using *quotes converted to invoices*. ANN's Conversion Dashboard displays the ratio of quotes that are converted to invoices, the associated gross charges from these conversions, and the average time period from quote to invoice. So instead of calculating the number of blepharoplasty consults against the number of blepharoplasty surgeries, ANN's algorithm looks at the number of blepharoplasty quotes, and how many of them were billed in relationship with the scheduled surgery. ANN also benchmarks your PAR against the average aggregated conversion data of other plastic surgeons participating in ANN.

### Why You Must "Bill the Quote"

The ANN algorithm raises another critical point, although it's relevant for users of other aesthetic practice management systems too: *Staff must create the patient's surgery bill or invoice from the quote when the patient decides to schedule—not create a new invoice for the surgery*. We work with many bewildered staff who tell us the unconverted quote report is wrong because it contains many patients who have already had surgery. In almost every case,

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The ANN algorithm raises another critical point, although it's relevant for users of other aesthetic practice management systems too: *Staff must create the patient's surgery bill or invoice from the quote when the patient decides to schedule—not create a new invoice for the surgery.*

the reason for this is that the staff are creating new invoices instead of billing from the quote, and are not cleaning up the unconverted quotes from the list. When staff “bills the quote” as it's typically described, it closes out that quote from the system's unconverted quotes log, applies the conversion credit to the surgeon, and removes the quote from the unconverted quotes report. Consult your vendor for details. Figure 1 explains the actions aesthetic practices can take to clean up unconverted quote transactions and improve data accuracy.

You can't manage what you don't measure. And you can't manage the opaque. Slicing your PAR by procedure provides the granularity needed to see how well your consultation process is working, and where modifications may be needed to get patients to “yes.” Ensuring your team is entering information accurately and using practice management system features correctly is essential to turning “wrong” reports into trusted management resources.

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### Figure 1. 4 Steps Toward Cleaning Up Unconverted Quotes

“Many clients we work with have unconverted quote reports that are 60 pages long and filled with inaccurate information,” according to Amy Boyer, MBA, consultant and speaker with KarenZupko&Associates, Inc. Cleaning up the data, she says, can improve the accuracy of your PAR calculation as well as pare down the report so it can be used as intended: as a patient follow up and relationship building tool.

- 1. Generate the report,** using a filter that will capture all quotes created but never closed or converted, for all dates of service.
- 2. Review each patient's account.** If they've had surgery, or have an invoice for surgery, that matches the open quote, mark it inactive. In most cases you cannot go back to tie the invoice to the original quote after the fact. If there are open quotes for procedures the patient did not choose to have, mark those quotes as inactive, as well.
- 3. Meet with staff to be sure everyone understands why and how to “bill the quote.”** It's essential that everyone on the team be trained to create an invoice from the quote from this point forward.
- 4. Create a workflow that catches and modifies the consult appointment purpose to match the surgery appointment purpose.** In some systems, if the consult appointment purpose doesn't match the surgery appointment purpose, the PAR rate won't calculate correctly. Consult your vendor for refresher training if needed.