

GROW YOUR CLINIC WITH A FRACTIONAL LEADERSHIP TEAM



Physician practice owners must make time to work on—not just in—the business.

BY LAURA LIVESEY AND ROD SOLAR

Many owners of small practices spend most of their time seeing patients. As a practice grows, however, its business side requires more time. For this reason, many physician-owned practices must at some point add marketing leadership to their senior team, and this can be challenging.

WORK ON THE BUSINESS, NOT IN THE BUSINESS

If we could dictate how physician practice owners spend their time, we'd suggest they act in the same manner as successful CEOs. In a study of how 27 CEOs logged more than 60,000 hours, *Harvard Business Review* reported that the average CEO works 62.5 hours per week.¹ Running a successful company is more than a full-time job. Successful CEOs don't spend their time in the business doing technical work. The same study broke down their time as follows:

- 25% on functional and business unit reviews;
- 25% on people and relationships;
- 21% on strategy;
- 16% on organization and culture; and
- 13% split between mergers and acquisitions (4%), operating plans (4%), professional development (3%), crisis management (1%), and outside activities (1%).

The proportion of time that most physician practice owners spend on these same activities is likely negligible. In addition to being the de facto CEO of the practice, physician owners often

fill the role of primary technician. The term *technician* here means doing everything a doctor does throughout the day—the bulk of which is seeing patients. The growth of many practices is constrained by the owner's time limitations. In the long run, such practices fail to prosper and become difficult to sell.

Savvy practice owners who want to focus on seeing patients should partner with a business-minded manager who acts as the CEO. Failing to do this leaves physician-owners responsible for every business function ranging from marketing to finance to operations, all on top of their responsibilities as a doctor.

WHY DOES THIS HAPPEN?

Comfort zone. Surgeons spend nearly 2 decades learning how to be expert technicians. Naturally, they feel best suited for this role, even when they are the practice owner.

Anxiety about letting go. Effective leadership requires delegation and elevation. In our experience, however, many practice owners mistakenly believe that nothing will be done right unless they do it themselves.

Accidental managers. Practice owners often fail to factor in the time required to manage the staff they hire, which makes them accidental managers. Similarly, when a surgeon buys or leases a facility and takes on overhead, they become accidental entrepreneurs. It's exceedingly rare for a doctor to deliberately spend time on being an effective manager or entrepreneur. For most, being an entrepreneur or a

manager happens between patients, in the evening, or on the weekend.

WHAT SUFFERS AS A RESULT?

A CEO's job is to ask the right questions—not necessarily to have the answers. These questions include the following:

- What will the practice look like when I finish?
- How can we better create successful patients from scratch?
- What are the actionable metrics, and how is the practice performing against them?
- What kind of culture do I want to have, and how am I influencing it?
- How can I develop myself as a leader?

When we ask practice owners to spend time on CEO work, they almost always respond that they are too busy to do so. They are up to their ears in tactical work, or the day-to-day tasks of being a doctor. They know that if they don't do the tactical work, the practice will cease to exist. Spending time on strategic work, however, can reduce the volume of tactical work.

In their efforts to create a successful practice and thriving business, we've found that practice owners feel consistently short on time. Compounding this problem is that success often brings more work. The only solution is to onboard staff who can help.

Two types of helpers are required—*doers* and *leaders*.

Doers. These part- and full-time employees are the lifeblood of a practice. Doers work *in* the practice.

Leaders. These are the experts and advisors who work on the business. Expertise is hard to find, however. Most early-stage practices don't have the budget to hire a leadership team, which leaves the practice owner to take on this role. Unfortunately, when physician owners take on the functions of a leadership team, they often don't spend time on those tasks until a problem arises.

BUILD A FRACTIONAL LEADERSHIP TEAM

To avoid creating a problem by not devoting enough time to working on the business, the owners of a small practice can hire leadership teammates on a fractional basis. Many likely already employ fractional help in the form of an accountant or lawyer. Owners can consider hiring a fractional CEO, chief financial officer, chief technical officer, and chief marketing officer as well.

Fractional C-level leaders can bring a wealth of experience and expertise to the business for a fraction of the cost. Unlike consultants, fractional leaders don't just provide ideas; they also direct execution.

DON'T GO IT ALONE

No one can do it alone. Practice owners should either partner with a full-time managing director or pursue physician CEO education to prepare for leadership. Even physician CEOs, however, need help. Every leader needs a team of leaders who can help them work on the business instead of just in the business. ■

1. Porter ME, Nohria N. How CEOs manage time. *Harvard Business Review*. July-August 2018. Accessed March 21, 2022. <https://hbr.org/2018/07/how-ceos-manage-time>

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