

Alyssa Smith:

Hello everyone. This is Alyssa Smith, one of the hosts of ENT in a Nutshell. If you've enjoyed listening, please consider taking a second to rate and review this podcast. And now onto the episode.

Dr. Ashley Nassiri:

Hi everyone. Welcome to ENT in a Nutshell, my name is Ashley Nassiri and today we're here with Dr. Jess Prischmann to discuss the basics of e-commerce and her experience in starting a private practice in facial plastic surgery immediately after fellowship. Dr. Prischmann, thank you so much for being here.

Dr. Jess Prischmann:

You so much for having me Ashley.

Dr. Ashley Nassiri:

Before we begin, I'd like to introduce our guest speaker. Dr. Prischmann is a board certified fellowship trained facial plastic surgeon who established her private practice in 2012. More recently in April of this year, she launched an online skincare store to compliment her surgical practice. Her store has performed exceptionally well, not only by business metrics, but also by providing patients with another option for healthcare. Today, we're discussing a topic that isn't generally covered in medical training, but has wide implications on the business of medicine, success in both private and academic practices and the patient experience.

Dr. Prischmann will walk us through practical tactics, not only to leverage technology to broaden revenue streams, but also to reach a wider patient population more effectively. So let's jump right in. Prischmann let's start at the beginning. Can you help us define e-commerce and the specific implications of this topic on a physician in practice?

Dr. Jess Prischmann:

On the most basic level, any transaction you have online is an example of e-commerce. But if you peel that simple layer away, e-commerce encompasses so many more things. So how does the consumer find your product? What is their experience like when they're shopping for that good or service? Where do you store your product? How do you ship it out? What are the systems in place so that all of that is successful? There are so many different layers to e-commerce and it is the way of the future, actually, it's the way of now. And that's why I think that all doctors need to be aware of e-commerce the way that money changes hands, because it's going to affect every industry. And it is already impacting every single industry and medicine is no different.

Dr. Ashley Nassiri:

You bring up some important points in what you just said, especially in our current times with the COVID 19 pandemic, I think e-commerce has leaped in activity as well. I think it's easier for me at least understand or imagine the direct applications of e-commerce in private practice such as the type of business that you've built. But I do realize that there are also implications as far as the expansion of technology and social media, which decrease informational barriers and these topics become important to those practicing in both private and academic settings as well. Can you touch upon that a little bit?

Dr. Jess Prischmann:

So I think what you're asking is why should anybody in academics care about this podcast or what we're talking about today? And I think the answer to that is, I'm pretty sure that everybody working at a major medical center over the past three months has had to have a discussion with regards to the revenue coming into the hospital. I think COVID turned everything upside down and every major business is being forced to think about how money is coming in and how money is going out. And there are going to be changes. There were going to be changes in healthcare prior to COVID. And I think COVID accelerated many things. And so it's useful for all of us to think about the business of healthcare, how money changes hands and to think of creative solutions so that all industries, all businesses can be recession proof. And it doesn't matter what caused that recession, whether it was a virus or an economic downturn.

And I think all of us need to know about it so that we can provide helpful and creative solutions to problems as they arise. And we don't really like to think about the business of medicine, but if you think about it, part of that is that we're just not trained on it and so it doesn't feel natural. It doesn't feel comfortable, but it is your livelihood. And if you don't empower yourself with the knowledge, then you don't have a seat at the table. And if you don't have a seat at the table, then someone else is sitting in your seat. And if someone else sitting in your seat, then maybe they have your best interest in mind, or maybe they don't have your best interest in mind. And then you're forced to have to deal with whatever solution they come up with.

So I would like nothing more than for all doctors to understand the business of medicine, to understand how technology is changing all industries and to use our brilliant minds to make creative solutions, to make medicine better and healthier.

Dr. Ashley Nassiri:

So I think you bring up an incredibly important point of emphasizing the involvement of physicians in business practices as well. How do you think that a physician who's educated and involved in these things impacts the patient experience?

Dr. Jess Prischmann:

Oh, I think that's a great question. And I think that goes back to understanding what the current patient experience is in insurance-based healthcare. And if you don't mind, I'd like to digress and just talk about the big picture of transactions and how money changes hands in exchange for a service or good. So Ashley when you go to a gas station, you see a price, you get gas, you pay for that gas and your transaction is complete. It's very transparent and you feel like you got what you paid for. In my practice, which is facial plastic surgery. I'm 99.9% cosmetic. And we have a very similar way that we conduct business, because let's say you wanted to come in for a service. We would tell you the price of that service. You would decide whether or not it was worth that price. Then you would come in, pay for the service, get the service and the transaction's complete. It's very transparent and we both end up winning.

So let's now talk about the way it works in insurance-based healthcare. Now Ashley you're going to be the doctor in this. And let's say that a patient comes to see you for a service. When they come to see you for that service, they likely have no idea how much your service is going to cost. You probably know what you would like to get for that service to cover your costs, but you have no idea how much you're going to get for that service. You exchange services, you perform the service on the patient. They then leave having not paid for it. And that's not their fault, that's just the way it works. So then they go home. Then a couple of weeks later, they get a letter and that letter has your name, Ashley, on it with a cost amount that you billed for that service. In the mind of the customer or patient... And I'm going to

use those words interchangeably because this is the business of healthcare, but it's not meant to depersonalize that relationship.

In their mind, they're thinking that Dr. Nassiri charged \$200 for that service that I had three weeks ago. So they're now thinking that you're going to get \$200 for that service. Then they wait another couple of weeks and they get another letter. And this letter, then again, has your name on it. It has that \$200 on it. Then it has a whole host of other very confusing things, words that they don't understand. And then at the bottom it just says how much they owe and then they may get a bill from you for that amount. They then pay that amount. And that encounter is complete with the exception of the fact that you then Ashley, have to go in and see how much you actually got paid.

And that happens weeks to months after the encounter happened. So you're kept in the dark for obvious reasons. The patient, the consumer, the customer is kept in the dark for the obvious reasons. And that's the way the business of insurance-based healthcare works. And to me, and I don't know about you, but that doesn't seem very transparent and it doesn't seem like you're winning and it doesn't seem like the patient is winning. And it just makes me wonder, well who is winning and why are both parties kept in the dark about these transactions? I know in my day to day life and listening about the cost of healthcare, that there is a lot of discussion primarily initiated by the patient, the customer, the consumer about the cost of healthcare. And the narrative that often gets written is that the cost of healthcare is out of control.

And I would say that one of the reasons they feel that way is because they get so many numbers. Many of those numbers are very hard to make sense of because they get the initial cost, but that's not the cost that ever got remitted unless their deductible is high. And so ultimately many people may believe that Ashley, your the reason why the cost of healthcare is so high because you charge \$200 for this service, but you've probably only got \$80 for that service. And so how is that fair? I find my own voice getting louder as I'm talking about this, but what business on earth operates that way and why do we operate that way? And why do we allow ourselves to participate in this type of system?

And we can talk about theories of why, but I feel that's going to change because patients are going to demand transparency in the business of healthcare and they should. And my hope is that they don't assume that Ashley is the reason why healthcare costs are not transparent. My hope is that we are able to reframe this narrative so that people understand that the system keeps both parties in the dark. That Ashley's not the reason why they don't understand their bill, that you are just working in a system that doesn't make that much sense and no other industry by the way, operates that way.

Dr. Ashley Nassiri:

Yeah. I think those are excellent points. And to add a layer of confusion to everything, there are true costs, but costs by definition are linked to the perspective you're taking. So there's cost to the healthcare system. There are costs to the patient. Those can be two very different things. There's costs to the institution. And so we have billing prices and costs and all of those three numbers are usually different, which makes the entire system a little bit more confusing on top of that.

So I think e-commerce and direct transactions like you described more commonly take place in private practice or non-insurance based practices can help with patient understanding of their healthcare and where they stand from a financial standpoint as well.

Dr. Jess Prischmann:

Oh, absolutely. And I think they deserve to know before they sign up, how much they're going to pay. That is a very reasonable ask because nobody wants to go financially bankrupt for medical care and going directly to the consumer like you do in e-commerce is a way to maybe bypass a broken system.

Dr. Ashley Nassiri:

Yeah, that's an excellent point. We've touched upon a few of the terms that we're going to be using in this talk, but it might be a good time to pause and define some things that we haven't touched on. So we talked about specifically for this episode, we'll be referring to the patient as the consumer or the customer in our examples, generally. We've defined e-commerce already, can you touch on revenue streams and automation, which are a couple of topics that we'll be discussing further as well?

Dr. Jess Prischmann:

Absolutely. And it is so important that we talk about revenue streams in any healthy business or industry and revenue streams are all the ways that money comes into your business. So let's give an example of if you Ashley were selling bananas and that would be your main revenue stream, you sell bananas. But what if a study comes out that says that bananas are bad for you? Well, oh great, that revenue stream just dried up. But what if Ashley, you also sold a subscription to a fruit of the month and you were able to very quickly pivot and send an e-blast to your customers to say, "Hey, oh my gosh, I just read this study. I agree. Maybe we shouldn't be eating bananas, but let's start eating papayas. And I have this subscription service and I can send you papayas every month now". And then what if you also had a magazine about all the different ways that you can incorporate papayas into healthy life and people could then also purchase that. And of course, people don't buy magazines anymore. So maybe it would be a YouTube channel or something like that.

So those are all the ways that you can diversify the way money comes in. And I cannot tell you how much that one concept has affected my practice in the last three months. When COVID hit, we were really lucky and fortunate that we had many different revenue streams and not just elective cosmetic surgery that was keeping the lights on. And as I had to navigate the difficult decisions of what to do and how to manage my business, I was able to think about the best interest of the patient as the primary motivator in how to run my business.

And ultimately I decided for myself that if I wouldn't tell my mom to have a facelift right now, I wasn't going to do a facelift on someone else's mom. And the reason I was able to do that is because we have multiple revenue streams in my office. And so we've shifted to those revenue streams as the cosmetic surgery revenue stream has dried up. And I have not regretted that one bit. And I feel for me, that feels right and I can keep my staff safe. I can keep all the other patients that are coming into my office safe and I can do that because we have many different revenue streams.

Dr. Ashley Nassiri:

I think the concept is similar to when you're developing your stock portfolio, diversification reduces risk in general and we can think of developing your revenue streams for your business, your practice in the same way.

Dr. Jess Prischmann:

I think everybody right now is also thinking about e-commerce as the way to make money. And if you aren't in e-commerce and you decide to start an e-commerce business, it's just like starting any other business. It's not going to be a main driver of revenue at the beginning, and we don't rely on our e-commerce business to take over the way that we traditionally brought in money in the office. It is another revenue stream. And I think that if in the middle of COVID with everyone thinking about e-commerce, it's a good thing because you're thinking about another revenue stream. But I think it's not practical to think about just opening up an e-commerce business to take over anything. It's just like any other business, it requires time, attention, growth, that sort of thing.

Dr. Ashley Nassiri:

Can we go into the definition of automation and how that plays a role in all of this as well?

Dr. Jess Prischmann:

It is scary to think about the things that you don't know, and it is scary I think as a non-doctor even to think about artificial intelligence or AI, but automation and AI are already impacting many different industries. And I would say oftentimes for the better to make things easier for the consumer to increase efficiency of the business and to reduce human error. So automation is essentially when you take some repetitive tasks that you would be hiring someone to do, or that you have hired someone to do and you leverage technology to do those things for you. And there's so much benefit to using automation and for the patient it can, as I said, reduce human error and it can make for a more convenient and better overall patient experience.

And for the business owner, it can dramatically increase the efficiency of your office. I'm not an expert on automation, although I hope to be in the next three months because our office is fully moving to embracing automation and some aspects of AI. And I really am optimistic that it will be for the benefit of our patients.

Dr. Ashley Nassiri:

Getting back to how do we develop a successful practice, we've already touched on a few of the main concepts that play into that. But more broadly, what are the main drivers in your opinion, that help build a private practice that's successful or even an academic practice that's successful?

Dr. Jess Prischmann:

I think that initially my thought was that a successful practice has the intention to take great care of patients. And that is the most important thing. And while I still believe that the most important thing of a successful practice is to take great care of your patients and have great outcomes. I now believe that also the most important thing is to create a culture in your office of respect and value and to really encourage healthy communication among your staff.

So have the intention to provide good care to your patients, but also have the intention to value your staff. I think that if you don't know how much the people that are working for you and helping you, if you don't know how much they make, and if you don't know if they make a thriving wage, not just a living wage, but a thriving wage, then you don't have the healthiest business because you should have the intention to take care of your staff.

So there you cannot have a healthy business, unless your patients feel valued, your staff feels valued and you value yourself. And all of those things make a difference. And I would say they're all most important. I think that really the best interest of the patient is to enter an environment of love and care and positive intentions and to be cared for by someone who is healthy mind, body and spirit.

Dr. Ashley Nassiri:

I think you bring up a great point and the status of mental health in medicine is certainly getting more traction in recent years. Although we're probably a little bit behind in catching on to that. As we work to navigate that and wellbeing, I think part of that is also financial stability. Can you speak to that in regards to driving a successful practice?

Dr. Jess Prischmann:

When I finished my fellowship and I opened up my practice, I didn't pay myself. I paid myself maybe a couple thousand dollars a month for two years. And so the people that worked for me made more money than I did. And my intention at the time was to pay down my debt and be debt-free and then to build up a healthy bank account and knowing that at some point there would be a recession because that's just the way that the economies work. And now that we're in the midst of COVID, again I'm going to go back to this feels good not to have to make decisions based on revenue. It feels good to make decisions based on what's in the best interest of the patient.

So I think paying down debt is important. I think that getting multiple bids for any major purchase that you make for your practice is important. And I also think that paying attention throughout the year as to how money is leaving your practice is important. And at the end of the day, having a safety net is important.

Dr. Ashley Nassiri:

So when we talk about the success of a business or a practice, there are market forces outside of what we're doing within our own practice. Like you mentioned, there external recessions that can impact how the business functions et cetera and competition is also one of those factors. Have you found e-commerce and diversifying your revenue streams helpful in that manner?

Dr. Jess Prischmann:

I can tell you with absolute certainty, the reason why I started an e-commerce business was because I knew that our patients were purchasing their initial skincare from us and then they were repurchasing skincare online. And so we were losing out on that. And I also can tell you with 100% certainty, I understood our patients. And I understood that they're busy during the course of the day with their kids and maybe 10:30 at night is the only time they get to themselves and how was I able to provide them care and connect with them at 10:30 at night?

Dr. Ashley Nassiri:

How do you think e-commerce is addressing some of the aspects of patient care that you hope to address?

Dr. Jess Prischmann:

I think that in general, we should all think about going to where our patients are. Not only because that is in the best interest for them. And also if we just think about the barriers, one of the barriers in healthcare. If a patient comes into your sterile office or any sterile office, they may feel a little more uptight. They might not feel relaxed, but if you do a virtual consultation with them in their homes and their environments, it's a lot more relaxed and people will feel more relaxed. And there are so many good things about that. I think that we need to start thinking like our patients are busy, their lives are busy and the traditional way of even how you schedule an appointment. Then you have to go to somebody's office, then you have to get care there. That's not maybe conducive to everyone's busy life right now. And so e-commerce using the internet, leveraging technology, automation, It helps in so many ways make our patients' lives easier.

Dr. Ashley Nassiri:

In summary, it sounds like we've identified a specific inconvenience that healthcare has created, which is in person interactions between certain business hours and e-commerce allows for us to bridge the gaps

between when patients actually want to receive care and when we can give it. Do you foresee any future shifts in e-commerce or what do you see the future of e-commerce being?

Dr. Jess Prischmann:

I think that e-commerce, or when you complete a transaction online, it is a little bit depersonalized. When you come into our office to get something, we have the opportunity to literally and figuratively hug you and ask you about your dog and your children and exchange that energy. And we thrive on that. The key is how do we translate that to this depersonalized transaction online? And my hope is that consumers and patients will be able to feel that personal touch or that loving energy or that loving embrace even with a transaction online. And I know that I spend a lot of time thinking about that and how can I let them know that even though I can't make eye contact with them, that when I'm sending them their package, that I thought about them, and I wish them well. All of us went into medicine because we wished people well. And the key is how do we mix that into the depersonalized transaction online?

Dr. Ashley Nassiri:

I think that's a hugely important point because providing medicine, which is a very personal service is very different than going on Amazon and buying a spatula. In which case you don't need that personal touch and so in coming years, we're going to have to figure out or navigate how do we create that experience more so than some other businesses need to.

Dr. Jess Prischmann:

One of the things that makes doctors so special is that we've been indoctrinated to always put the patient first. And I think that when we integrate with something like e-commerce, I think we'll hopefully, always want to put the customer first, as opposed to maybe standard business thinking, which is about how many customers can we convert from an online transaction and how many email addresses can we get for our email list and how many unique visitors and how many returning customers and what percentage is this and that? And I think that doctors are well positioned to put all that noise aside and say, "We put patients first, we want to put the customer first".

Dr. Ashley Nassiri:

Do you have any good examples of other industries outside of medicine who do this personal interaction well? Or maybe somewhere we can look to for examples.

Dr. Jess Prischmann:

I think that all of us participate in e-commerce every day or every week. And we can all learn from the good things and from the bad things. Anytime I feel good about completing a purchase or have a good experience online or get my service very quickly, I feel good about it. And I learn something from it. I look at every aspect of that transaction and try to learn something from it. And conversely, I also learn from things that I don't like and that I find creepy. And one of those things is remarketing. My personal feeling is that remarketing is a creepy thing. Remarketing is when you go to a website to let's say, buy a spatula and you decide that you don't want to buy that spatula. And then the next day you're checking the weather or something online. And all of a sudden a banner ad appears about that spatula, reminding you that you went and looked at that spatula.

And that's remarketing, trying to get back in front of you. I personally find that creepy. And so I learn from watching other industries and how they do things in a good way, as much as I learn the things that I don't want our business to stand for.

Dr. Ashley Nassiri:

That's a great point that we can always use our own experiences to try to understand what our consumers or patients are also going through. For our listeners who are interested in learning more about this, or maybe even residents or folks who are fresh out of training who are in the process of developing an e-commerce based business, do you have any resources that you recommend for expanding knowledge and maybe even gaining some experience prior to launching these tactics in a practice setting?

Dr. Jess Prischmann:

Yes, absolutely I do. So e-commerce businesses are built on different platforms and one of those platforms is called Shopify. And another one that you've may have heard of is GoDaddy and they're invested in seeing you succeed, and they have a lot of blogs and useful information out there. For example, I was recently on a conference call with our Prischmann Skin team. They're based out of California and we were talking about loyalty programs and when is a good time to start a loyalty program. And I think we were both like, okay well when do we do this? And then I was on Shopify and I found a great blog about, how many orders do you need a day before you become an established business? And what percentage of your customers need to be new customers versus returning customers? And how can you use that data to understand when a loyalty program would be beneficial?

It was like I was getting business training in a manner that was so easy for me to understand. And so I still continue to learn from those resources and they're out there because so many people are starting businesses online.

Dr. Ashley Nassiri:

Thank you, Dr. Prischmann. I think that sums up some very practical advice for our listeners. At this point, I'll go ahead with a summary of our discussion. E-commerce is broadly defined as the body of transactions that are completed electronically, usually over the internet. E-commerce allows for medical practices and providers to reach patients during off hours and in a more convenient setting outside of the office. It can additionally provide medical practices with an alternate and complimentary revenue stream.

Developing an e-commerce business requires time and insignificant management, but ultimately may better address some of the needs of the patient population. Examples of successful businesses and resources can be found online. The business of medicine plays a big role in patient outcomes in satisfaction, employee and physician satisfaction and practice stability. These topics have brought implications across personal and professional wellbeing.

Dr. Prischmann, thank you so much for being here today. It's been an absolute pleasure interviewing you. Is there anything else that you would like to add to wrap up our discussion today?

Dr. Jess Prischmann:

Well, it's been an absolute pleasure to be here with you Ashley. But what I also want to say is that residency needs to change so that we can create doctors that are ready to enter reality of healthcare. And the reason why that is important is because burnout in medicine is so high. Avoiding burnout isn't about teaching the causes of burnout. It's really about preparing residents for their eventual jobs. And



that is the responsibility of medical schools and of residencies and residency directors. And I really hope that they take it upon themselves, teach them how to be resilient so that they can practice medicine and be happy. And I think that involves teaching empathy. I think that involves teaching all of us to talk with our patients, to have them change and be healthier rather than talking at patients and telling them what to do.

I think it absolutely involves being a healthy surgeon that feels good, that can lead a team. And lastly, that they understand the business of medicine, because the reality is that when you don't feel like you have power over your financial life, you then have one of your defenses to being resilient broken down. And so all residents need to learn about these very, very important things.

Dr. Ashley Nassiri:

Thank you so much for that summary. It was very well put. Well, folks that wraps up another episode of ENT in a Nutshell. Thanks for listening and we'll see you next time.