

How effective marketing can increase the value of your practice

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Do you intend to sell your practice? If you are just starting out or in the height of your career, the answer is probably, “well, maybe, someday...” No matter how far in the future that day is, the time to start planning is now.

The value of your good reputation

Setting a reasonable price for buildings, furniture, and equipment is relatively simple. However, the value of your practice is much more than the cumulative cost of these tangible assets. The greatest value is intangible assets such as patient loyalty, projected income, and your practice’s good reputation. Known as *goodwill*, this can account for as much as [70 to 90 percent](#) of a practice’s sale price.



The IRS (Internal Revenue Service) defines [goodwill](#) as “*the value of a trade or business attributable to the expectancy of continued customer patronage. This expectancy may be due to the name or reputation of a trade or business or any other factor.*” Unlike tangible assets, goodwill cannot be acquired overnight.

What you can do now

If you are getting enough patients, marketing might not be a top priority. However, a comprehensive marketing plan is much more than just advertising. It is about outreach, branding, patient retention, and – most of all – building your good name. A good strategy should include:

- A strong online presence – First and foremost, you need a user-friendly, attractive, optimized website. This is the hub of your online presence. Supplement it with blogs, podcasts, videos, and other materials. Additionally, your practice should be on all major social media networks and regularly post engaging content there.
- High customer service standards – Marketing and reputation management start in your office. Employees should be friendly, knowledgeable, and helpful. Keep the reception area clean, comfortable, and inviting. Listen to patient feedback and act on it. Happy patients are return patients. They are also your most powerful spokespeople.
- Review management – Love them or hate them, patient review sites are an increasingly important part of reputation management. Monitor them closely and respond to reviews promptly (being mindful of HIPAA). Also, encourage patients to leave reviews and highlight them on your website.
- Patient communication – One of the keys to improving patient retention is building long-term relationships. You don’t want to be “out of sight, out of mind” between appointments. Interact and communicate with your patient base via opt-in newsletters, regular social media posts, or participation in community events.

- Showcase equipment and facilities – Have you invested in high-end technology, plush reception area furniture, or patient amenities? If so, include a virtual office tour on your website, and add content highlighting the patient benefits of advanced devices. The resale value of tangible assets will be less than your purchase price due to depreciation. However, you can maximize the value of that investment by using it to boost goodwill.
- Branding strategy – Do your marketing materials focus on your name or your business name? This is an important distinction because effective marketing can increase the value of a reputation exponentially. Your branding strategy will determine where that growth is directed. If your clientele is built around your reputation, then patient retention will likely be lower after you sell the practice. In other words, you are essentially keeping a portion of the goodwill, making the practice less valuable to the buyer.

Conclusion

A winning marketing strategy addresses your short-term and long-term goals. It should be designed to not only increase annual revenue but also build the value of your practice.

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About the Author:

Naren Arulrajah, President and CEO of [Ekwa Marketing](#), has been a leader in medical marketing for over a decade. Ekwa provides comprehensive marketing solutions for busy doctors, with a team of more than 180 full-time professionals, providing web design, hosting, content creation, social media, reputation management, SEO, and more. If you're looking for ways to boost your marketing results, call 855-598-3320 for a free strategy session with Naren.