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Professional Services Offered in Rural, Mixed-Animal Veterinary Practices

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This is a peer- reviewed article.

Introduction

Rural, mixed animal veterinary practices offer a variety of professional services to their clientele. Practitioners must decide which services to offer and how much time to dedicate to each offering. These decisions are influenced by the perceived need for each service in the area and the potential income that can be generated from the specific service.

Economic growth rate is an important metric for evaluating long term sustainability of the practice. Income must grow at or above the economic inflation rate for continued financial well-being. Veterinarians are the primary income driver within a practice. Evaluating the growth rate in gross dollars generated per veterinarian provides a figure that can be used for relative comparison between practices with varied number of veterinarians.

General business management techniques have been shown to benefit veterinary practice income; however, little work has been done to describe the economic impact to the practice of offering specific professional services to cattle clients. The objective of this research is two-fold:

1) to describe the frequency that services are offered to cattle clients and 2) to evaluate potential associations between the frequency that services are performed and the economic growth rate of the practice (as judged in 5 year average growth in dollars per veterinarian).

Materials and Methods

Data for the project was collected through a survey of veterinarians administered in an electronic format. The survey was distributed through an email to mixed animal practitioners in rural practice by using the American Association of Bovine Practitioners and Academy of Veterinary

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Consultants list serves in addition to the mailing list from previous Kansas State University Continuing Education conferences.

The survey consisted of several questions, but analysis for this project was limited to questions of direct interest, including: basic demographic information, five year growth rate in dollars per veterinarian, and the frequency of selected professional services that were offered to clientele. Demographic questions were used to collect information on the basic practice characteristics. Practitioners were also asked to describe the percent of income derived from beef and dairy cattle. As professional service questions focused on cattle practice, the inclusion criteria for evaluation was a minimum of 40% of practice income derived from beef, dairy, or the combination of the two species areas.

The economics portion of the survey collected the average gross income generated and number of veterinarians in the practice during a defined five-year period (2003 to 2007). These numbers were used to calculate the average growth rate in dollars per veterinarian over the five-year period. A list of common professional services was generated and each practitioner was asked how much time was dedicated to each service and what percent of the clients used that particular service. Questions regarding the percent of time or percent of clients related to each service were asked with five potential choices regarding frequency of using this service: none of the time (clients), less than 10% of the time (clients), 10-30% of time (clients), 30-60% of time (clients), or more than 60% of the time (clients).

Statistics

Descriptive analyses were performed on demographic variables and responses to service frequency questions. Potential associations between specific professional service and the percentage of survey respondents stating they spent more than 10% of time or used with more than 10% of their clients were examined with generalized logistic regression. Repeated measures on individual survey respondent were accounted for in each statistical model.

Results and Discussion

There were 57 practitioners that completed all necessary questions on the survey, but the data was limited to only 38 of these practitioners who derived more than 40% of their income from cattle practice. Information on basic practice demographic information is presented in <u>Table 1</u>. Although this is a relatively small sample size, the demographic information is similar to larger studies done evaluating mixed animal practices.³

Due to sparse data, responses to the questions regarding frequency of service utilization were combined to three categories representing 0% of the time (or clients), less than 10% of the time (or clients) and more than 10% of the time (or clients). Results from the frequency of services offered are presented in <u>Table 2</u>. The percent of practices spending more than 10% time on a specific service varied. The services which received the most time were designing treatment protocols, immunization programs for cows, offering routine reproductive services, performing unscheduled sick calls and designing preconditioning programs for calves. Many of these

services may have been associated with product sales, and, therefore, received a greater allocation of veterinary time.

The five-year average percent growth in dollars per veterinarian was 7.2% and this variable displayed high variability as evidenced by the large standard deviation (12.1). The growth rate in dollars per veterinarian tended (P < 0.15) to be associated with the frequency of consulting regarding genetic decisions and working with producers on production records (Figures 1 and 2, respectively). The frequency of performing other services on the list was not associated with growth rate in dollars per veterinarian.

In both of the services associated with growth rate, practices that spent more than 10% of their time on each service exhibited a higher growth rate than practices spending less time on the service. Increased practice growth rate associated with these specific professional services may be indicative of genetic counseling and herd record keeping being high net revenue-generating activities. Increasing the amount veterinary time toward professional services that generate a higher net income is likely a contributing factor to higher growth rates.

In addition to benefits to the practice, previous work illustrates that veterinary involvement in the herd records program and management can be financially beneficial to the client. This synergistic relationship between the practice and the client can lead to positive client relations and long-term success.

Neither service associated with growth rates was offered frequently, as compared to other services on the list. This may present an opportunity for practices with a desire to expand services offered to their clients. Further research is needed to determine the professional services associated with financial success in cattle oriented veterinary practices.

This survey represents a small sample of practitioners, but provides some information on the frequency several services are offered. Some categories were offered by most practices, and may be core income generating professional services for the practice. Other services were offered less frequently, but two (genetic counseling and herd records) were associated with growth rate in dollars per veterinarian. These professional services may present an opportunity for practices that are not currently focused in those areas.

Table 1. Demographic variables from survey respondents (n=38) regarding basic characteristics of practice. [back]

Survey Question	Mean	Median	Standard Deviation
Percent of income from beef and dairy	65.1%	62.0%	19.8
5 yr average percent growth in \$ / DVM	7.2%	10.2%	12.1
Number of DVMs in the practice	2.8	2.4	1.7
Number of Registered veterinary technicians	2.5	2.0	2.1
Number of Lay help (secretarial, kennel, etc.)	5.0	4.5	3.4
Years at this practice	19.3	18.5	10.4

Table 2. Survey responses from rural mixed animal practitioners (n=38) regarding the percent of time and the percent of clients dedicated to each type of professional service. Differences within column based on percent of responses spending more than 10% of time or working with more than 10% of clients are designated by differing superscripts. [back]

	Percent of time spent		Percent of clients			
Question	No time	< 10% of time	> 10% time	No clients	< 10% clients	> 10% Clients
Design treatment protocol for common diseases?	3%	14%	84% ^a	3%	6%	91% ^a
Design immunization program for cows?	3%	20%	78% ^{ab}	3%	11%	86% ^{ab}
Routine reproductive services?	3%	14%	84% ^a	3%	11%	85% ^{ab}
Perform unscheduled individual animal sick calls?	5%	27%	68% ^{abc}	3%	14%	83% ^{abc}
Design a preconditioning program for calves?	16%	11%	73% ^{ab}	17%	9%	74% ^{bcd}
Design reproductive programs?	0%	35%	64% ^{bc}	0%	34%	66% ^{cde}
Process cattle?	14%	28%	58% ^{bcde}	14%	25%	60% ^{de}
Design biosecurity program?	9%	46%	46% ^{defg}	9%	34%	57% ^{def}
Selection and management of replacement heifers?	3%	47%	50% ^{cdef}	6%	37%	57% ^{def}
Work with clients on marketing cull cows?	27%	30%	43% ^{efg}	29%	26%	46% ^{efg}
Maintain herd production records?	22%	46%	32% ^{fgh}	18%	43%	38% ^{fgh}
Design cattle processing facilities?	14%	58%	28% ^{hgi}	11%	51%	37% ^{fgh}
Help evaluate mineral and feedstuff costs?	29%	41%	30% ^{hgi}	31%	34%	34% ^{gh}
Consult regarding genetic decisions?	22%	43%	35% ^{fgh}	23%	43%	34% ^{gh}
Assist clients with calf marketing plans?	38%	19%	43% ^{efg}	40%	28%	31% ^{gh}
Work with producers on herd financial records?	45%	39%	16% [′]	42%	33%	25% ^h
Assist with balancing herd rations?	38%	43%	19% ^{hgi}	37%	37%	25% ^h

Figure 1. Five year average growth rate in dollars per veterinarian by percent of time spent keeping production records for clients. Superscripts denote statistical differences at P < 0.10. [back]

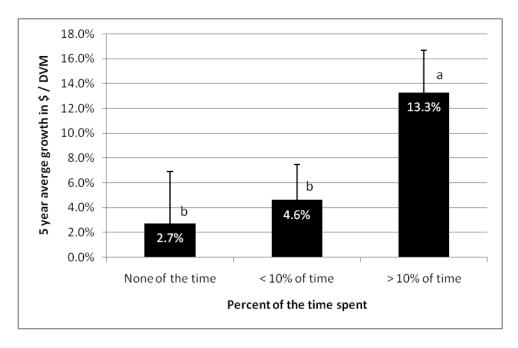
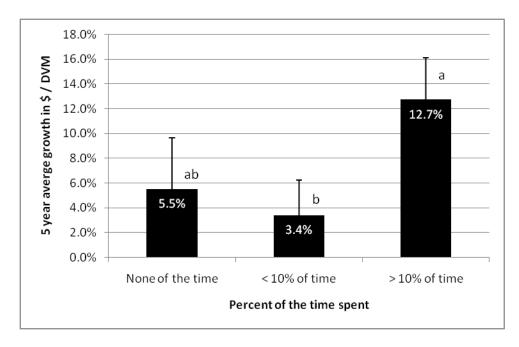


Figure 2. Five year average growth rate in dollars per veterinarian by percent of time spent helping producers with genetic decisions. Superscripts denote statistical differences at P < 0.10. [back]



End Notes: White, B.J., A.M. Brusk, and D.R. Goehl. "Professional Services Offered in Rural, Mixed-Animal Veterinary Practices." <u>Online Journal of Rural Research & Policy</u> (5.7, 2010).

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Author Information

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Dr. Brad White received a D.V.M. from the University of Missouri-Columbia and worked for six years in a mixed animal practice in southeast Missouri. His emphasis in practice was beef cow-calf and stocker medicine and management. After practice he worked for two years in beef production medicine at Mississippi State concurrent with completion of his Masters degree. He is currently on faculty at the Kansas State University College of Veterinary Medicine. His focus is beef production medicine and management, and currently works on research related to both cow-calf and stocker health and management. Dr. White is a member of the American Veterinary Medical Association, Kansas Veterinary Medical Association, American Association of Bovine Practitioners, Society for Theriogenology, and Academy of Veterinary Consultants.



A.M. Brusk (back to top)

Amy was born in Garden City, Kansas and was raised in Bucyrus, Kansas. She grew up helping her parents finish Angus-Hereford cross steers and working at their equestrian training and boarding facility. Amy graduated Cum Laude from Kansas State University with a Bachelor of Science in Agriculture (Animal Science) in 2004. She earned a Master of Agribusiness degree from Kansas State University in 2009. Amy has been the Grant Specialist for the Department of Clinical Sciences at Kansas State University's College of Veterinary Medicine since 2007.



D.R. Goehl (back to top)

Dr. Dan Goehl graduated from University of Missouri-Columbia Veterinary Teaching Hospital in 1998. Post graduation he joined a mixed animal practice in northeast Missouri. Currently he and his wife own and operate Canton Veterinary Clinic where Dr. Dan Goehl works primarily with progressive large animal consisting of stocker and cow/calf beef operations.. He is a member of the American Veterinary Medical Association (AVMA), American Association of Bovine Practitioners (AABP), Society of Theriogenology, Academy of Veterinary Consultants (AVC), and the Missouri Veterinary Medical Association (MVMA). Dr. Goehl is a member of the board of directors of the AVC, on the state of MO Beef Quality Assurance Board and is also a member of the committee for the MVMA Stocker Feeder Program.



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