

MISSION STATEMENT

To improve the economic base of the veterinary profession, ensuring that the delivery of veterinary care and service meets the needs of society.

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Standing room only at first national NCVEI forum

The National Commission on Veterinary Economic Issues held its first open forum during the AVMA Annual Convention in Salt Lake City. More than 340 people came to learn about the NCVEI's current activities and to hear representatives from 13 stakeholder groups voice their members' concerns as well as offer their organization's support to the commission. Later, attendees were invited to participate in one of five breakout sessions, each focusing on an economic issue considered high priority by the NCVEI board. The resulting feedback from the stakeholder organizations and the breakout session participants are summarized here. We thank all of the forum attendees for sharing their insights and helping facilitate the NCVEI's next steps.

—The NCVEI Board of Directors

What Stakeholder Organizations Told Us

Dr. Thomas J. Cusick, President, American Animal Hospital Association—Dr. Cusick applauded the formation of the NCVEI and pledged strong continuing AAHA support for the commission and its objectives. He indicated that while some members may have reservations about certain aspects of the report and its conclusions, he felt the overall finding—that the economic base of the profession needs to be strengthened—was widely supported.

Dr. James H. Brandt, President-Elect, American Veterinary Medical Association—Dr. Brandt expressed AVMA's strong support for the commission. He recognized that the NCVEI has a very important mission and emphasized that, although it was originally formed by members of AVMA, AAHA, and AAVMC, the commission is an independent organization representing the entire profession. He enumerated the

many positive outcomes that have already been achieved since the release of the KPMG LLP study last year. These include establishment of the NCVEI, strong financial support from industry, input from numerous other groups within the profession, and a substantial increase in the profession's awareness of the study findings and critical issues.

Dr. Shara Phillips, Delegate, Student AVMA—Dr. Phillips indicated that the Student AVMA and the professional student population in general have a strong interest in the study and the reported findings. She stated that as a result of dialog concerning the study, the Student AVMA has established an economics committee and a practice management committee. These two groups will focus on some of the critical issues identified in the report.

Dr. Peter Eyre, Dean, Virginia-Maryland Regional College of Veterinary Medicine—Dean Eyre made three specific points:

- Although the KPMG LLP study may not have been perfect, it is the best study of economics of the profession that we have ever had. We should stop trying to find fault with it and should accept its overall conclusions.
- There are many pitfalls in the process being attempted by NCVEI. Its board should not expect every decision to be unanimous and should listen to dissenting voices.
- The colleges *must* respond; they are the profession's best point of leverage to achieve change.

Dr. Eyre concluded by urging all segments of the profession to take action now.

Dr. Chris Stone-Payne, President, Association for Women Veterinarians—Dr. Stone-Payne urged the NCVEI board to recognize that everyone in the profession has an income lower than desired; this problem is not related to gender. She also stated that there is a need for more women to be active in the leadership of the profession at all levels, and that it will be important to mentor these future leaders.

Dr. Thomas Burkgren, Executive Director, American Association of Swine Practitioners—Dr. Burkgren began by applauding the appointment of Dr. Randall Bush, a swine practitioner, to the NCVEI board. He reminded the board that providing service to food animal clients is different from the companion animal segment, in that food animal clients are spending nondiscretionary funds, which has a direct impact on their income. He further stated that the food animal segment is subject to outside forces related to animal agriculture. He concluded with three points:

- Communication is critical and the board needs input from all stakeholder groups; these groups also have a responsibility to provide this input.
- The profession needs a unified voice on the economic issues. The NCVEI can serve as that voice; however, the commission should ensure that younger leaders of the profession are involved.

- The NCVEI faces a daunting task and the AASP is ready to help.

Dr. Larry Hutchinson, President, American Association of Bovine Practitioners—Dr. Hutchinson indicated that AABP had taken exception to the food animal component of the KPMG LLP study, but that NCVEI had heard the AABP's concerns and is now getting more input from food animal veterinarians. He further stated that food animal production is undergoing rapid change and we face the challenge of making sure graduating veterinarians understand these changes and are "market ready." He concluded with three points:

- The KPMG LLP study results must not be used to downsize any one segment of the profession.
- The NCVEI should stress that there are many opportunities available.
- The NCVEI should always seek meaningful input from the food animal segment of the profession.

Dr. Linda C. Cork, AAVMC Task Force on Comparative Medicine—Dr. Cork expressed disappointment that the study did not fully identify the numerous opportunities available to veterinarians in the fields of laboratory animal medicine and veterinary pathology. Both of these specialties are currently underserved and offer well-paid positions for veterinarians. She also commented on the reported oversupply of veterinarians, and expressed concern that duplication of capital-intensive resources and the resulting inefficiency of the delivery system were distorting the true supply need. She also urged the profession not to conclude that we need fewer veterinarians.

Dr. Paul Gambardella, Chief of Staff, Angell Memorial Animal Hospital—Dr. Gambardella opened his remarks by characterizing members of the profession as a compassionate group that struggles to keep fees low for animal owners. He also stated that the time has never been better for the profession to change. He urged two actions:

- Inform the public about our professional capabilities.

- Develop a greater use of, and dependence on, support staff, including encouragement of better career opportunities for veterinary technicians. The latter effort, he stated, would help to improve the efficiencies and the economics of the profession.

Linda Merrill, RVT, North American Veterinary Technician Association—Ms. Merrill provided data from recent NAVTA surveys of veterinary technicians and listed the top four problems facing technicians. They are (in descending order) low income, lack of professional recognition, job burnout, and lack of career advancement. She urged the commission to include veterinary technicians in their strategies to improve efficiencies and stressed that the economic situation for technicians is directly related to the economic situation of veterinarians.

Dr. Alan Balay, Association of Veterinary Technician Educators—Dr. Balay pointed out that many of the issues discussed in the KPMG LLP report affect the entire veterinary health care delivery team, not just the veterinarians on the team. He stated that there is no shortage of veterinary technicians in industry and in research, only in private practice. He cited low pay and lack of career advancement opportunities in private practice as driving the attrition of veterinary technicians. He concluded by affirming the availability of the Association of Veterinary Technician Educators as a resource to the NCVEI.

Dr. Warren Hess, President, Utah Veterinary Medical Association—Dr. Hess announced that Maddie's Fund would be spending \$8,000,000 in Utah in an effort to increase the adoption of lost or abandoned pets. He stated that while this would have a positive impact on pet adoption and ownership, there is a strong need to educate pet owners regarding responsible pet ownership, including the cost of veterinary care.

Dr. Dale Lonsford, President, Texas Veterinary Medical Association—Stating that financial success is driven by

demand for our services, Dr. Lonsford urged the profession to promote our services and our capabilities to the public and recommended that a national marketing plan be formulated. He further urged that students and recent graduates be made aware of the value of practice ownership and that strategies for consolidation of practices be developed.

Comments From the Breakout Sessions

The commission has identified five priority issues to be addressed by five working groups. Moderated breakout sessions were held to discuss each of the issues and gather related input.

Topic: Strategies to improve the skills, knowledge, aptitudes, and attitudes of veterinarians—Moderated by Dr. Lonnie J. King, vice chair of the NCVEI Board of Directors

Issues consistently identified by the group included the need for improved verbal and written communication skills. This was in complete agreement with the findings of the original KPMG LLP study and with the recent Brakke Management and Behavior Study.

Although there is no question that the medical and scientific skills being taught are producing graduates with excellent scientific skills, there is a need for education on human resource issues related to teamwork, leadership, appropriate delegation, and personnel management.

Improved training in business skills was mentioned as vital. The profession must recognize the clear connection between the costs associated with providing quality care and service and the need to appropriately price those services.

It is important to identify those skills that make for a successful veterinarian (markers of success), and to select for, or provide training in, those areas. From preveterinary education through the selection procedure, to veterinary education and on into postgraduate continuing education, the process must emphasize business skills.

The economic success of the profession will come from increased emphasis on these skills in the selec-

tion process, the professional curriculum, and postgraduate efforts of veterinarians.

Topic: Assessment and development of pricing strategies—Moderated by Dr. John W. Albers, member of the NCVEI Board of Directors

Although it is desirable for the profession to place increased emphasis on educating consumers about the value of veterinary services, it may be of greater importance to teach the profession to understand pricing strategies and models.

It was generally agreed that there is little scientific basis or support for the way veterinarians establish their pricing. Tradition, perceived market forces, and personal comfort levels tend to result in downward forces on pricing. Little effort is placed on developing cost-based or value-based models for pricing strategies.

There is a need for national and regional benchmarks to serve as informational resources for those wishing to appropriately price their services. Additionally, we must develop tools for establishing cost-based and value-based pricing. As a profession, we must internalize the fact that consumers of our services value those services and may in fact place a higher worth on our contributions than we do as a profession.

Topic: Promoting greater efficiency in delivery systems—Moderated by Dr. Sherbyn W. Ostrich, member of the NCVEI Board of Directors

Duplication of facilities and equipment and under-utilization of technical and support staff result in decreased productivity. From the outset, veterinarians must be taught the importance of team building and utilization of support staff. We must also demonstrate the inherent benefits of larger practices to students and young veterinarians, and encourage them to reduce the apparent tendency to open more, smaller practices.

We must attract quality support professionals, utilize their talents, and allow them to develop as professionals. More important, we must be able to provide the level of compensation

and the necessary professional stature to retain the best and brightest support staff. This requires greater efficiency and appropriate pricing of services.

Cooperation, joint efforts, and group practices must become models for the future.

Topic: Increasing understanding of the wants and needs of those who utilize veterinary services—Moderated by Dr. Michael A. Paul, secretary-treasurer of the NCVEI Board of Directors

The obvious consumers of veterinary services are pet owners and agricultural producers, but members of the profession must identify less traditional clients. We must come to think of society as customers for our services, regardless of whether they are directly involved with animals. We must consider employers of veterinarians as consumers of our services. We need to develop unopened markets such as animal conservation agencies and human health providers as having the potential to need our services.

The human-animal bond, societal changes, and changing production and market issues influence demand for our services. We must have a better and earlier perspective of the changes ahead. Industry and other health professions may be a resource of information about our clients. We must avail ourselves of that information or gather it on our own.

Production arenas increasingly need and seek our consultative services. If we do not directly contribute to the financial success or emotional well being of our clients, they will increasingly seek the services of non-veterinary professionals. We must adapt our services to meet the needs of producers, pet owners, and society.

Veterinarians are respected and trusted by the segment of society we serve directly. We must become knowledge brokers, and emphasize the value of services rather than the price. We must become the source of knowledge in all areas of animal health and all societal areas that involve animals and the health network.

Topic: Gender-related topics—
*Moderated by Dr. Chris Stone-Payne,
President, Association for Women
Veterinarians*

The group concurred that the economic issues of the profession are our number one priority, however, it is a professional shortcoming and not strictly gender-related.

Some of the issues identified included lack of involvement of women in leadership roles in the profession and in organized veterinary medicine, lack of business acumen, personal life integration, sexual harassment, and generational differences.

The barriers to overcome include complacency with the status quo, lack of self-esteem/perceived value, and lack of affordable childcare.

Lack of mentors and role models in leadership positions, poor mentoring by employers, and insufficient early training and mentoring were cited as reasons for poor business acumen. In addition, there are societal

and cultural gender expectations that may inhibit success.

Sexual harassment may occur in many forms, and there must be improved understanding of what constitutes harassment and how to address harassment issues. There is a need to empower women in business and societal situations to help increase their professional growth.

As with other professions, the gender demographics are shifting and the profession must change to meet the professional and personal needs of women veterinarians. This may require alternative work schedules, job sharing, and other concessions during child-raising years. Women may choose to explore career paths other than practice.

Women need to assume greater roles in leadership. The governance of organized veterinary medicine may need restructuring to facilitate the involvement and participation by women and recent graduates.

Using the Feedback

The NCVEI Forum demonstrated an existing broad base of support for the NCVEI's mission. Comments from the diverse stakeholder groups and the individuals who participated in the breakout sessions were put to immediate use at the August 21 to 22 meeting of the commission. Here the forum feedback played a key part in solidifying the charges and directing the activities of the five appointed working groups to tackle critical economic issues and develop action plans.

In 2001, a number of NCVEI forums are scheduled to maintain the dialog between the NCVEI board and individuals and groups concerned about the future of veterinary medicine. These public meetings are your opportunity to ask questions, share opinions, and learn how you can help to shape the future of the profession.

Upcoming NCVEI Forum Events

AVMA Leadership Conference January 7, 2001 Chicago

Western Veterinary Conference February 14, 2001 Las Vegas

AAHA Annual Meeting March 12, 2001 San Antonio

AVMA Annual Convention July 16, 2001 Boston

Watch for details on each program in veterinary publications.