Real Deal vs Dust Collector: Lasers & Other Machines for Your Office

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Take Home Message

• Don’t buy a machine
  – Learn how to be a good injector
• When you buy a machine, you now work for that company

A fool and his money are soon parted
Merz – Trainer, Advisory Board
Suneva Medical - Instructor

Will use brand names due to lack of distinguishing generic names

I may become a KOL for a device company this week
Presentation Level of Evidence

Levels of Evidence and Qualifying Studies (Therapeutic Studies):

I High-quality, multi-centered or single-centered, randomized controlled trial with adequate power (N ≥ 100); or a systematic review of these studies

II Lesser-quality, randomized controlled trial; prospective cohort study; or systematic review of these studies

III Retrospective comparative study; case-control study; or a systematic review of these studies

IV Case series

V Expert opinion; case report or clinical example; or evidence based on physiology, bench research or "first principles"
My Background

• Academics
  – Loved it but can’t buy machines

• Hospital Employed Medical Group
  – Even worse than academics

• Private Practice
  – No limits
  – I can waste all the money I want
What do I Offer Across 5 Locations

**Machines we Have**
- CoolSculpting x4
- Icon Laser x2
- BodyJet Water Lipo x2
- Smart Lipo Triplex x2
- Vectus Laser x2
- Ulthera x2
- Cutera XEO Laser
- Microneedling x5
- Cynosure MPX IPL
- Venus Versa IPL & RF
- Hydrafacial
- Fillers & Neuromodulators
- KGMD Skin Care Line

**Conditions Treated**
- Noninvasive fat reduction
- Noninvasive skin tightening
- Red & vascular lesions
- Brown & pigmented lesions
- Laser hair removal
- Skin rejuvenation
- Minimally invasive fat reduction
- Cellulite
- Skin care & maintenance
Considerations

Your device needs depend on

• What you offer vs what you want to offer/expand
• Practice model
  – Academics
  – Employed
  – Small group
  – Solo
• Geographic location
• Patient demographics
• Patient demand – Real vs Generated
• Budget with limited resources
What I Would Buy to Start

- Autoclave
- Instruments
- Aspirator
- Roller pump
- Liposuction equipment

Less than $10K investment
(Buy it Used)
What I Would Buy for My Aesthetician

- Microneedling (<$4000)
- Skin care product lines
- Chemical peels

Less than $10K investment
How Will You Get Suckered Into This?

• FOMO - “Everyone is doing it”
• Industry “Cosmetic Summit” at luxury hotel
• Unrealistic proforma by sales team
• Patients are “asking for it”
• Dr Oz gave it thumbs up
• The KOL pitch/deal

This is all coordinated by industry
So What Do I Buy?

• Multi use laser platform
  – Pigmented lesions
  – Vascular lesions
  – Hair removal
  – Skin rejuvenation (IPL)

• Body contouring device
  – RF fat reduction & skin tightening

• Minimal consumable costs

• Delegated use to PA, NP, nurse, aesthetician
What NOT to Buy

One Hit Wonders

• MiraDry
  – Unless you love hyperhidrosis
• Laser Hair Removal only
  – Everyone else does it
• Cellulite only treatments
  – Most don’t work
• Vaginal Rejuvenation
  – Unless you know pelvic anatomy, pathology, etc
• **You** can make high profit per hour injecting
  – Neuromodulators take 10 min
  – Patients keep coming back
  – May convert to surgery

• **You** make more per hour in surgery
  – But has more non-compensated time
  – Patients don’t come back for years

• **You** may NOT make money using machines
  – Your **staff** can make you money using machines
  – May convert to surgery
What is the best way to get a laser rep to stay out of your office?
Buy their laser!
I’m going to make big $$$ off this laser!

You’ll make big $$$ off this laser!

I’ll make big $$$ off this laser!
You'll make big $$$ off this laser!

I’m going to make big $$$ off this laser!

Maybe

You

Laser Rep

TRUE
My Doc is making big $$$ on this!

Your Staff
My Doc is making big $$$ on this!

Too bad it doesn’t work... But I have to make the sale.

Your Staff
Questions to Ask Yourself

• How does this fit into my strategic plan?
  – Do I have a plan?
• Adding a new service or just refining a current one?
• Can I do this a different way
  – Chemical peel vs laser
• Am I offering noninvasive & minimal downtime options?
  – Not all devices have minimal downtime
• Can I get out of this if I don’t like it?
  – Easy for skin care products & injectables
  – Hard for devices
Who is Driving the Demand?

Is this a response to **my patient needs** or to marketing hype?

*Does your plastic surgeon do the LaserLift Breast Augmentation© I just saw on Dr Oz?*
What is Good to Have?

• Something that few others have
  – Laser hair removal is a commodity
• Facial skin rejuvenation
  – Multiuse platform
• Fat reduction
• Skin tightening

• Staff delegated & operated
  – Expand revenue sources
Local Market Issues

• Underserved or saturated?

• Ride someone else’s marketing wave?

• Losing patients to other providers?
Patients willing to come in for a nonsurgical “Laser Eyelid Lift” consultation
May be more open to a surgical procedure
Procedure Spillover

• Non-invasive to invasive
• CoolSculpting
  – Liposuction
  – Tummy tuck
• Invasive to non-invasive adjuncts
  – Laser resurfacing after blepharoplasty
• Injectables & energy-based devices
  – Total nonsurgical facial rejuvenation
Grow the Pie or Re-Slice the Pie?

- Grow your practice or just change it
- Patients may have a fixed budget for services
- Need to bring in NEW patients
Grow the Pie or Re-Slice the Pie?

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**Nonsurgical: $20K**

**Product Sales: $10K**

**Surgical: $70K**

**Total: $100K**
Grow the Pie or Re-Slice the Pie?

• Grow your practice or just change it
• Patients may have a fixed budget for services
• Need to bring in NEW patients

Nonsurgical

$20K

Surgical

$70K

Product

Sales

$10K

Nonsurgical

$20K

New Device

$20K

Product

Sales

$10K

Surgical

$50K

Total $100K

+ Device Payments

Total $100K

Re-Slice
Grow the Pie or Re-Slice the Pie?

- Grow your practice or just change it
- Patients may have a fixed budget for services
- Need to bring in NEW patients

Nonsurgical: $20K
Surgical: $50K

Product Sales:
- Nonsurgical: $20K
- Surgical: $10K
- New Device: $20K
- Total: $100K

New Device: $20K

Pay off device: Total $150K
- New Device: $30K
- Nonsurgical: $30K
- Product Sales: $15K
- Surgical: $75K
- Total: $150K

Re-Slice

Grow
Projected Revenue ≠ Profit

You just worked 12.5 months to make the device manufacturer money.
Additional Costs

Marketing Costs

Lost Procedure Costs

Staff Costs

Revision Costs

Space & Overhead Costs
Increased Revenue ≠ ROI

- Consider for your **Return on Investment**
  - Initial capital outlay
  - Disposable costs
  - Service contract
  - Staff costs
  - Overhead
    - How many $$$ per hour will this room make?
  - Marketing
Marketing Costs

• Does device come with marketing material
  – Is it any good?
• Word of mouth is best
  – Initial reduced cost treatments
  – Select “promoter” patients
• Budget for marketing
  – Local media
  – Website changes
• GroupOn can lose YOU money
Internet Marketing + Conversion is Key

- **Budget** for your new device
- **Key word searches**
  - Expect $100 to $200 per lead
- **Convert** the **qualified** lead to a consultation...
- ...then to a procedure
  - Need **staff training**
  - Good conversion rate is >70%
- Keep them coming **back for more**
- “**Device Ambassador**” to bring **new patients**
Deferred ROI

• Don’t expect a positive ROI in the 1\textsuperscript{st} year
  – Or 2\textsuperscript{nd} year...

• Track your costs & revenues
  – Assess regularly

• Don’t create a monster you don’t want to feed
Regulatory & Liability Issues

• Device operated by technician
  – Do you need to be on site?
• Notify medical liability carrier
  – May increase premiums
• Additional staff training
  – Laser safety officer
• Organizational challenges
Rent Per Use (Per Day)

- No worries about:
  - Capital investment
  - Long-term contracts
  - Maintenance
  - Obsolescence
  - Storage space
- Dedicated technician
- Many devices
- “Try before you buy”
- Scheduling issues
- Less revenue (split with owner)
Examples
Buy Pre-Owned on Secondary Market

- Tend to be older devices
- May not matter
  - Fractional CO2 laser
- After sale service
  - Not likely from manufacturer
  - May come from secondary seller
  - Independent service companies
  - May come with warranty
- May take a "trade-in"
Lease to Own

- Usually a purchase with initial payment + monthly payments for 2-3 years
- Financing may be through 3rd party
- Allows for small capital investment
- Hope monthly profit exceeds payments
- Don’t expect to return it
Buy Demo Model

- Tend to be current
- May be "worn"
- Usually "certified"
  - Warranty
- Still have manufacturer relationship
- Not many available
- Establish relationship with rep
Buy New

- Large capital investment
- Get it when you want it
- Less risk of device problems

Letter to the Editor

Counterfeit Medical Devices: The Money You Save Up Front Will Cost You Big in the End

W. Grant Stevens, MD, FACS; Michelle A. Spring, MD, FACS; and Luis H. Macias, MD
What is the Goal?

- Is there an option with less capital outlay & same result

- Submental contouring
  - Traditional Liposuction $\$
  - Laser-assisted SmartLipo $\$\$\$\$\$\ +$
  - Kybella $$
  - CoolSculpting $\$\$\$\ +$
  - Ultherapy $\$\$\$\ +$
Multiple Treatment Areas?

• Can you use this in multiple areas?

• Submental contouring
  – Traditional Liposuction ++++
  – Laser-assisted SmartLipo ++++
  – Kybella +
  – CoolSculpting ++
Other Considerations

• Tax implications
• Depreciation
• Realistic use
• Base price of device
  – High cost but low consumable & service costs
  – Low cost but high consumable & service cost
What to Negotiate

- Extended service contract
- More disposables
- Return after 3 months if not satisfied
- Marketing budget
- Financing terms
- Additional staff training
Device Legal Limitations

• Price limitations
  – Not allowed to advertise services below a certain price per treatment

• Location limitations
  – Not allowed to move device to other locations
  – May void warrantee if moved
Practical Issues

• Ventilation
• Power sources
• Storage space
• Scheduling
• Staff training
New Business Model: You Pay the Device Company!

- CoolSculpting
  - Pay per application area
- Ultherapy
  - Pay $1 per line
  - Full face: 800 - 1000 lines
  - Necks: 300 - 400 lines
- Makes “touch-ups” expensive
Results not Great – Back Up Plan?

• Surgeons can “backstop” the device
• If results suboptimal, can still offer
  – Liposuction
  – Skin excision
  – Other modalities
• Reduced price
Talk Before You Buy....

- Talk to your staff
- Ask your patients
  - “We may be offering RadioFrequency Rhinoplasty ©, what do you think?”
- Discuss with your accountant
- Ask rep for 3 users to talk to...
- ...then also find others (Google)
- Talk to Hot Topics instructors

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**Zerona**
Average cost: $1,650
141 reviews

**CO2 Laser**
Average cost: $2,650
292 reviews

77% WORTH IT
Think & Have a Plan

- Laser & energy devices can grow a practice if done in a logical way with a business plan
- Otherwise,
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