

David Mandell:

This is David Mandell and welcome to another episode of the Wealth Planning for the Modern Physician Podcast. I'm very excited today to have Tim Sawyer as our guest. Tim and I have known each other for awhile and he's ... I'm going to say this and this is an absolute truth. He is part of the inspiration for me doing this podcast. If anybody listened to the trailer heard, I've been thinking about this for awhile and I'm working it out in my head but interacting with Tim and he speaks at a lot of conferences, as I do as well. He has a terrific podcast, which we'll talk about as well and he really encouraged me to go out and do it -- so I'm thanking him for that before I even read his bio.

Tim Sawyer:

Thank you. Thank you.

David Mandell:

All right, so let me tell everybody about Tim for a second. Let me interrupt and do his bio.

David Mandell:

Tim is the president and co-founder of the two-time Inc. 500 and 5000 company, Crystal Clear Digital Marketing, named best practice marketing company by the Aesthetic Guide and top aesthetic service provider by Aesthetic Everything. He's a highly regarded motivational speaker, author, practice management consultant and podcast inspirer, I added that one in, with the modern aesthetic and medical industry. Currently Mr. Sawyer leads countless CME lectures a year and I've seen him at a lot of those, is a member of the Aesthetic Guide Scientific Advisory Board and is faculty for over 30 prestigious medical associations nationwide. Great to have you.

Tim Sawyer:

Hey, I'm grateful to be here. Really looking forward to it. Congratulations on the new podcast and I'm confident it's going to be successful.

David Mandell:

I appreciate it.

Tim Sawyer:

Looking forward to seeing you out in the world again.

David Mandell:

Yeah, hopefully. A bunch of our conversations have been like this through Zoom and, unfortunately, I think it's going to be that way for a little while. As you and I talked about, and as I've mentioned to the listeners, I try to, with the guests, lean on physicians primarily with a mix of entrepreneurs and professional advisors. So we've had an attorney on. We're going to have more of those. We'll have accountants on, we'll have some industry experts and the reason I wanted you to come on is because you work with so many physicians so you know them really well, as well as I do, and you're an entrepreneur. Each time multiple successful companies.

I'm hoping that the listeners can take away some lessons that they can use in their practices and a lot of them have entrepreneurial ideas themselves so that's what we're going to concentrate on.

So why don't we start with your decision to become an entrepreneur. Did you fall into it? Was it something you always wanted to do? Tell me about that.

Tim Sawyer:

It kind of happened naturally. It's a great story actually. So I've worked on essentially three projects in my entire life. I had a job for 13 years working for a federal savings bank. From right out of college, started as a telemarketer out of college and then a loan officer and then an origination manager and then a marketing guy for a bank. That ended. So the president of the bank had four boys, none of which liked me and when the third one came in it was a lot of friction and I treated ... From the day I started working there I treated every dollar that I interacted with as if it was my own and so I had a sense of ownership really early on but I obviously hadn't been exposed to being an entrepreneur.

So long story short, the third son said, "Him or me", and I was asked to leave. But the good thing happened, I negotiated a one year non-compete so I got all the little goodies that I was getting and I had a year in my life to regroup. I was 33 years old. First thing ... I'd been working, like you, been working 50, 60 hours a week my whole life and so we decided to rent an RV, my wife and I and our three small children and we traveled the country for 35 days, did over 9,000 miles and I gave a lot of thought. There was some grief. There was a lot of grief that happened from that job and I realized at that point that I wanted to try to live by my own hand and I made a commitment to myself that to the extent that I could that I was going to make that happen.

Then long story short, I had met my business partner now who's been my business partner for almost 16 years, was in the process of selling his first company, a really nice digital marketing company in the auto space and he and I had become friends and he said, "Hey, I'm going to sell this. Do you want to do something together?" For 15 years it's been three verticals. We've done well. We've done well.

David Mandell:

For sure. And I think a lot of physicians can relate to this. Obviously medicine is changing where a lot of them have to be employees especially in certain practices. There's just fewer and fewer jobs. You do a lot of work in the aesthetic space but in a lot of ... In various different specialties there's consolidation, hospital acquisition. I think most physicians, in their gut, and I say this as my brother who's a cardiologist has his own practice, would like to have their own shop. Certainly, there's things that go along with it that are a pain especially in medicine, all the regulations and insurance, but I think for many doctors I will say there's an entrepreneurial spirit in there that they either can fulfill by having their own practice and certainly a lot in the aesthetic space can do that but even those who don't, I hear it all the time. "I've got this intellectual property I'd like to do something with", or, "I'm getting involved in this real estate thing that I'm excited about."

That spirit's in you obviously and it's in me, because I've been running my own shop since the beginning and I think a lot of folks, even the physicians who are employed have a piece of that. So tell us how you work with doctors. I know it's primarily in the aesthetic space but we've got listeners in all different specialties and I want them to understand what you do and even some of the lessons maybe that non-aesthetic docs could take from it.

Tim Sawyer:

Thank you, David. It's a good question. So the platform is pretty simple. I don't want to turn it into a commercial for Crystal Clear but we provide software, so a CRM solution, practice management, some

EMR and we connect that will all the pre-patient activity, so site, social, email. We're driving all the traffic and then we've got an online consulting piece, like a library of training, a virtual training library. But what's interesting is your point around aesthetics.

Initially when we came into this space we weren't really 100% sure where we want to go so we ended up going to a big plastic surgery convention to figure out ... We knew we wanted to be in elective medicine. We knew that that was going to be a good spot for us so while we got involved with AmSpa and aesthetics, a lot of plastic surgeons initially, our portfolio has really morphed as of late and this is great for your listeners to understand to your point about doctors being entrepreneurial.

So you've got the landscape of traditional medicine and they're getting squeezed. It's harder to get reimbursements, the reimbursements are shrinking and so it creates this environment where they've got to see 50 patients a day to even make the thing work so that creates friction. They hate the patients, the patients hate them and it's not fun.

So I think even looking at A4M, the American Academy of Anti-Aging. Those are mostly primary care doctors that are that point, that breaking point where they say, "There's got to be something more", and so they do have great ideas. A lot of them have great ideas it's just that they're not trained in that and the doctor has the added problem of running ... They own a cabinet shop and they're the ones who make all the cabinets and that's a real challenge.

It gets tough to have strategic time but what I do see, like I said at A4M and we're doing an event tomorrow, is doctors are looking for hormone replacement and medical weight loss and preventative medicines versus just the treat them for disease so that trend alone is really driving our business. I would say 50% of the new practices we sign fall into that genre of they're an established practice or an ER physician, whatever it is, that they do have a good idea and you see great models coming out of that. Like subscription models for hormones and that type of thing.

So we cater to that doctor who's, "Yeah, I've got this piece of my business, it's insurance but I really want to do that", and then we help them build out the marketing around that, the technology they need and work with ... We see that every day more and more. It's fun.

David Mandell:

Just from the personal side, I've been to an anti-aging doctor because I thought it was just interesting. Thankfully, knock on wood, I'm pretty healthy but I'm 52. When I hit 50, I said, "What could I be doing ... What's the best medicine out there? What's the best knowledge on prevention?", because we all know - and I say this with 100 years of physicians in my family and 2,000 doctors I work with-- Western medicine, US medicine is incredible for treating sickness, but in terms of helping people become more healthy so they don't get sick, we could all use some help on this and I think most docs would admit that.

I have a lot of surgeons, they only get called in to do the surgery. They're not helping people stretch or be healthier so they don't get injured in the first place. So any docs who are trying to take advantage of that market force of patients who would like a physician to provide maybe a pathway to health before sickness or treating disease, the numbers are huge in terms of the marketplace.

So in working with different practices, both aesthetic, elective, but also medical, anti-aging, any practice that is looking for marketing assistance, what have you seen physicians be good at just naturally, maybe because the way they're trained or think, and what are they not so good at, generally, in terms of being a CEO or making decisions on marketing?

Tim Sawyer:

I have this discussion a lot. I get this question a lot, right.

So here's the first challenge. Part of that and I'm to blame, is the people in the industry who want to sell training and consulting, there's this constant narrative that "physicians are terrible business people." Let's just keep telling them that and somehow they'll want to buy more stuff from us. That's part of the issue. The other issue is I don't think it's fair to treat them as one monolithic group, meaning they collectively are all this or all that. So are there some trends? Yeah. What are one of the things they do great? Well, they treat people because that's what they got trained in and when I have discussions with my colleagues who will say things like, "Doctors aren't good business people." I'm like, "When was the last time you did brain surgery?" Right?

David Mandell:

Right, yes.

Tim Sawyer:

We didn't go to school for brain surgery. We went to school to be lawyers, we went to school to be whatever it is, entrepreneurs, I went to business school. So there are, to your former point, there are some doctors who are entrepreneurially motivated and those people are great to work with because they do have ideas and they want to do that. Then there are other ... The biggest challenge I think that I see consistently goes back to again, that the doctor feels like the surgeon, whoever it is, that they are the product. Their main focus has to be on being with patients. That's the only way they make money.

So I think the bigger challenge that you have is, and I made some notes in thinking about this, is so what falls by the wayside? There's a difference between delegation and abdication and I think in a lot of medical practices the surgeon who is looked at as the leader, they abdicate that to some other human with essentially the talk track is, "Listen, I only care about seeing patients. You guys handle the rest." So you've got a leadership deficiency, that's consistent.

You've got a lot of time, pretty much across the board is a lack of employee manuals, roles and responsibilities, standards, goals and because, remember, a lot of these practices are ... They're small family run businesses, whether they're a plastic surgeon with 10 employees or a primary care with two. Many times it's a husband and wife, many times it's the father and the daughter, the mother and the son, whatever it is and that can create a set of problems.

In terms of scale, to get scale the first they need to do is say, "Okay, all the energy and effort that I put into building the business, coming up with the waiting room or non-waiting room, whatever it is, how am I going to treat these people, how are we going to do ..." You have to put an equal amount of attention and care to who is our ideal employee, what do want them to do, what are the principles that we're going to run this practice by, what do we stand for? I think those things consistently are deficient and again, I don't say that doctors are all bad at, one doctors all bad at one thing or the other but that's where you see the biggest issue.

The frustration you hear is they want to scale but you'll hear ... My favorite line is, "Well, Tim, you don't understand. If you had my people", and I ask one thing every time. "Who hired these people?"

David Mandell:

Well, of course, the doctor did.

Tim Sawyer:

I don't mean that to be disparaging. It's just a fact.

David Mandell:

Hiring and firing is not easy. I can say this as an entrepreneur myself. They say "hire slow, fire fast" yet when you have a position that you need, you might gravitate to someone ... yet how well can you really know them and are you really going to define what their role is? Sometimes, it's not the employee, it's confusion on what the role is and it's overlapping with someone else and there's tension and it's really a management issue. It's not really an employee issue.

One of the things I wrote down as you were talking. For the docs listening to these, if you haven't gotten the book or maybe it's a video you would listen to, et cetera, called The E-Myth, the entrepreneur myth and I think there's even a version of the book called The E-Myth for Physicians. I can't remember. I haven't read the book for 20 years but it really made a huge impact on me -- and I came out of a top business school. The essence of that book is the importance of working on the business, not just in the business. This is especially so for a professional business and I say this as a lawyer and I was with some good law firms in Manhattan.

Lawyers, accountants, consultants, physicians, your time is the widget of the company but you need to step out as the widget and actually run the company or think enough to hire the right person or the consultants to run the company and that's different than being the widget. Yet most professional think "if I just do enough widgets or I just see enough patients or I just bill enough hours as an attorney, that'll be enough". And it will -- to get you at certain income levels but will not, in terms of building an actual enterprise and allow you to have the business be making money and treating patients well while you're not in the office.

That's a real business, right? That's a real venture versus just being a proprietor and just having your time. I think most physicians want to get there -- but like you said, no training on it and that's a big indictment of medical training I think. I've talked about that with other guests. 20,000 hours of training if you're going to be a neurosurgeon like our friend, Jeff Segal, and less than a day on business. No wonder, right? That's sort of built into this structure.

In terms of your business, obviously you have some successful businesses, you're growing, Inc awards, et cetera. What have you learned in running your own business? Either some things, some mistakes you've made or things that you've said, "Hey, we've really done well on this" or "Not so much on this but on this thing we did really well", that you would give advice to other entrepreneurs like me, like the physicians who do have their own practice, like those who want to run a business?

Tim Sawyer:

So, I've been thinking about that because COVID obviously changed everything for us. To put this in perspective for your listeners, Crystal Clear would attend ... In 2019 attended 70 shows. In those 70 shows we see all the physicians at the shows. That's where we meet you guys and hang out.

David Mandell:

Shows being medical conferences?

Tim Sawyer:

Medical conferences, yeah, and that accounts for 75% of our annual acquisitions -- so that's important to us in terms of new clients. Well, there are no shows. So, fortunately we were in a position-- so one thing that we did really well was that we created a lot of strategic partnerships with other non-competitors in the industry. So skincare companies, laser companies, lawyers ... Every association we

can partner with. So we were able to take that experience on the road and at least replicate it at some level, right?

We had great content and the most important thing we did -- and this is the greatest lesson that I'm preaching for our clients, our doctors right now-- is we got lucky because we got a really good updated database. We had mobile numbers, we had email addresses. 35,000, whatever that number is and so we could convert that to a virtual world pretty quick.

So the applied lesson is, pre-COVID if a doctor's got 100 patient records, 10,000, whatever that number is, what percentage of that database do we have a valid primary email address? What percentage do we have a mobile number?

Because what we saw was, applicable to the doctors was the folks who had updated databases and good contact information were able to reschedule all those patients who were canceled at a very high rate and so we got lucky with that and the move we made, again applicable for your listeners, was we said, "Okay, we spent, call it a million dollars on shows, in 2020." Well, there's no place to spend that money right now so what we did is we went out and found creative ways for doctors to be able to partner with us as clients with deferred payment structures and no set up fees and that kind of thing, passed it through to the customer during this period.

It was a big shift. It was a really big shift. So we had to change the way we structured the business, the way we financed the business, the way that we market the business and knock on wood, we've been able to keep that ... We've been able to maintain pretty well.

Now, the one mistake I would say that we made is not seeing that trend sooner. In other words, show attendance in general is going down. There's so many shows now that that my colleagues and other people in the industry, we were already seeing diminishing returns and so I kick myself because I said, "Wow, if I could've seen two years ago that I could do this online we would've saved a couple million bucks."

So the lesson is we got caught into this routine of "everyone's doing it so we have to do it too" and I think the lesson that's going to come out of this is that no one is ever going back to the show level like before and I'm talking about big pharma, the laser people. They're all trying to figure it out because there's no visibility right now.

David Mandell:

In terms of some of those takeaways, and that was really valuable, I think about my brother's practice, a solo cardiology practice all the way on up. Having good emails and phone numbers for everybody so you can stay in touch. Do something as proactive but as minimal as a newsletter, right? Here are some things. Healthy heart newsletter from Dr. Ken Mandell, right?

You just don't see a lot of physicians doing that in various specialties. ... Now again, some specialties it doesn't make sense. My father was a radiologist and radiologists, they don't have that ongoing relationship. They're just reading a film or a study. They just come in and do that.

It's not applicable to every specialty but I think certainly there are more of them that could probably build some good will if they're looking to get more patients or add another physician. "Hey, here's a new doc in our practice and here's their specialty so when you come in and see that person because your normal doc is on vacation, you've already heard the name." Lots of benefits like that.

The second thing that you said that I liked a lot is building the relationships with other practices or other folks in the same marketplace and again, I think a lot of docs don't think of it that way. I was interacting once with a firm that basically would help specialists market to general practitioners, GPs, family doctors

in the area. Again, I'll use my brother example. He's a cardiologist so he may get referrals. If he could build relationships with two or three orthopedic surgeons who need someone to do a stress test before they go for surgery, that's a stream of great patients and he may become their cardiologist for that time on or GPs -- they also need a cardiologist (to refer to).

Well, they want to make sure the doc is smart, does a good job, gets back to them with the results and certainly you can just build that by being in a hospital and having relationships but I think that the MBA would say, "Why don't we actually have a marketing plan to put my expertise in front of the 30 GPs in my neighborhood because maybe five of them will come out of that and say, Dr. Mandell is my guy now", and as long as you do a good job ---you've got to do a good job with the patients and the follow up -- now you've got a really busy practice.

Those are just simple things that you and I did that every day but a lot of physicians don't and hopefully they can think about that as they're listening.

Tim Sawyer:

The point on that is when things are rolling, you've got economies doing relatively well, your waiting room is full.

David Mandell:

You don't think about it.

Tim Sawyer:

You don't think oh, there could be a pandemic this year, right? So you never put the processes in place and then when it happens, and so that's a lot of the conversations I'm having right now. You said something very prophetic and I've repeated it a million times with full credit. You said, "You want to make decisions now that your post-COVID self will thank you for", and so I keep sharing that.

David Mandell:

That was when I was on Tim's podcast.

Tim Sawyer:

Yeah, so the one other thing- David, this was the biggest, stuck with me. I was telling my dad about it yesterday.

Dr. Stanley Okoro, huge plastic surgeon, was giving a talk about his social media approach and he's really successful at it and he said, "I finally had a discovery." I said, "As it relates to content there are either producers or content or consumers of content and I committed to producing more than I consume", and I think about that every day in my activity online. I'm like, did I create something today of value that I can put out into the universe or did I look at NFL.com all day?

David Mandell:

Right, right.

Yeah. By the way, Tim's got a great podcast, which I've been on already and again, part of the inspiration for doing this and we'll put in our show notes a link, not only to Tim and his bio but to the True to Form podcast.

So we've got a couple minutes left. I want to focus on one or two last questions. Let's just shift a little bit ... to personal finances and in terms of anything you can share – “this is something I did early on that made sense.” I can tell you from speaking to a lot of CEO groups, that one thing that a lot of really smart business people who run great companies is most of their net worth is in their companies-- so they really need to diversify a bit and some do and some don't. I am curious to hear that from you and just any lesson or insight, good or bad, in terms of your own personal finances and your journey in that regard. Go ahead.

Tim Sawyer:

This will be the most uncomfortable question that you will ask me.

David Mandell:

That's okay.

Tim Sawyer:

And the reason for that is-

David Mandell:

You can go anywhere with it so go somewhere comfortable. That's fine.

Tim Sawyer:

I'm 100% guilty of exactly what you just stated. That a large percentage of my net worth is tied up in my business. I'm the second largest shareholder. The one thing that I did that was smart with personal finances early on was, like at 23, as soon as I started working, I set up a 401k and maxed it out. I still have that money to this day so because I started at 23, that was 30 years ago so saving consistently.

David Mandell:

The eighth wonder of the world, compound interest, right?

Tim Sawyer:

Well, what's funny is once I became an entrepreneur I became terrible, emotionally, about managing my money because my thinking was well, so when I was working at the bank I was like, wow, I got a 10%, eight percent, six percent return this year. Now I'm like, well, why would I focus any time on that because I'm going to go get a 10,000% return -- and so it became very emotional for me. I've been working to get back to a place and it's funny because COVID really brought this to light in my brain.

I've had the same Merrill Lynch guy since I was a kid. He calls me all the time. I ignore all his calls. I pretend ... So finally he had a 'come to Jesus' meeting with me and he said, "Hey man, why don't you engage? Let's look at your portfolio and let's make some adjustments", and long story short it was a blessing because we looked at that right around the time the DOW had peeled back to about 19, made some good tech investments that historically I wouldn't even look at because I'd be flying around in planes and it was beautiful.

But I struggle with that as a person and look to people like yourself. I just need to get over my ego about it and be open and honest and I haven't fully developed that part of my brain yet, but I'm going to.



David Mandell:

First of all, it's completely common. Again, I speak to Vistage, Entrepreneur Organization, YPO. The story, (that's why I brought it up before you even mentioned it), but the story of the entrepreneur has most of their net worth in their closely held business. It's almost hard not to -- unless you inherited money, right, because you're putting everything in it to grow it.

What I think is important is whatever savings you can put away or assets you had before is to balance that out and it is hard to do that because, just to your point, hey, seven, six, seven, eight percent are a fine in a diversified portfolio, but it doesn't sound exciting when you said, "If I could take that money and put it in this marketing program for Crystal Clear I'll double my money so why should I get eight when I could get 100?"

Tim Sawyer:

Right.

David Mandell:

Well, there's risk there and again, the risk reward, right, and also the spouse also might feel differently about [doubling down]. I'm not even going to ask those questions.

Tim Sawyer:

This is all nervous laughter, by the way.

David Mandell:

Obviously, a lot of times, we're managing assets for the spouse and the physician and/or the entrepreneur -- because about 20% of our clients aren't physicians. They're closely held business owners typically and the spouse doesn't know the business as well and they're not as comfortable with the level of risk and so that's a really an issue ... An important thing, is to say, "Okay, well if we're going to have 80% of our net worth here, the other 20% really should be stuff we can rely on", and to your point -- one silver lining of COVID is it's given people time to look at that, to go back to their estate planning and say, "Okay, it's fine. I'm going to finally get my wills done or redo them. I haven't done them since my kid and they were 18 years old last month." That's one of the things we've seen people do.

If it makes you feel better, you're not alone in any of those concerns.

Last question and I ask this for all my guests. For a young physician starting out, or anybody out starting in the world and wants success as an entrepreneur, as someone working with a lot of physicians, what advice would you give yourself 30 years back -- in terms of either business or personal finance, something that you think is valuable you picked up along the way?

Tim Sawyer:

Read The Millionaire Next Door. That would be my recommendation. Just in a one minute summary for your listeners.

David Mandell:

Sure, let's hear it.

Tim Sawyer:

What the book does, it unpacks who are the people in this country who actually have wealth and the surgeon, the physician is at odds with that for a very simple reason. If you look at the people who actually have wealth, they lived in the same house, they've got one spouse, sometimes cut coupons, they have a small manufacturing business, they might make 150,000 a year but they've got a million plus in net worth because they lived at a level that their spending didn't exceed their earning and as a former loan officer in a bank for 13 years, in those professional categories, physician, attorney sometimes. Because of the amount of time it takes and the cost that it takes to get the degree, there's a built up sense of I'm ... I hate to use the word. I don't want to offend any listener. There's a sense of entitlement. I'm a surgeon, I'm a physician so I need to have a country club membership, I need to drive a Porsche, I need to ... Those things are all cool and you'll get there -- but read that book and be patient and let your spending habits grow with your income because if you don't guys, and you try to be entrepreneurial, if that debt burden starts to seep into your psyche, you will not be comfortable taking chances and you'll end up with a job -- and so that would be my recommendation.

David Mandell:

It's a great piece of advice. It's really one of the interesting lessons. What I love about that book and I haven't looked at it for 10 years since it came out is it's very analytical, it's all based on data. So physicians will get it because it's all based on studies, right, all these surveys that came back and it's really, as you said, it's a story about living below your means. Whatever that means are. If you make 500,000 like a lot of our doc make and more, that's okay. There's nothing wrong with that. It's just a matter of spending less than that. You can spend more if you make more, but you just don't want to spend more than you make or even close to it, right.

Tim Sawyer:

I have heard other say... "Guys, we go to 70 shows a year and you see a 75 year old plastic surgeon walking around on the floor looking for a new laser and they'll openly discuss with you. Hey, Tim, I wish when I was a kid I had thought ...", and that's a big thing.

David Mandell:

X, Y, Z. Yeah, exactly. I've heard it from other surgeons say listen, "I don't want to be the oldest surgeon in the practice, right?" A lot of physicians will segue their career in a way that they can just see patients, they don't have to do the surgeries anymore and obviously some practices, they'll be able to see patients as long as they want and that's a great goal too. We help clients, whatever their retirement goal is. If they're healthy enough and they want to keep working, keep working because it's productive and it feels good.

Tim, thank you so much. This was great. I'm sure we'll have you on again. And again, thanks for the inspiration on this. For all the listeners, we will put Tim's bio and links to his podcast in the show notes and we hope you subscribe and hope to hear you on another podcast. Thanks for listening.

Tim Sawyer:

Thank you for having me on, David. It was an absolute honor and thank you folks for listening, appreciate it.

David Mandell:

Thank you everybody.

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