Season 2, Episode 2

Personal Branding & Other Business Lessons with Orthopaedic Surgeon Dr. Michael Ast

David Mandell: Hello, I'm David Mandell, host of the podcast. Thanks for joining us. Today, we've got a great guest and I'm really interested in going through this with him. He and I spoke on a workshop for a surgeons recently, and I was really impressed with his talk and wanted him to be a guest. So let me tell you about Dr. Michael Ast, and then we'll bring him on.

Dr. Ast a fellowship trained in adult reconstruction and joint replacement surgery from the Hospital for Special Surgery, HSS in New York. His primary specialty focus is rapid recovery, short stay and outpatient joint replacement surgery.

Before returning to HSS, he previously developed and directed one of the largest and most successful outpatient joint replacement programs in the Northeast, and we'll hear about that. Doctor Ast grew up in Staten Island, New York and attended Temple University where he graduated Magna Cum Laude in biology and Phi Beta Kappa. He completed his medical degree at Temple University School of Medicine and returned to New York for his residency training in orthopedic surgery at North Shore Long Island Jewish Medical Center. Dr. Ast was a Division 1 gymnast at Temple University and captain of the conference champions and top 10 nationally ranked team in 2003. And we're going to talk about that and see how maybe that influenced his choice of specialty. So with that, Dr. Ast, Michael, welcome to the program.

Michael Ast: Thank you so much. Really appreciate the opportunity to be here. Always like talking to you.

David Mandell: Yeah, absolutely. I think this is going to be fun and our listeners will learn something. So we learned in the bio here, you grew up in New York, you're a New Yorker. Don't hear too much of the accent, but I'm sure it'll come up from time to time. What made you become a physician? How'd you gravitate into medicine?

Michael Ast: Yeah, it's funny. I only became a doctor to become an orthopedic surgeon. And as you alluded to, I was a gymnast growing up, so I'd get hurt all the time. And I had my local orthopedic surgeon's number on speed dial and it was one of those things. He had such a cool job. I wanted to see how could I help athletes, how could I help people in the same situation as I was. And so when the time came to do a real job and not just be a gymnast for the rest of my life, I said, "What do you do? That seems pretty cool." And he explained that you got to go to medical school, got to go through training. And so I actually applied to medical school when I was 16, when I was a junior in high school. I got into one of those programs that takes you straight through college and medical school at Temple in Philly, and that's how I ended up a doctor.

David Mandell: So that's interesting. So you did they shorten it at all? When I did my JD and MBA, I did a JD/MBA program. Obviously you could do it in pieces, but I did it at UCLA where they took five years and they made it four years. So you had a little bit shaved off of each of them and you had actually a more increased workload than most folks, but you were condensing the time to save a year, I guess, of tuition and time and all that. It seemed good at the time. Is that the same with the kind of program you did or just a matter of getting in early and knowing your set path?

Michael Ast: No, it was the same for us. So they took the eight years and condensed it to seven. You had to go to school in the summer, every year of undergrad, which was fine anyway because I was there training for gymnastics. So we had practice all summer, so I just stayed there anyway. And I took physics over the summer with some of the other stuff. And then the way it worked is you actually finished just enough of school that you could go to medical school and you graduated college after your first year of medical school. So your first year of medical school counted as your electives for your last year in college.

David Mandell: Interesting, okay. I guess maybe you walked, you had the graduation, maybe the same time as people you went in, you were just already in medical school, maybe something like that. That's interesting.

Michael Ast: Correct.

David Mandell: That's interesting. So you knew orthopedics right from the get go, based on you being an athlete. And that makes sense. I think there's a fair amount of orthopedic surgeons who come from that background And they said, "These people helped me and I want to help others like they did for me." Now when you were in your training, you probably didn't have much time because condensing, it's hard enough to do the program, but to do eight into seven years plus part of that being an athlete. But did you have any exposure to finance or investing or wealth planning or maybe even before from your family or being in New York? What was your exposure to that or interest or not? Were you just focused on what you were doing and didn't really think about the finance or investing or wealth?

Michael Ast: Growing up, we had no exposure to that at all. I didn't come from a family with enough money to do much wealth planning. We had to pay the bills and pay next month's bills, and that's sort of the life I lived growing up, which was wonderful. And I was very lucky I have great parents who worked really hard to get me and my four other brothers and sisters through everything. In college, I always liked business. I wanted to know more. My brother's in business and he's a real bright guy who's been in marketing. My best friend is in marketing and sales. And so listening to them, listening to what they were learning. So I took a couple of business classes in college, just intro to business and basics of finance and statistics, and that was kind of it.

In medical school, there really wasn't a lot of education on any of this stuff, aside from the occasional lunchtime lecture on disability insurance. That was really the only thing that we heard. And through residency, was no different. It was the occasional lunchtime lecture and I got my disability insurance like you're supposed to do and I was really into it. I had a couple of mentors who I had some offhand conversations, not formalized conversations. A few of them actually went on to get MBAs and things like that. But I think more than anything, what that non-education did for me was show me how important that education is. And that's why I spend so much time now, like you do, really focusing on this topic, really understanding how to improve the education for physicians in training, for physicians in practice, because I really think it's lacking in our formal education.

David Mandell: I agree, and your story is not unique. And I say this all the time, I was just at a talk, I gave a talk a couple of weekends ago and I said we're not looking to make it a 10%, even five, but 1% of total time that physicians and surgeons and specialists put in, if they could dedicate 1% of that to the things we're going to talk about with you like branding or personal financial planning, or even some tax background, just the basics that when you come out and you start making money and making decisions in terms of a practice that you have some background on it. And that's obviously the impetus for the books we do and this podcast itself.

So tell me about your first job. You came out, well-trained, you're coming out of your training. How did you choose your first job? Was it completely because of clinical aspects? Was it the right location? How much did you start to think about finances and try to get under the hood and understand about what you were getting into at that point?

Michael Ast: Yeah, I had a great first job. There's a lot of people who changed jobs because they're unhappy with their job. Mine was not that situation. I loved my first job. I had great partners, a real great practice. For me, the initial look was for location. We wanted a location close to my wife's family, close to my family, close enough but not too close. We didn't anyone to stop by uninvited, but we found a great location that we really liked. And I got to know some of the local practices. And the real things I looked for in that first job was there a need, and I talk about this all the time, like making sure they actually need you for something. And we had that right, there was a retiring surgeon in the same specialty as me, who I heard was retiring from that surgeon.

And that's something my friends have gotten in trouble with that the group says someone's retiring but that person doesn't actually know it, or they never retire. Versus here, this surgeon, his name was Ed Ford, great guy, brought me in and said, "No, I'm going to retire at the end of next year. I want somebody to take over my practice," which I thought was really great. I knew some of the partners from previous experiences, one was a resident when I was a medical student. One was a fellow when I was a resident. So I'd had some interactions with them and they all seem very happy both clinically and financially. They said they were doing well as a partner, the group was very solvent. They

were having a good job. And then for me, I'm looking down the road as to what the future's going to look like, and this group had an ambulatory surgery center.

And I very interested in the potential for that moving forward. I thought that that would provide real value in the short and term. And so I had all of that. And the last thing that I really liked about this group, which was somewhat interesting was they had a specialist in market outreach early on. So they had someone who was going to help me establish relationships with local primary care providers, with local physical therapists, with local hospitals. And that was actually unique. I hadn't seen many other practices in my looking, in my searching and in my interviewing, starting as a chief resident and into a fellow. That was the only one I had seen that had that. And I really thought that that seemed like a good idea because I knew I didn't know anyone in that area. I was going to an area that was brand new. Didn't have family, didn't have connections in that area and I thought that'd be really helpful.

David Mandell: This not surprisingly sounds very unique, meaning it seems, business 101 that you would have marketing. And what's the best marketing for specialists? Well going to people who are going to make referrals, right? But in a lot of practices, and again, our practice has worked with 1500 docs, I haven't heard that before. So is that something that have you seen in the industry that's been taken up? You're talking about some years ago when you saw that in the practice you joined. Since then, have you seen that a lot of your colleagues, yeah we have somebody who does that, or not? Because I still think that's pretty unique.

Michael Ast: It went from completely unheard of to a little more common.

David Mandell: Okay.

Michael Ast: I had never heard of it before. I've heard now a couple of people who have said that their practices also have invested in this. And I think that's the problem because those types of things are investments, right? You have to take money out of your pocket to pay this person to do that. And like you said, in a business, no one would blink at that. Of course you're going to spend money on having somebody go out there and build your brand, build your practice. But for a long time, traditional private practices

never worked like that. They just figured their best advertising was the happy patient and the happy patient was going to send 10 other patients. And for the most part, that's true. But early on, I think she was invaluable. And I do credit really the CEO of my first practice and the board at the time, the surgeons running it, for just being forward-thinking enough to do that. And I think it was really successful.

David Mandell: I did come across at one point a firm that did this, an outside firm. They'd say we will come in and we profile the referring physicians in the area, et cetera, and you can hire us to do this on an outsource basis. So I know that that has now existed. I'm not sure how many docs take advantage of it, but I do think especially those, like you said, starting out and looking for referral sources that can make a lot of sense.

Michael Ast: What's really nice about some of those opportunities, and this is something we talked about on our webinar together, is that if you're thinking of utilizing some of those, what they do very well that practices don't always have access to is understanding the local market. They can really take a look at where referrals are coming from, how much outside of your immediate market is really coming in, where there are pockets of untapped markets, where there just isn't anybody who shows a real dominance in an area. And so if you're trying to understand where you can go next and let's say strategically, you're growing your practice, where you should invest time or money, I think some of those market firms are really, really good because I really think that's something we don't know very much about at all as physicians. And even practices that have been established for a while, don't tend to be super good at that. Hospitals are pretty good at it, but practices don't tend to have either an access to the information or really know where to look for it.

David Mandell: Yeah, that's right. And I think the physicians themselves, it's like hanging around with their colleagues, "Where's the business going?" just talking, right? It's anecdotal, it's helpful. But if you're going to invest money, it's better to get the good data and treat it like a business. And just like any other CEO would do it, I agree with that. So sounds like a great practice. You're happy there. Obviously HSS has a worldwide reputation. What made you make the change? And was there any business elements to it other than the clinical reputation of what goes on at HSS?

Michael Ast: Yeah. I think obviously you can't overstate the clinical possibilities of coming to a place like HSS, one of these truly world renowned centers. And even being asked to come is so flattering. You're like all right, that's enough, you're going to make that decision. And I remember having conversations with some of my partners who obviously weren't very happy that I was leaving, because we had a great thing going and I really like them. All of them understood the decision, that was it. But I think the other thing that was so interesting for me about that was this was an opportunity for, how I look at it as brand expansion. So when you think about building your brand as a joint replacement surgeon, as a hand surgeon, as a spine surgeon, oftentimes you fall into one niche or another, and that really becomes what your brand is.

Your brand isn't so much an orthopedic surgeon or a whatever, it's something. And mine had become this outpatient joint replacement surgery, this ambulatory surgery center for hip and knee replacements. And while we were able to do that in our center very successfully, and we were very lucky and good timing, good everything, kind of making it work out, obviously the opportunity to do that on a scale available at HSS was just an opportunity you couldn't pass up. To be able to take what we did in a very local market and apply it to HSS's national and international influence just seemed like one of these cool opportunities that there was no way you could turn down.

David Mandell: Yeah, that makes sense. Like you said, in the beginning, sometimes when certain opportunities knock, you have to take it just because it's top of the field and those opportunities and slots don't open up that often.

Michael Ast: When the Yankees call, you answer.

David Mandell: Well, I would say the Red Sox, but we can differ on that. The Yankees did beat us pretty badly last night.

I was really impressed with your talk on building a brand. As somebody who really handles a lot of marketing and branding for OJM, someone who has an MBA, someone who has a lot of friends who are in that world, I think you were really applying the concepts perfectly to young surgeons, and I think the docs in

general. So talk about a couple of the ideas that you went through in that lecture.

Michael Ast: When you're thinking about brand building, and again, this is something we get almost no education on formally. So it's kind of either learn it by trial and fire or you find some good mentors along the way who helped you figure it out. But you really want to understand your market is the most important thing in the beginning, who are the big players, where is it happening and what are the like local market influences that exist? And I think this takes some research or it takes some access to resources, but it's really important because if you can recognize what are the market forces around you, you can start to navigate your way through developing what your brand is going to become. Secondarily, you want to work on that brand. So if it involves a technology, a technique, a specialty within a specialty, a subspecialty of shoulder surgery or whatever that happens to be, then you want to hone that craft and make sure you're really good at it.

And then lastly, and this is the thing that throws all the business stuff a little bit awry is you got to be a good doctor. None of this works if you start taking short cuts that put the brand above the quality of clinical care. So your number one job is to take good care of patients and do the right thing. And I think when you do that and apply some of the other business principles, it really works. And when it comes to doing the right thing, when you're starting your practice, or even if you've been established in practice, but certainly early on, it has to do with recognizing where you live in the ecosystem, right? You don't start off as the alpha way up top, right? Your job in the beginning is to try to make some friends, help some local people solve some problems, such that it builds a good reputation for you moving forward.

And whether that means you take a lot of trauma call, even though you're not a trauma surgeon, whether it means you handle the infections from your local group or from even the surrounding doctors around there, and you take all that in. And this does go back to something we're taught a lot in residency, is always say “yes”, right? Someone needs help, the answer is yes. Do you need a referral? The answer is yes. Can you take my patient? Absolutely. What are the details? You say yes first then you figure out what the problem is and how you're going to

handle it. And I think that builds your reputation locally as a team player, as somebody that people can trust. And then the other thing that it's nice to do early in the beginning is a little bit of outreach on your own, and whether it's with help or not.

But the outreach doesn't have to be to people who are going to refer you something. It could be to people who aren't going to like you, right? Make some outreach to the competitors, to the people who might be intimidated or unhappy that you're there, right? Maybe there's a group across the street that has a joint replacement surgeon that doesn't want a new joint replacement surgeon joining their competitive group. Make some outreach, say hi, prove you're a good person, an honest person, someone who's simply there, like they are, to take good care of patients and do the right thing. And maybe offer an olive branch out there, say, "Hey look, if you're out of town, I understand you don't have a junior partner, you might have an infection come in. I'm going to very non-judgmentally happily take that on, send it right back to you when we're done." Make sure they understand that you and I communicated it, that the patient got the care they needed and that Dr. X, that's still their doctor, that's still the person who's taking care of them.

And I think doing that is unfortunately kind of unusual in our field. I think we all get in this mindset that we're afraid to do that either because we're afraid of upsetting somebody or we don't know how to do it. But just honestly talking to people really, really helps. And you'll find that when they see you as a potential colleague instead of a potential threat, they treat the interactions very, very differently. And that really helps you with your local brand and your local reputation.

David Mandell: There's so much there. Michael, you went through the 20-minute talk here with some really good ideas. The way I see it is there's two levels of it, and this is my novice interpretation. But there's the being a good doctor part, and that's probably something that everybody gets. But how that applies, all the different elements to it, doing the right thing. I remember one surgeon told me, I get the most referrals from the patients I tell they don't need surgery. Right? This was years ago and it didn't really click for me. And now obviously, older with more health problems, it does make more sense, right? Saying “yes” -- that's the first time I've heard

that, that you learn that in residency, that's great, to say yes and be the good team player in the beginning.

And I think the other things that you mentioned about too is, especially for surgeons, is a lot of your reputation is built on the tough cases or when things go wrong, how are you going to act, how are you going to treat the people in the OR and those around you? And that's all about, I think, being a good doctor, being a good person. And I think if people do that, my impression would be they're probably in pretty good shape, right? If they can follow all your advice, and we're not going through all the slides, but how that really dives down.

And then there's the other part, which I think is more rare, which is where you started, which is to me more of the MBA type thinking, the sales and marketing, which is one, first know your market. Right? And understand where business is coming from and all that. And doing some outreach or doing some, like we talked about a minute ago, there's someone in your firm, in the practice, or you're going to figure out where the referral source is coming and go introduce yourself and people don't like to hear sales. But just be out there and putting your face and your knowledge and what you can do out in the marketplace.

Michael Ast: We love to call them chicken dinners.

David Mandell: That's right.

Michael Ast: Take a couple referring providers out to dinner. And the thing that we never recognized in orthopedics is that our referring providers are sending us all these problems for broken wrists and for hip arthritis and they get very little education on it. We get no education orthopedics in medical school, maybe you have three lectures in pathology. And in like the rest of your training, you don't really have a lot of access. Orthopedics as a specialty you consult when there's a problem. And as long as they make the problem go away, you're very happy. And so they actually really like to hear very basic stuff on how do we treat arthritis without surgery? How to retreat it with surgery? What's new in shoulder replacement? What's new in spine surgery? What is robotics? They find these topics equally as interesting as our patients do.

And so whether you're doing community outreach at the patient level, at the referring provider level, whatever it is, these things work. They really work to help you build your brand. And if you don't have somebody within your practice who does it, the interesting partnership that people forget about is our vendor partners. We work with industry with all these companies that make money when we do surgery. They do that market outreach too. They do that market research. And when I got into practice, several of my vendor partners really helped set up a lot of these programs, these senior centers dinners and lunches. And in the beginning, you have a lot of time because you're not that busy. It's not like you got people knocking down your door for surgery. And so you spend some time and you do that outreach and it's very effective.

David Mandell: Yeah, absolutely. I think that if the folks who are listening, whatever specialty they're in, they're getting referrals, et cetera, the first part, the fundamental part of being a good doctor and helping your patients, that's going to spread. And that's organic, what I would say is what you're talking about now, doing the outreach and understanding the market analysis, that's taking it to the next level, right? It's not either or. If you could do both, then you're going to get busy.

Michael Ast: And the clinical one is not negotiable, right?

David Mandell: Right, right. That's the baseline, everybody's got to do that.

Michael Ast: Exactly. You can do or not the second part, and that's fine. And if you don't want to be too busy or you don't have the right market for it, it's fine. The clinical part's absolutely imperative. And you brought up something that I talked about that I didn't mention just now, which is how you act in the office and in the operating room. Right? One of the biggest referral sources you'll get, if you are successful, is the staff in your office's family, friends, the staff in the OR's family and friends. Remember you might work in an office of five or 10 other doctors and you might get a referral from the ankle surgeon because the patient has knee pain. Right? At our old practice, we had 180 employees that have lived in that community for generations.

They've got kids, people they went to high school with, they've got parents, they've got children, they've got grandparents,

they've got aunts, uncles, cousins, and they all live in that community. And so if the people in your office respect you as a person, and you're not bad to them in the way that you treat other people and the same thing in the hospital, the nurses, the OR staff, the techs, the people who clean the rooms, everybody, they all live in that community. They all work in that community. They are enormous referral sources. So if you get into an operating room situation where things are going poorly and you start yelling and cursing and throwing things, that doesn't help your reputation. Number one, it's not a good way to handle stress, but that's a separate issue, we're not talking about that right now. But it also isn't going to help build you as the person that they would want their family to be treated by. And so I think you bring it up and it's such an important thing, that again, you totally forget.

David Mandell: It made a huge impression on me because I think it's so true. And it makes even more sense as you're saying it, these people live there. And of course, when their neighbor says, "Hey, don't you work in that orthopedic practice? Who should I go to?"

Michael Ast: You want to be that answer.

David Mandell: Right. And frankly, they may know a little bit about outcomes and things like that, but they're probably going to know who's a good person and who I trust, ultimately.

Michael Ast: We say it all the time, the operating room staff has a huge amount of access to surgeons, but very little access to outcomes. The surgery is only as good as it is during that hour and a half in the OR. And so if you are calm and collected and nice to everyone around, they assume you're a good surgeon, even if maybe you're not right. And so it's one of those things that that reputation almost becomes more important than your outcomes when influencing that particular market.

David Mandell: That group right there. Yeah, absolutely. This is great material. This is what I really want people to hear, because I was so impressed with your talk, because again, I've been to so many medical conferences myself, and I haven't heard this before. So this is good stuff that people should be hearing. And maybe it's the first time. So you're obviously out there speaking on this, it's something that you have an interest in and that you're good at.

Are there any other entrepreneurial or nonclinical areas of interest for you?

Michael Ast: For me, my main area of interest is educating on this stuff. It is educating on the business and the finance side of medicine only because it's like the same thing when looking for a job, recognizing a need. I just really think that the world of medicine would be better if physicians were better at business, because I think we get taken advantage of sometimes, or we end up in situations that aren't the best for us, which is not the best for our patients. Outside of that, I do some work with industry, some work with some startups on some unique opportunities. And then my initial impetus to come back to HSS, the ambulatory surgery center stuff and the expansion of the HSS national network and brand, is a main focus of a lot of my nonclinical time.

I'm the physician lead for HSS's national expansion and things like that. And so every time we're looking at new opportunities, I get to give input on that. And that's where I get to put my business out on a little bit, which is fun. Let's be honest, the thing I spend the most time doing as this stuff, is business education, just because I feel so passionately that we can do a better job as physicians doing it. I don't know if it was mentioned, but some of my friends and I started a whole course on this for joint replacement fellows. We paY to fly everyone out, all the joint replacement fellows in America, once a year. Bring them out, spend two days just talking about this stuff. It's free, it's non-industry biased. It's funded through incredibly generous grants from industry and from some other partners.

But we really just spend some time talking about this stuff and trying to help joint replacement surgeons. And there's similar opportunities in other subspecialties, have a conversation about this, whether it's about understanding and employment contract, whether it's about negotiating, whether it's about building your brand, whether it's about handling the boards in the beginning, whatever these challenges are, for surgeons coming into practice, we're trying to build a curriculum that will help do that. And we do that like that. And we also, at HSS, we're lucky enough, we do a similar thing that does also include wealth management, tax strategies, things like that. And that's just because again, we have access to so many really wonderful people in our institution.

David Mandell: That's great. And I'm sure you and I will cross paths. And in fact, I want to talk to you about a couple ideas that way. So last question I ask every physician that comes on is if you had a time machine, you could talk to yourself 15 years ago, or just what do you tell the fellows in some of these courses, if you could distill one thing, just one thing, what would you say?

Michael Ast: I would distill it down to a single word: learn. Learn, because we only learn this stuff when we actively seek it. I was super lucky. Make no mistake, I made all the same mistakes as everyone else. I just got so lucky in that I met a mentor surgeon who was really good at this stuff and a mentor CEO at my first practice. And between the two of them, just out of the goodness of their hearts, they taught me all of this stuff. So much of this simply comes from sitting and listening to the two of them really discuss it. And there were a couple other partners within my practice, also very, very keen and astute business people who were willing to explain to me what an EBITDA was and what some of these made up words actually meant. And so if I could go back and tell myself anything, it was listen better, learn more.

And so for other surgeons, that's what I say. I say just take the time, don't be afraid to ask, what was that word? What is a pro forma? What does that mean? Because we become so reliant on ourselves seeming like experts all the time, that we become very intimidated to ask when we don't understand stuff. And that's the worst thing for physicians. We have to be willing to admit what we don't know and try to learn it. So that is my number one advice to anyone starting out or at a transition point in their career, or just at a point in their career where they realize they don't know enough, learn. Find places to learn, find mentors to learn from, but just learn.

David Mandell: It's a great distillation there. Know thyself is another one, right? It's sort of related to it. And being able to say, "I don't know." I can't remember where I read it. It's probably some great quote, Warren Buffett or somebody like this but I can't remember that. So I don't know. But it basically was, if you want to find the smartest people, listen to the people who say, "I don't know." Because nobody knows everything. And so to be able to say, "I don't know the answer to this, but I can find it," means that person A, has the confidence to say that. And so that when they do know something and they tell you they know it, you can have

a lot of faith that they do rather than just trying to make something up that seems like it might fit.

And people learn these lessons one way or the other – by their own mistakes or by learning from others' mistakes. That's one definition of wisdom.

Michael Ast: Or a little bit of both.

David Mandell: Yes. Nobody's going to be perfect. I'm not hitting a thousand on that one. But the idea of learning and just constantly educating, especially in areas that you weren't trained in. So with that, we'll wrap up. Michael, it was great and I really appreciated it and I think there's a lot here for the listeners to implement and take home with them. So thank you for being on, I really appreciate it.

Michael Ast: I absolutely appreciate the opportunity. Thank you so much for having me.

David Mandell: And to listeners, thanks again for being on and look in another couple of weeks for our next episode. Thank you.