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## MAXIMIZING PRACTICE REVENUE: TRANSFORMING IDLE OFFICE SPACE INTO PROFIT WITH CLOUDMEDSPAS' CO-FOUNDER, SHANNON SEEBERAN

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### **David Mandell:**

Hello, this is David Mandell, host of the podcast. Thanks for joining us. We've got an interesting episode today; a knowledgeable guest who's got an interesting business we're going to hear about that I think all physicians, those in aesthetic medicine and really any other private practice doc, should have their ear to this or their eye to it, for those of you on video. On YouTube here, I have to keep reminding myself we do that after four seasons. Let me tell you about Shannon Seeberan and then bring her on.

So, Shannon's career has taken her from the publishing and advertising areas to become an aesthetic medical practice growth expert. She's currently with CloudMedSpas as a co-founder of that business.

CloudMedSpas has a very interesting business model that when I heard about, I wanted to bring her on the program. Obviously we'll get into this shortly, but for all of you physicians, as I just mentioned, even if you're not in aesthetic space there's something here for you. So, just stay tuned. With that, Shannon, welcome to the program.

### **Shannon Seeberan:**

Thank you. I'm happy to be here.

### **David Mandell:**

Let's start with a little discussion about you and your career because you've been in various areas of business. And I think there's some things people can learn even before we get into CloudMedSpas. So, tell us about your first phase of your career briefly, what did you do before getting involved in the business of medicine?



**Shannon Seeberan:**

Well, I was in New York City for quite a few years working in media sales and client relationships and all of that was really endemic to what I love to do. And so that aspect of marketing and client management and always seeking new solutions for my client's businesses to thrive, was something I enjoyed and was really good at. I did pivot my career before going into the business of medicine basically, and it was sort of near and dear to my heart. I grew up with a father who was a general practitioner. His private practice was attached to our house. My mom was managing his clinic, and so the discussions of the business of medicine have been at my dinner table since I was little. So really understanding the challenges behind just the day-to-day care of taking care of your patients.

So obviously four years ago I joined CloudMedSpas and met Iggy Fanlo, the founder of CloudMedSpas. And we've seen a ton of growth and we are supporting obviously both physicians and practitioners of medical aesthetics in this space. But most importantly our solution helps practice owners, healthcare owners monetize their medical space.

**David Mandell:**

Yeah, we're going to get into that. That's the thing that I thought was really unique and I hadn't heard of it. And I think a lot of the docs listening to this and watching this have not heard of that. So, as you moved from publishing and advertising into business of medicine, and you started in the aesthetic space helping aesthetic practices grow, what were some of the takeaways for them? What were some of the key lessons you were having your clients learn? Because certainly we have plenty of folks who are in aesthetic space listening and watching, but also I think there's lessons here even for those in other specialties. So, give us a couple of the things you would help those kinds of clients with.



**Shannon Seeberan:**

Yeah, and I think a lot of things I was obviously consulting in aren't really focused on one specific specialty of medicine. They branch across all practices. But the biggest takeaway was really a lot of my clients, a lot of the physician owned practices, the business of running a business, of managing people, of the flow and efficiency of a business was not something that physicians at their core had a foundation for. Of course, that's not something they're learning in medical school. So being able to come in as an outside consultant that didn't have a bias to a specific device or drug, was a huge help to a lot of these privately owned practices who really struggled with just the day-to-day management of their business. A lot of physicians are running their practice in the mindset of that day.

They're not planning for the future. Managing a lot of their staff and incentivizing staff and making sure staff are just as invested in their business growth as they are is just not top of mind. And so being able to manage the business growth and give them a big picture to project possible goals that they can set was highly rewarding and we saw results right away. It didn't take much of an effort to do that, especially when we were integrating the potential cash business of medical aesthetics into the practices I was working with.

**David Mandell:**

You mentioned incentivizing staff, was that typically something that you worked on from a financial point of view, meaning putting some kind of compensation in place that had an incentivizing element to it? Or was it other elements like encouragement team, more HR, what you might call soft elements? What do you think or some combination of those talk about that?

**Shannon Seeberan:**

Yeah, that's a great question. It was a hybrid of both. It was learning really who the staff was and who was truly invested in their career at this location too, versus coming to this role as a JOP and that's it. And the ones who are invested in growing



their career and wanted more, those are the ones were motivated by incentives. And understanding that if Dr so-and-so's practice sees, and if a growth in overall revenue in just even bill redemption, things like that, there's an opportunity for everyone to win at the end. And there's more opportunity for the practice owner to reward their staff when you see an uptick in growth. So just to get everyone on the same page as growth can benefit everybody. And So, getting the staff invested in more of the client relationship, how we can get the clients, the patients who are more invested in opportunities outside of their medical appointments. What they would potentially pursue outside of medical appointments, possibly branching into aesthetics was a huge opportunity.

**David Mandell:**

So did you often... I'm just thinking on the incentives because I think it's interesting, did you try to or did you find that that was effective when you would tie an incentive to the overall expansion of the practice versus let's say one person's particular responsibilities? It's like if you did more X in your job you would get Y, but also tying the practice itself as sort of a team. If the team reached Z, you would get something as well, which of those or both you think is effective?

**Shannon Seeberan:**

It's both. In medical aesthetics it was very easy to tie sales to the person who was closing. What would happen behind closed doors in the exam room is the physician would typically make a recommendation for you should potentially have this procedure done to get rid of brown spots, fine lines. You should potentially buy this serum that can help optimize the procedure. But the close is really happening at the front desk in the exit when the patient was leaving and scheduling their next appointment. If those employees could get invested and actually making sure the patient walked out of the office with the products or with scheduling the next appointment, that's where we saw an uptick. And those were the employees that were really driving obviously that additional revenue for the practice.



**David Mandell:**

So, it was targeting the incentives of the people who could make a difference to reach those?

**Shannon Seeberan:**

Correct.

**David Mandell:**

Yeah, I get it and it makes sense to me. So, I want to shift though to another thing that you're doing. I didn't read it in the bio but I saw it as we talked of about your experience, you do still do some outside of your main position, which we'll talk about, some pro bono consulting with small businesses. Tell us about that, your role in doing that, why you do it, and what kind of businesses do you work with and what are you focusing them on? What are the key things that you're kind of drilling into them to improve?

**Shannon Seeberan:**

Yeah, I do some volunteer work through an organization that receives funding from large banks, JP Morgans, things like that to support female owned small businesses. And what I find a passion of mine is female entrepreneurship and wanting to support these small businesses as well. A lot of people in business ownership aren't equipped necessarily with all the tools to run their business, whether it's pricing margins, marketing, allocating the necessary time each month for business growth and pulling in their entire team to be a part of the process. So that's been highly rewarding, but at the end of the day it really does tie into a lot of what we're doing with CloudMedSpas. The majority of practitioners in our network tend to be independent female, mostly female medical aesthetic practitioners who are seeking their own business opportunity, they're growing their own business, they're starting out on their own.



Our platform enables them to do that. So, it's highly rewarding to sort of give that empowerment when people don't think they necessarily have the gumption to do it. Entrepreneurship I think 20 years ago meant something completely different. It meant taking out a large loan from a bank and taking on a lot of risk. These days with the resources we have access to, it is not that risky. You just want to make sure you get access to resources and the potential partner will help you get off the ground. A lot of the practitioners I mentioned that we work with are in the field of medicine, their RNs and NPs and PAs. And so, giving them the confidence and convincing them they're capable of being their own boss when they typically are in a service care oriented field in the first place. They're used to taking direction, to knowing in advance what they're supposed to do, to give them the empowerment that they can be their own boss and they have the skillset necessary to be successful has been really, really rewarding.

And we have empowered a lot of different practitioners in this space who, as you can imagine coming out of the pandemic, a lot of nurses who were working 67 hour work weeks and sort of feeling like they need to achieve a better work-life balance. A lot of practitioners in the medical aesthetic space are seeking opportunities to sort of have that balance between the thing they love nursing and being able to generate some, obviously a side hustle opportunity that can be quite lucrative for them.

**David Mandell:**

So, it sounds like, and again, your passion for helping women's small businesses is being played out at CloudMedSpas not only in your consulting, correct.?

**Shannon Seeberan:**

Mm-hmm.

**David Mandell:**

Not only the pro bono work. Is that right?



**Shannon Seeberan:**

Not only the pro bono work, right.

**David Mandell:**

If I'm following you, we're kind of converting the discussion which I want to now into CloudMedSpas. So, let's talk about that. Tell us about that business, where it was because you and I had spoken about this before, the pivot that you guys made and now where it is in terms of how docs of all types potentially may see opportunity with you.

**Shannon Seeberan:**

Sure. So, we started out as a brick and mortar company called Vansanity. The best comparison I like to share is to think about our first location which is in Boston, like a WeWork location. But we were targeting a space specifically for medical aesthetic practitioners, meaning typically RNs and NPs and PAs who inject neurotoxins fillers and also do other non-invasive medical aesthetic procedures via devices, whether it's microneedling, body sculpting, hair removal, laser resurfacing, things like that. So, the non-invasive aspect of medical aesthetics. And so, we created a beautiful space in Boston, 13 exam rooms equipped with devices. The rooms were all fully outfitted for practitioners to come in, rent the room by the hour, treat their own patients, manage their own business and leave. And they were only paying us for the time they were there. In addition to that, they were also getting access to the prescription injectables that they needed in order to administer the neurotoxins or fillers for their patients.

And also, they got access to devices to do procedures as well. So, we were equipping them with all the expensive resources to run their own med spa without the cost of undertaking all of those investments. So, we said, "Come here, use all of the tools we have, treat your own patients, manage your own patient list, manage your own EMR, EHR, manage your own transaction, set your own pricing, just rent from us by the hour and access the resources you need when you need them. So, it really empowered this movement of medical aesthetic practitioners who were seeking working



independently. They saw from a very early stage and so did we, that medical aesthetics was not unlike the haircare industry. The owner of the patient relationship was really the provider of the relationships or the hairstylist, the beautician, the medical aesthetic provider. As you and I both know, when someone loves their hairstylist and that hairstylist moves an hour away, you will follow them.

That is not dissimilar in the medical aesthetic space. So, when practitioners were getting employed, whether it is at a med spa or a plastic surgeon or a derm, and they would leave, the bulk of the patients would follow them as assumed. And so, from the medical practitioners, from the practice owner or med spa owner, you were in this constant cycle of acquiring patients to keep your employees busy, but you had no control as to whether they stayed or left. And when they would leave, you would take a large hit in your revenue because they took patient revenue with them. And so, the model we came up with, obviously initially Vansanity was fulfilling that need of practitioners wanting to work independently, but not having the resources financially to open their own med spa and have their own space. So, what's exciting about CloudMedSpas is we took that model, we took that platform and now we're empowering everyone in the space.

So, both the owner and the practitioner. And now whether you're a physician or a med spa owner or a healthcare provider or a gym or you have a health space, now you can leverage your additional space from the rental model that we provide. And provide access to medical practitioners, aesthetic practitioners who are looking for space to practice and treat their own clients. So now through the CloudMedSpas software, you have a built-in system and I like to compare it to OpenTable. So, think about restaurants that are powered by OpenTable. OpenTable empowers them to have the most efficient seating during lunch and dinner hours. OpenTable also has resources like buying for obviously the produce, the food they need. So OpenTable is this software platform that's empowering restaurants to be more efficient spaces. That is very similar to how CloudMedSpas works. We are helping Dr. so-and-so of the OB GYN practice who has four exam rooms, two of which are underutilized, rent





underutilized space out to medical aesthetic practitioners on days that they choose to give access to those rooms.

Through the platform, these practitioners renting the space also have access to the prescription product they need to treat their patients. As the owner of the practice or location, you are not accepting any additional liability from having the practitioners in your space. You are basically a landlord for this opportunity, but you're generating a very healthy revenue stream, rental revenue stream for your practice. So, we see our goal as alleviating a lot of the overhead stress of practice owners who are struggling with all the multiple overhead costs, whether it's salaries, leases, bad insurance margins, whatever it is, the cost of running your business. Now we're providing an additional revenue stream option, are you maximizing your real estate? Is your spaces full and is used and maximized at the potential it can be? And we have an opportunity via the growth of the medical aesthetic space and the practitioners who are seeking space to work independently, we have an opportunity for you to tap into that potential revenue.

David Mandell:

So based on what you said, and you and I have talked before, but this is I think the part that is a really of interest, and I liked your analogy of OpenTable, which is something I use pretty often myself. So, I know a doc who is a solo practitioner, not in aesthetics whatsoever. And they have a space and busy practice, but they've realized early on, years ago, probably over 10 years ago that they had capacity with their rooms. I don't know if they approached this dermatologist or the dermatologist approached them or somehow the hospital, I can't remember how they connected. But essentially the dermatologist who has their main office 40 miles away, but where this solo doc is in a wealthy area and they were building up a patient base and said, "Listen, I could use the space one day or two days a month."

Now I think it's increased since then to maybe three or four days. But for the doc, let's just call them a gastroenterologist, not gastro but just to say, why not? They had the space open. They have a professional office in a nice building. So, for them, "Hey,



we're not using the space anyway." And they can bring this dermatologist who can see their patients there. And it's kind of a win-win, the dermatologist doesn't have to go out and rent a space for only three or four days a month they need. And for the gastro, it's basically essentially free money in some ways. They're just sort of renting their place to the doc and the patients who are coming in are not that different in the patient base of what they have. So, it's not awkward or in any sense not a fit. And now I think they're 10 years into it.

So, it's obviously been a win-win all the way around and good for the patients because now they have a place to go ago when that doc is going to see them. So that says to me kind of you're taking it, this concept that I just sort of described with technology and making it to the modern day. This only started 10 years ago, but it's just between two people. Is that an accurate kind of description or analogy or example of how this would work? And can you give us another example or two just of docs and how it's working for them?

**Shannon Seeberan:**

Yeah. No, that's a great analogy. Shared space is not a new concept. We did not invent it. Obviously, it has not been highly pursued in the medical space yet. It is starting, we are starting to see it germinate in areas because physicians and medical practices are realizing space is their biggest overhead. WeWork has been around forever. People want shared space to minimize their overhead. Airbnb proves this works as well. Put that apartment over your garage on Airbnb and start making some money for yourself. So, the ability to leverage real estate is something that is not a nuance, but the way to do it efficiently without it taxing your staff and making it a headache to manage is what we have streamlined. So, what's so great about our software and about using a CloudMedSpas space as opposed to a Sola salon suite or some other space.

And the reason the demand works so well for the physicians and practices that are undertaking our spaces, that we are also leveraging an industry that is growing exponentially year after year, which is medical aesthetics. So that's why we do have



this diverse array of clients coming to us saying, "I want to tap into this and use this." So, we have a dentist in North Carolina who recently wanted to increase their overall footprint. So, they increased their space twofold, and they want to leverage 50% of their real estate towards CloudMedSpas because they see the potential of optimizing their overhead costs, their lease, their rent costs with being able to rent out half their space to independent practitioners in medical aesthetics.

So, we have a multitude of examples who are using our software, and that's what's so exciting. It works for each client specifically for their needs. So, we do have a GI physician ironically in Texas who was allocating a specific amount of her space to a med spa. She was struggling with retaining her employees. She was struggling with the cost of keeping prescription product inventory on the shelf. And so, she actually pivoted to CloudMedSpas and now instead of having employees or having two employees, she has 10 different practitioners renting space from her and purchasing the product under CloudMedSpas as well. So, it really evolves into a passive income opportunity for our clients and something that the software manages for them. Our clients can see at all times who's going to be in the space, when they're going to be in the space because of the ability to leverage multiple rooms and different hours.

Practitioners are not all in the space at the same time, this does not create a busier work office environment. Our practitioners because of our initial location, Vansanity in Boston, we have learned how practitioners tend to work under this model. They work smarter and not harder. They typically work anywhere from 10 to 30 hours a month. They're not working 40 hours a week because they're making more money every hour that they're working because they're generating their own revenue. And so, the typical providers tend to be in the office maybe two, three, five hours a week. So, imagine how having two or three exam rooms, how having 10 different practitioners renting from you, 20 different practitioners renting from you, you might have maybe two in your office at the same time. You mentioned liability too and all of that and that is one-



**David Mandell:**

Before we jump in that liability, I just want to ask a question based on... So, first of all, I assume if I'm a doc listening to this and I'm a cardiologist and I say, "Hey, this sounds interesting. I have capacity. I can customize this." Meaning I can start slow and say, "Hey, listen, I will put one exam room. I'll sort of allocate five hours a week for that and I can plug into your system. And can I interview or speak to the providers beforehand?" So, I say, "Okay, I met two of them. I like both of them. They seem professional. Tell me..." And then I'll say, "Okay, those two can plug into that one exam room for five hours and I can allocate it. It's like Tuesday afternoons and Thursday afternoons and Wednesday afternoons I'm busy."

**Shannon Seeberan:**

Maybe even Saturdays, yeah.

**David Mandell:**

Yeah. Okay, so, it's really customizable. I'm just thinking from the doc's point of view in terms of how many hours, they can get to know the providers beforehand potentially before they haven't used the office. You mentioned a couple of times product, I assume you mean like some kind of a medical aesthetic product. But let me ask the question. So, if I'm a doc, let's say I'm a cardiologist, I'm not interested in getting involved at all in the aesthetic piece of it. I just want to deal with the heart and that's it but I have this extra space, that's still works, correct?

**Shannon Seeberan:**

100%. And all of the product is available through our software for the practitioners. So, each practitioner using your space has their own medical director, and they have their own LLC and they have their own malpractice insurance, that is required of them to be independent practitioners. And so, their ability to purchase the product through the software that they need is very easy and streamlined. So that physician is not liable for any of those procedures happening. The only thing that physician or



that location owner sees is that nurse Sally is going to be in room B from 2:00 to 3:00 today. But he doesn't see who her patient is, he doesn't see the procedure she's doing, so that's how we keep this HIPAA-compliant. He just knows that a practitioner is going to be there. And what's nice from a physician's perspective is the majority of these practitioners are RNs, NPs or PAs. There are other medical professionals using your space.

So, there is a level of respect there, and most of them come see the space before they start using it. They're excited to have access to this beautiful medical space that is professional for them to treat their patients and their clients. And what's really sticky for them is again, access to the product that they need to perform these procedures.

**David Mandell:**

So, again, thinking of it from the perspective of the physician and also putting my attorney and asset protection hat on. So yeah, a couple of things you said there I think I just want to point out, that they have their own malpractice insurance. They have their own entity, it's typically an LLC. And the medical director for the services they're providing is through your CloudMedSpas?

**Shannon Seeberan:**

No, it's a third-party independent relationship. All of these are. So, they have their own... We can help connect practitioners to medical directors in specific regions just from the relationships we have in every market. But that is a third-party agreement between the... Correct, the practitioner and their medical director.

David Mandell:

Got it. Okay, but as the docs watching or listening, you're not the medical director. "You" as the cardiologist in this example.



**Shannon Seeberan:**

Correct.

**David Mandell:**

Not only do you not know the medical director, but you don't even know really what's happening from a HIPAA point of view.

**Shannon Seeberan:**

Yeah, you can't see the patient information.

**David Mandell:**

And obviously you guys have done your due diligence here, you've done your work because this is based on your model. But what I would tell the docs listening to this and watching is, again, for me, first pass sounds very intriguing but work with your local healthcare attorney and say, "Hey, listen, I want to see the agreement between the patient and med spa." Or whatever that attorney wants to get comfortable so that yes, you can use your space and not be concerned about you getting dragged into any kind of liability that might go on in the aesthetic side of things.

**Shannon Seeberan:**

And I assume it's no different, David, than your friend who's renting space in the other city from his other physician friend.

**David Mandell:**

That's right.

**Shannon Seeberan:**

I would assume that physician friend doesn't feel like he's accepting liability from the guy that he's letting in his other exam room a couple of days a month.



**David Mandell:**

That right. And if somebody had asked me, if that person had asked me in the beginning I'd say, "Hey, just make sure that you dot your I's and cross your T's, so you don't have that." You may do it right in the beginning, go through it and then put it to bed rather than just expecting there's nothing there which a lot of docs do. Oh, this will all be fine and I'm not even going to think about it. And we don't want that. So that's why I'm putting this out there so folks can be really diligent on the front end. But the good thing is, unlike my friend's example, and those are just two people making a deal which oftentimes are where you get no due diligence being done. It's a handshake. Well, here you have a business, and you have investors and you have a track record. You have folks who are putting their time and money into doing this right, rather than trying to make a deal off the cuff with one physician. So that's a good factor, I think.

Because we're about time and I want to keep some on schedule, but other big picture thoughts before we wrap in terms of docs out here listening and saying, "Hey, this is something I might be interested in."

**Shannon Seeberan:**

Yeah. Well, I would just say I think it's impactful to give sort of an overview financial, what does this mean financially potentially. If you have a practice and you have one or two exam rooms, you could potentially have anywhere between 10 and 18 practitioners renting one or two exam rooms based on the availability of those exam rooms, the days per week, the hours per day, things like that. The practitioners work on a whole diverse level of hours and days and times. A typical practitioner on the low end who generates about 10 rental hours a month at your location generates about \$1000 in rental revenue. So, imagine having 10 of those at your practice each month. And think about how that is just a wonderful way to add value to your overhead. You're now maximizing an investment that is already there. Your rent, your lease is already there, so how do we leverage that and use it to-



**David Mandell:**

Boost the bottom line. Pretty much there's not that much cost here. And of course there is some potential synergy, people coming in something for their face they might eventually need a colonoscopy.

**Shannon Seeberan:**

There you go.

**David Mandell:**

They may not be thinking about it but at some point they might. So at least they'll know you do that or your location.

**Shannon Seeberan:**

The networking is great, 100%.

**David Mandell:**

So yeah, that's great. I think it's a really interesting concept. I wish you really well with it. And I think for the docs listening and watching, you've got spare space. Like you said, Shannon, I think you didn't invent shared space, and there's some models out there whether it's in the hair area or it's OpenTable, that it's applying a kind of tried-and-true business concept to a new area. And so, I think it's pretty exciting.

**Shannon Seeberan:**

Okay. Yeah, thank you for having me. And please to anyone who's listening, who's interested in learning more, let's have an informational call. This is not a commitment but it's sort of like, let's dive deep, let's do a proforma, let's figure out if this is a fit for your practice or your location. I think it's just knowledge is power. So, find out if this could potentially work for your practice. So, my contact information is obviously being shared by David in the notes. And I hope to obviously speak with anybody out there who's interested.





**David Mandell:**

Excellent. Yeah, and I appreciate Shannon being on. I'm sure it's a fit for some of you out there. And like you said, you can't hurt to understand what the opportunity is and run some of those numbers. So, I encourage you to do so. So, Shannon, thanks for being on. I really appreciate it. Thanks for everybody watching and listening. And as I've been trained to say, if you like the content, please give us a five-star review, leave a good comment, et cetera, tell your colleagues about us. And now you can start following us not only on the audio platforms but now we're on video, So, you can follow us on YouTube. And if you're a position who has an interesting story to tell or something that you think your colleagues would appreciate hearing about, just contact me. We're always looking to add more docs on the program. So, with that, you'll have another episode on video and audio in the next two weeks. So, thanks for tuning in.