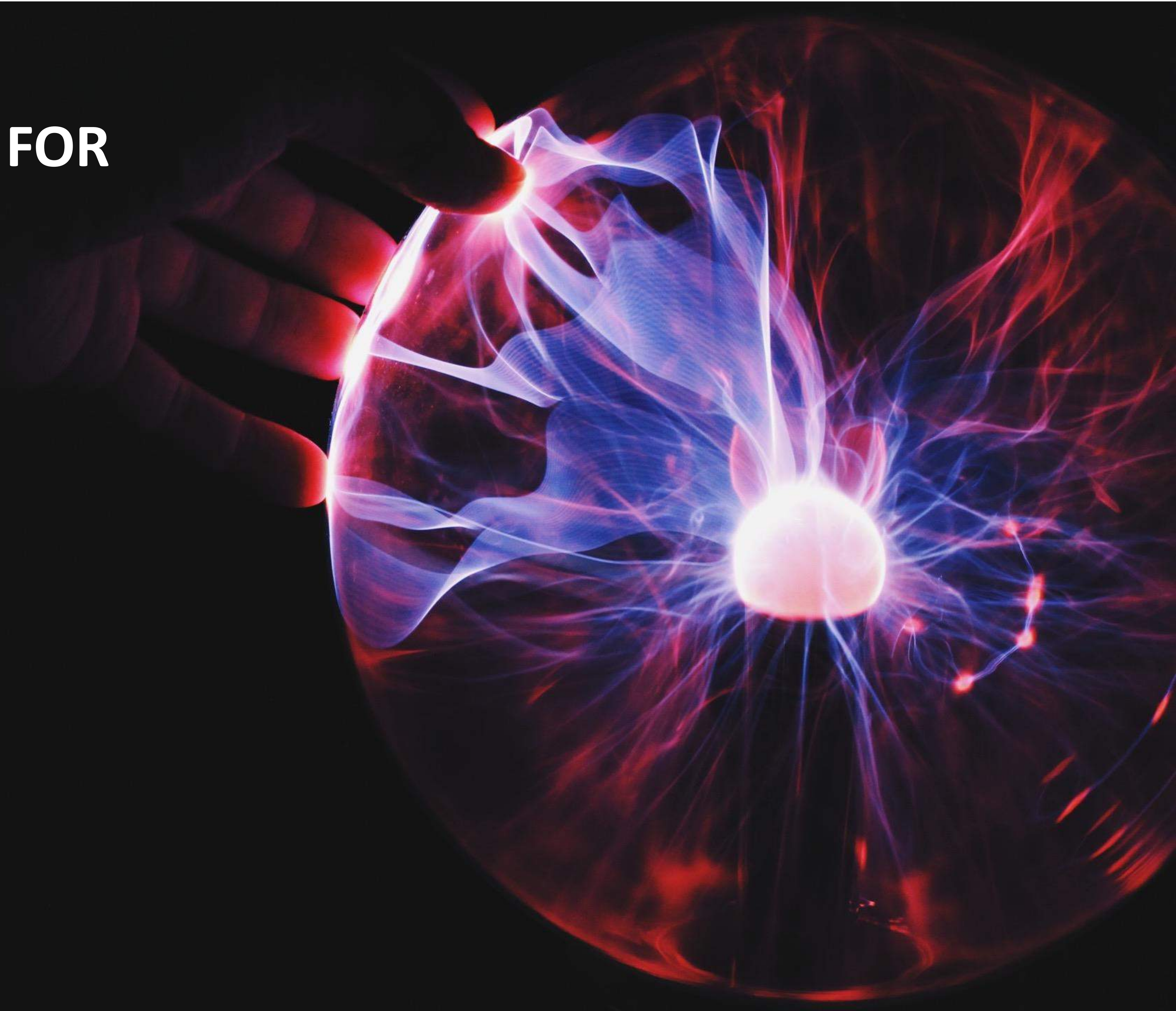


DELIVERING VALUE FOR PHYSIOTHERAPY BUSINESS OWNERS

Final Report

11 February 2021



EXECUTIVE SUMMARY

PNZ performance results have improved across all members however there is still an opportunity to improve performance ratings and 'value for money' of PNZ membership amongst business owners.

As an example, while it was highlighted by business owners that PNZ already provides advocacy on behalf of members, insurance and CPD, there were questions around their role and whether they were acting as champions for the business community.

Given this, It was critical for **PNZ to understand and respond to the different needs of business owners, providing meaningful value through their support.**

Business owners represent a diverse group

In NZ there are around 526 physiotherapy businesses/owners which cover almost 900 clinics. This encompasses a range of physiotherapy business models, size and services which influence profiled owner types - from the individual **Small Practice Owner (n=476)** to the national **Large Provider Leader (n=5)**, from the more niche **I'm the Expert (n=28)** to the **Health Solution Providers (n=16)**. Yet despite an overall trend to market consolidation, 57% clinics and 90% businesses are run by **Small Practice Owners** today.

Research through a series of virtual focus groups and interviews were conducted with business owners (n=34) to understand their needs and inform priorities for potential PNZ support options. This included assessing differences across owner types.

Business owner needs

In terms of needs there was clear preference from all business owners for PNZ to provide things they cannot achieve as a single business, e.g.

- **Advocating for us:** Providing a collective voice representing the views of all business owners.
- **Networking with others:** Being better together by connecting with other business owners through online and in person events, or special interest groups.
- **Professional Development**
- **Others: Strategy and Planning, Leadership, Hiring and Employing Staff, Insurance Package, News Updates**

The overall priority was for PNZ to provide relevant resources and support for physiotherapy business operations, particularly amongst the majority Small Practice Owners. Whilst Communicating Value was also important, this was more of a priority for Large Provider Leaders.

EXECUTIVE SUMMARY

A review of prioritised needs across the range of different business owner types identified a number of potential options for PNZ to consider:

1. **Advocating for the whole private practice community with stakeholders including, but not limited to, ACC**
2. **Helping owners connect within physiotherapy and business**
3. **Providing business resource access when needed (Business Resource Hub)**
4. **Communicating the value of physiotherapy**
5. **Proactive and relevant PNZ communication**

THE CONTENTS



- ✓ 5 Business owner interviews
- ✓ Stakeholder interviews
- ✓ Desktop Research

**Situation Analysis
Market Insight**



- ✓ Business owner research
 - ✓ 11 focus groups
 - ✓ Interviews with large providers
 - ✓ 34 business owners
 - ✓ Wide range of geographies and business models

Focus Group Research Results

SITUATION ANALYSIS

- PNZ Performance
- Market Landscape
- Business Analysis
- Customer Analysis
- Funding Analysis
- COVID Impact Analysis
- WHO are our Business Owners?

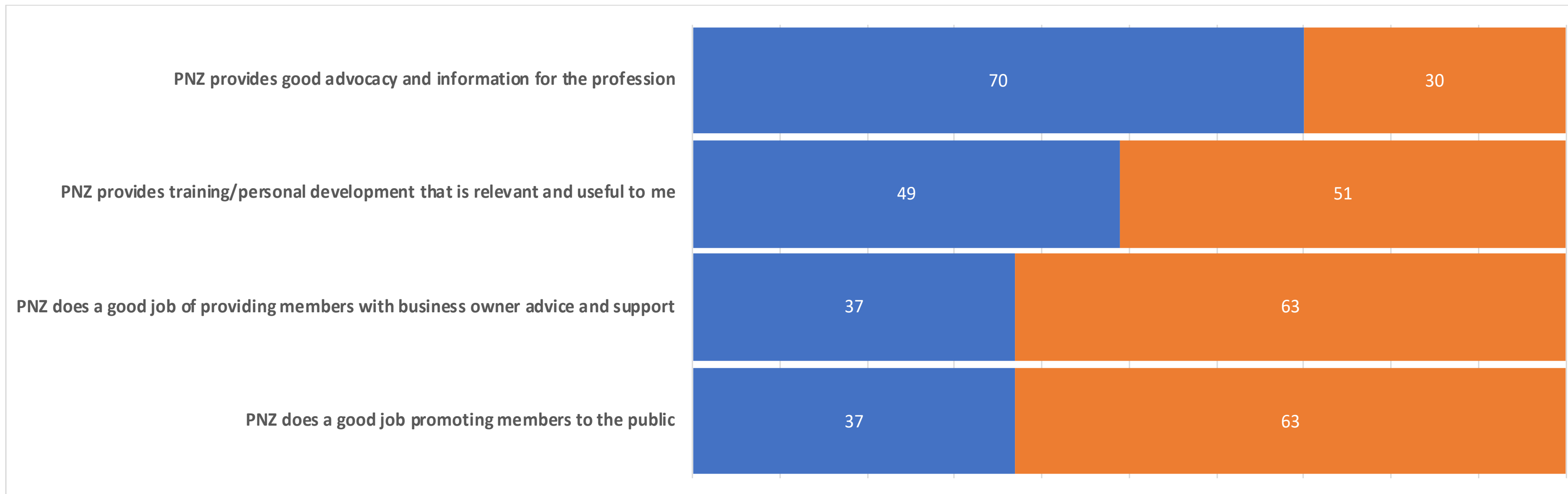


PNZ PERFORMANCE

Thinking about PNZ's performance. Please indicate your level of agreement with the following statements about PNZ?

WHAT COULD PNZ PROVIDE TO
SUPPORT BUSINESS OWNERS?
WHAT ARE PNZ ALREADY PROVIDING TODAY?

6



Only **48%** business owners are satisfied with PNZ current performance[#]

Agree
Neutral/Disagree
n = 139

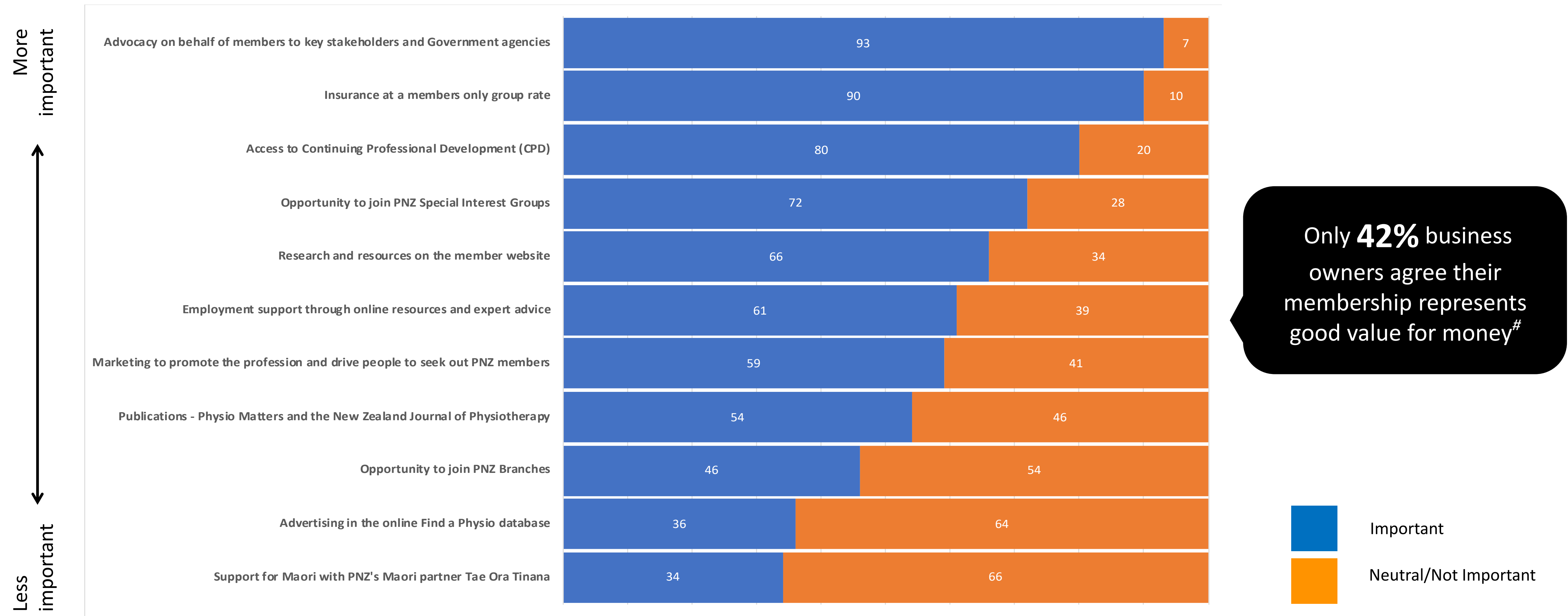
- For all-member survey findings: these results have generally shown year on year improvement across the years 2018-2020
- For business owners
 - Highest agreement that PNZ ***provides good advocacy and information for the profession***
 - Lowest agreement that PNZ ***provides members with business owner advice and support*** and ***does a good job promoting members to public***
- This was consistent with observed findings from focus groups

PNZ MEMBERSHIP - KEY ATTRIBUTES

Thinking about your reasons for being a member of PNZ, how important are each of the following?

WHAT COULD PNZ PROVIDE TO
SUPPORT BUSINESS OWNERS?
WHAT ARE PNZ ALREADY PROVIDING TODAY?

7



n = 139

- This was generally consistent with observed findings from focus groups

PNZ BUSINESS OWNER INSIGHT

8

Overall Impressions

"The experience of PNZ at personal level cannot be faulted"

"Question around pay scales and what private physios provide"

"We can buy our insurance there"

"Good conferences, even though cost of attending conferences very high"

"Spoke with other members and would happily pay double the amount of money if they could produce advocacy results"

"Sometimes the people/client voice is not truly resonating or is missing"

"Collective views and being heard, however does not translate to positive action. Need to get a positive solution"

Are they champions for business community?

"Private practice advisory group change, felt like a loss of support"

"There appears to be no champion on the business side in PNZ. No person driving this from within. Really need it as part of job description"

"Given its hard to develop skills as leaders PNZ should have provided a response"

"They don't realise how little time we have with surveys, meetings, branch meetings"

"One voice would be good"

PNZ role not always clear to me?

"Has spread itself too thin"

"Doesn't have good handle of changing structures in physio dealing with business and don't reflect different types of practice. I'm mobile"

"Physio Board did take the lead, especially during COVID"

"Those on endorsed physiotherapy contract don't realise their staff should be members"

"Not a union, no power. Instead a supportive unit"

Demonstrated with their mixed response to COVID-19

"Better communication experience during COVID than before"

"Lots of interpretation and anxiety"

"Information provided by PNZ was not always easy to access. Or instead, just provided a click through to MoH advice or guidelines with nothing else"

"Please just give us guidance and recommendations from your leadership perspective"

MARKET LANDSCAPE

The market positioning shown here was for the purposes of estimating market size by business model type. This has not been formally validated.

526 private physiotherapy businesses in NZ in total covering 891+ clinics[#]

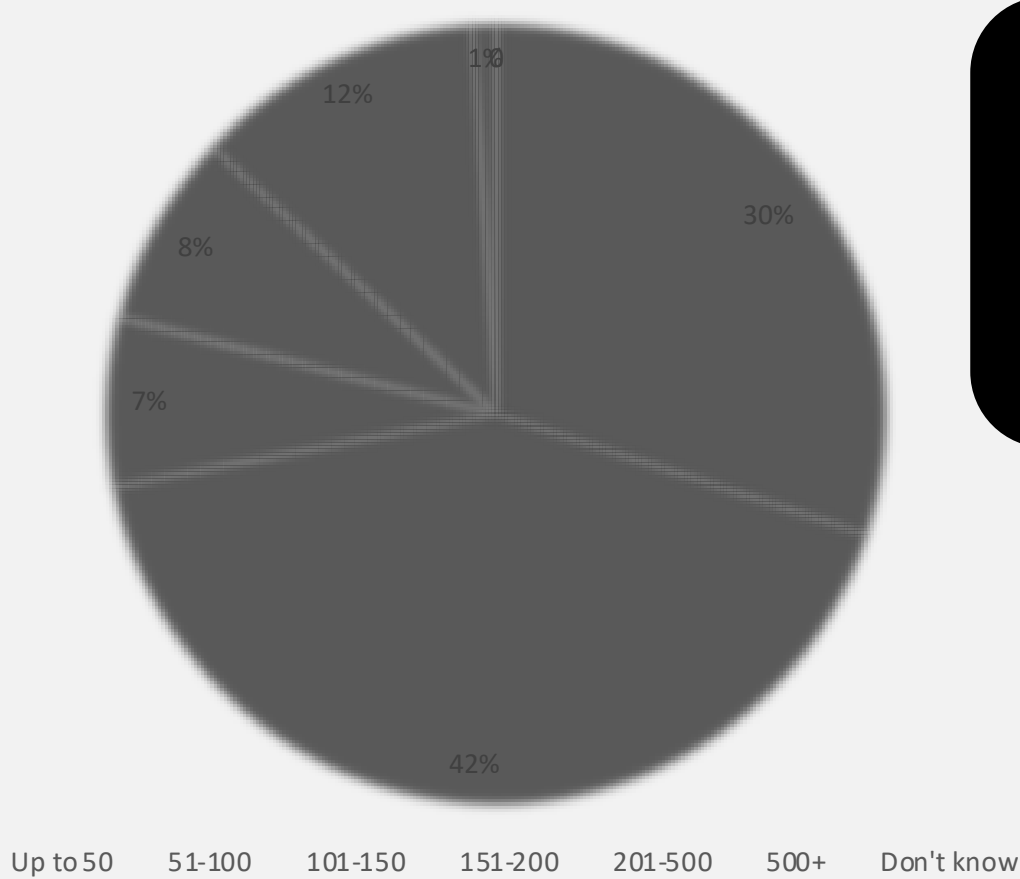
- Broad range of physiotherapy business models and sizes - from small individual practices to national provider groups.
- There is an ongoing trend to market consolidation through clinic acquisition by larger groups.* Despite this 64% clinics are solo practices with a further 15% group practices with ≤ 3 clinics.[#]
- There is also distinction between those businesses that provide multi-disciplinary services compared with narrower service offering.



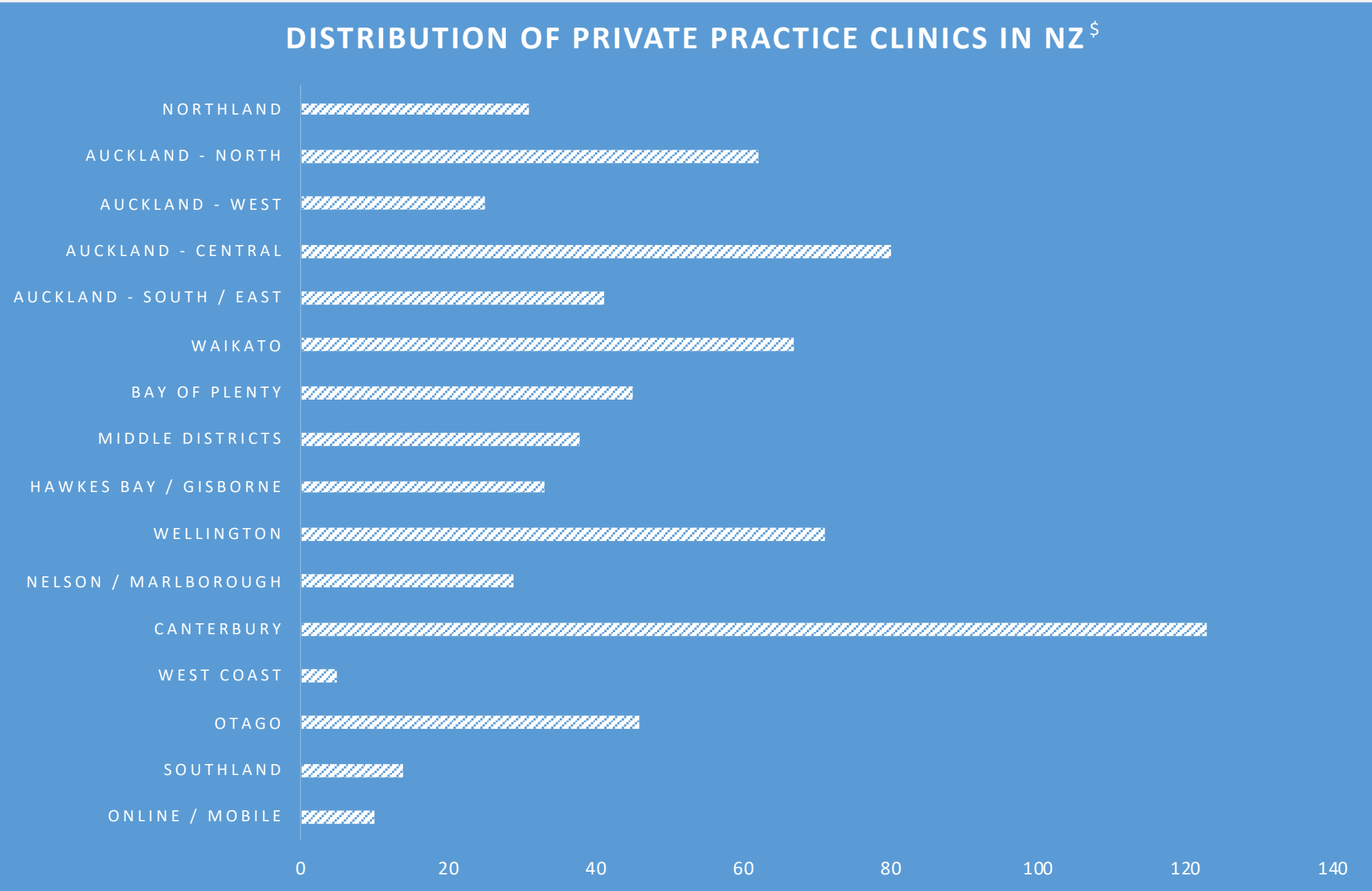
*Private equity investment in recent years, e.g. Habit Health and Livingbridge (2018) completing 4 acquisitions since investment

[#]Based on review of private clinics listed on Find my Physio <https://physio.org.nz>, websites and provided business intelligence. APM estimated (40)

Average number of patients seen per week
% of total owners (n=98)



72%
businesses see
<100 patients
per week



2020 Member Survey: Q31. And what is the average number of patients your practice is now seeing per week?
\$ Based on review of private clinics listed on Find my Physio <https://physio.org.nz> and websites. 720/840 clinics

BUSINESS ANALYSIS

Practice Information (n=189, 36%)**

- Urban/rural practice split is 81%/19% - in line with population distribution
- Business structure#
 - 74% owners were in stand alone practice
 - 16% owners part of multidisciplinary practice
 - 8% owners part of large medical practice
- 44% practices were accredited. The remainder are covered through regulation fees (Cost of Treatment Regulations).
- The % of practices with contracted services were as follows:

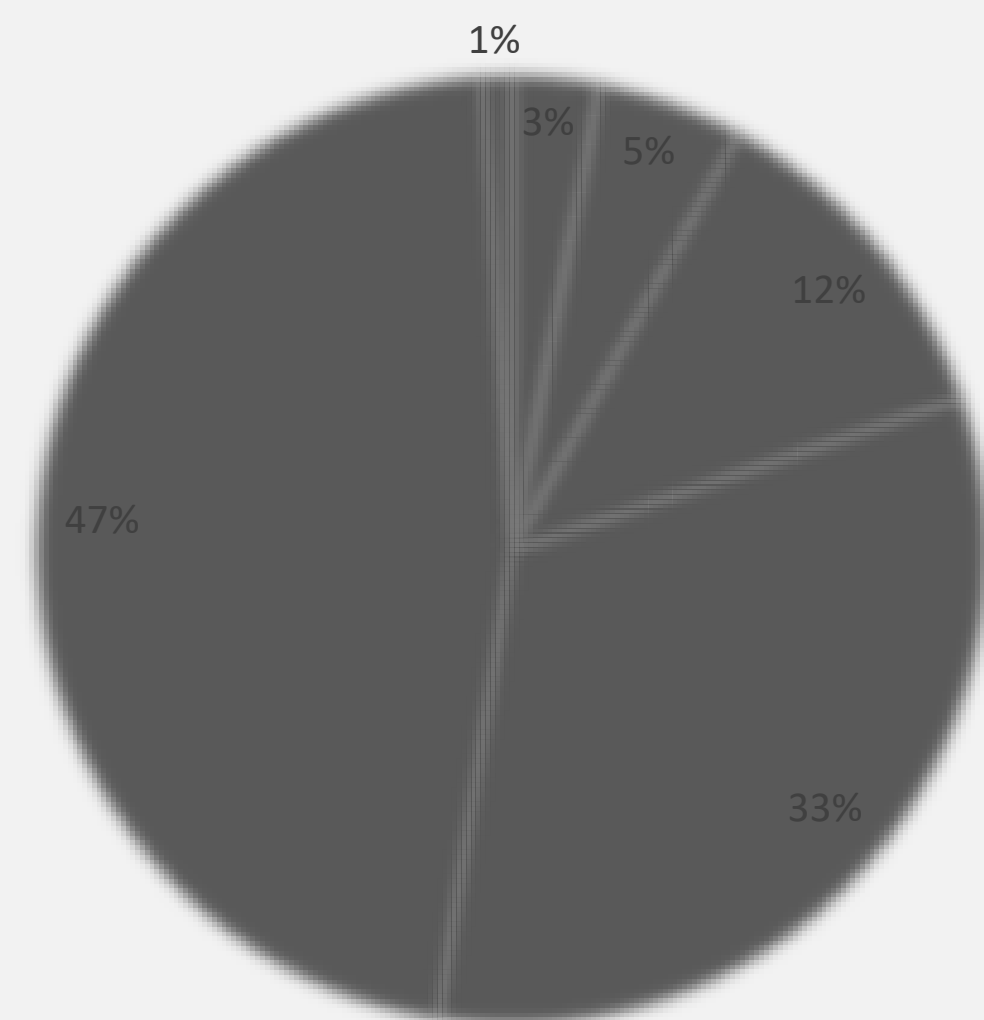
Contracted Services	% total
ACC physiotherapy services	44%
Vocational Rehabilitation Services	16%
Pain Management Service	16%
Training for Independence	16%

- Telehealth adoption (n=139, 26%)*
 - Zoom was preferred platform – 48%
 - 27% likely to use for up to 25% initial consultations
 - 38% likely to use for up to 25% follow-up consultations

**2020 Remuneration Survey, 36% calculated is 189/526 private physio businesses
This is based on owners responding in Remuneration Survey
* 2020 Member Survey

CUSTOMER ANALYSIS

About how long have you been a member of
Physiotherapy New Zealand (PNZ)?



Less than 2 years 2 - 5 years 6 - 10 years
11 - 20 years 21 years or more Don't know

80% have
been PNZ
member for
>10 years

Business Owner Demographics (n=139, 26%)*

- 54% have post grad diploma or higher
- 93% had 10+ years experience - 61% over 20 year
- 76% aged 40+ years
- 63% female
- 9% Maori: 0% Pacific: 2% Asian: 81% European

Work Situation (n=139, 26%)*

- 66% work full time in physiotherapy (>30 hours/week)
- 29% work more than 45 hours per week **
- 41% feel burnt out **

Majority work full
time and almost
50% feel burnt out

* 2020 Members Survey, 26% calculated is 139/526 private physio businesses

** 2020 Remuneration Survey, 36% calculated is 189/526 private physio businesses



FUNDING ANALYSIS

ACC:

- Unique high reliance on ACC for funding for physiotherapy compared with other healthcare providers - 80% of physiotherapy revenue ACC linked.
- Distinction between contracts for accredited providers vs regulation fees (CoTR).
- Range of ACC contracting types influences service design and business model including subcontracting arrangements.
- In 2018 new physio contract stipulated membership of association (PNZ), however despite this requirement membership # has not changed substantially.

Most business owners cite the key role for PNZ is providing collective members voice to advocate for better ACC funding.

- Some owners feel they get heard but there is no positive action, with a perception of PNZ that "I hear you but I can't do anything about it".
- Some members would happily pay PNZ double the amount of money if they could produce advocacy results.
- One comment by ACC employee was a desire for a greater partnership approach, as evidenced with other professional organisations.



COVID 19 IMPACT ANALYSIS

- Significant reduction in clients per week seen through lockdown levels

Majority applied for the wage subsidy

- 1st: 95% self and 68% staff
- 2nd: 42% self and 34% staff

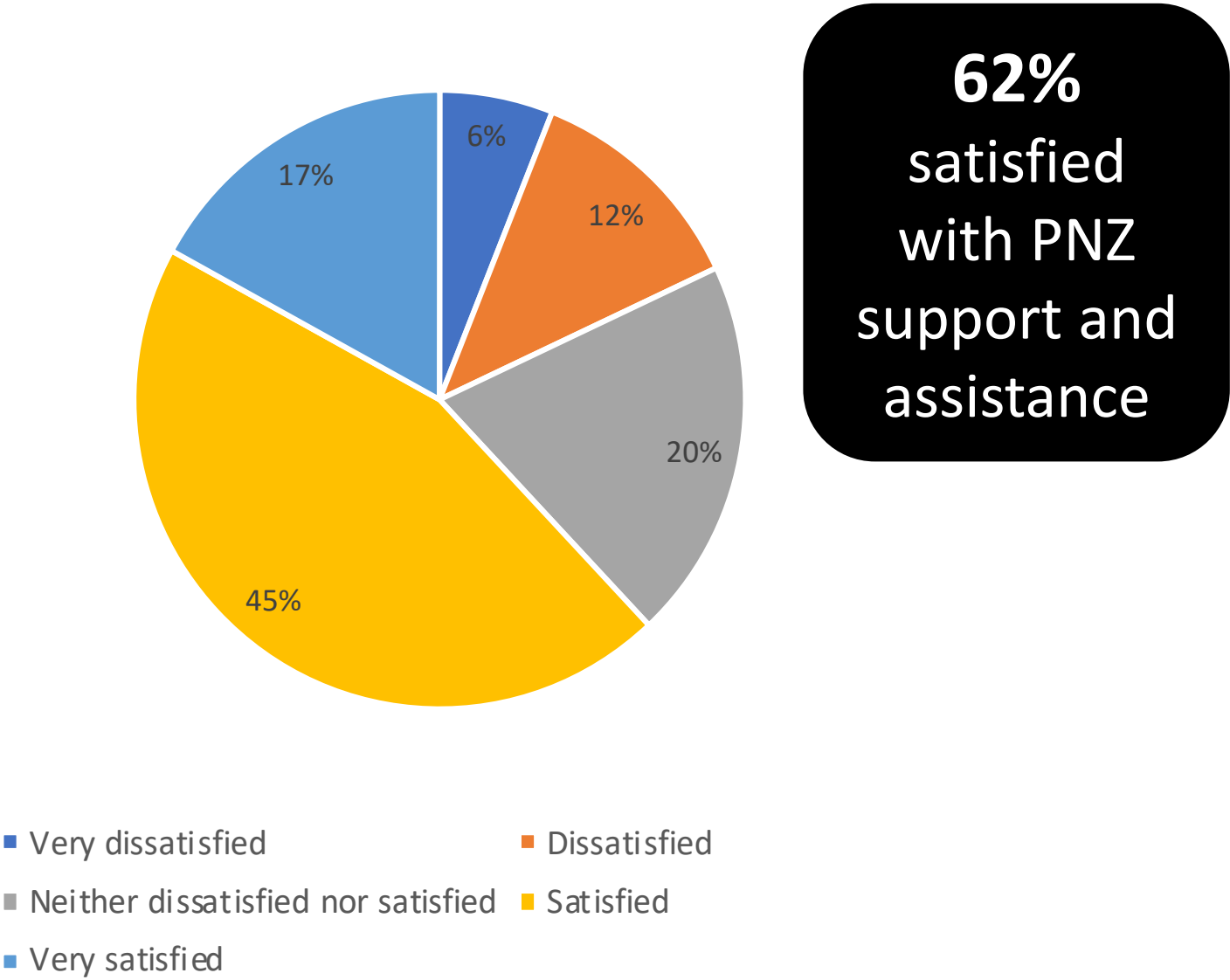
	Owners	Level 1	Level 2	Level 3	Level 4
	184*	187	186	140	124*
Numbers	%	%	%	%	%
Up to 50	22	27	37	65	64
51-100	20	21	26	14	15
101-150	16	12	8	4	2
151-200	14	12	9	1	2
201-500	12	14	9	5	5
500+	5	2	1	1	1
Don't know	11	11	11	10	10
Not Applicable	0	1	1	1	1
Total	100	100	100	100	100

Loss of hours and staff losses had not been completely reinstated by end Aug-20

	189*		
	Reduced during lockdown	Reinstated post lockdown	Difference
	%		
Your work hours	87	76	-13
Your salary/takings	89	60	-29
Staff hours	65	51	-14
Staff numbers (via contracts, redundancies, hiring)	10	1	-9

- Reduction on earnings in current year between 10-30%

Level of satisfaction with PNZ during level 4 COVID-19 lockdown period

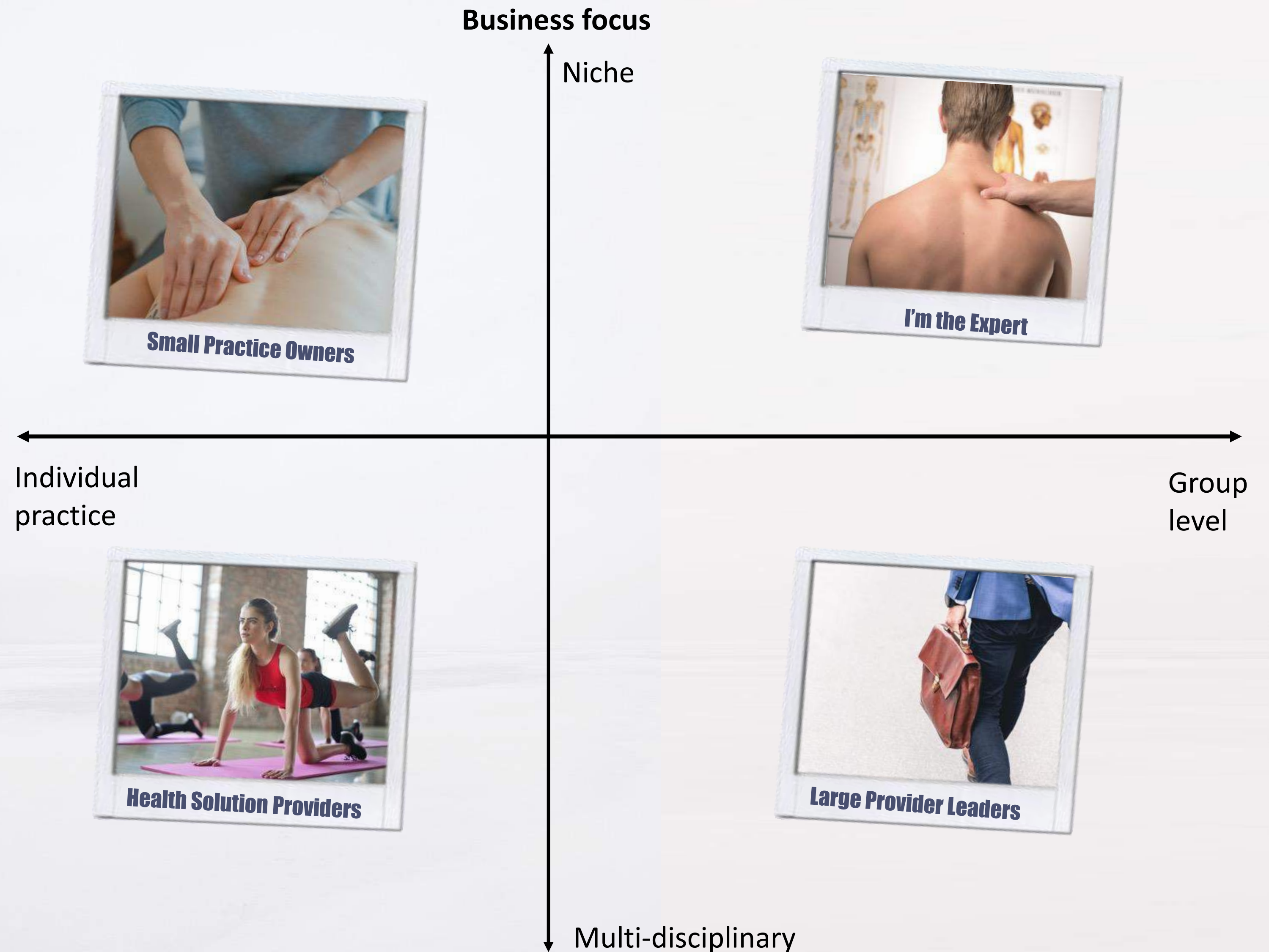


WHO ARE OUR BUSINESS OWNERS?

Business owners can be grouped based on their business model and operating context

Different business owner types are likely to affect team and culture, management structures, governance, access to resources and capital and operational roles. It also influences the owner's type of leadership

From this, four distinct business types emerge, which have been further qualified through research stages



SMALL PRACTICE OWNERS



LOCAL PHYSIOS

Offer a range of physiotherapy services in a defined region

BUSINESS STRUCTURE AND SIZE:

- Often single director/shareholder company
- Single practice, or small local group practice
- May be co-located within medical centre
- 1-5 physiotherapists

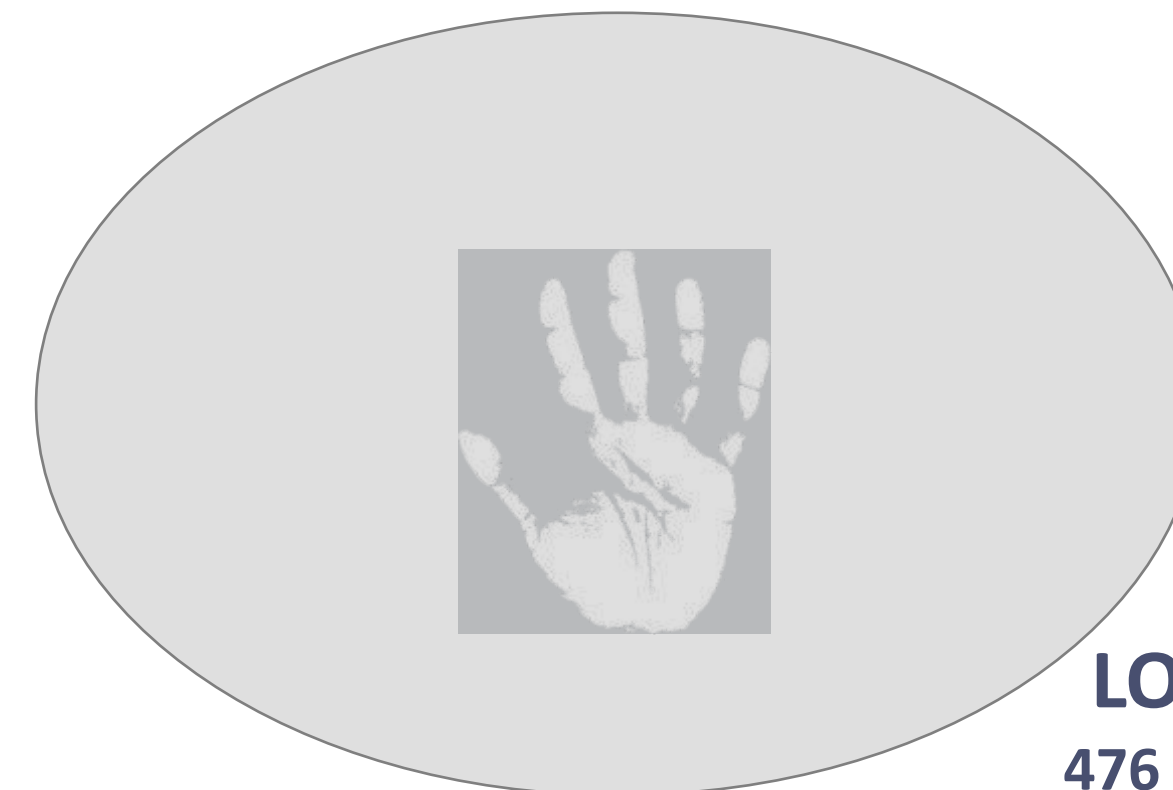
SERVICES OFFERED:

Core physio services: Massage therapy, Manual therapy, Manipulation, Acupuncture, Dry Needling, Sports strapping/bracing, Gym rehabilitation, Post-surgical rehabilitation and return to sport rehabilitation

POTENTIAL NEEDS:

- Business tools and support (business planning, financing, marketing)
- Finding time to work on the business
- Managing employment (contracting, conflicts)
- Understanding the world of contracting and what I may be able to access
- Marketing my clinic so that prospective clients can find me

BUSINESSES INCLUDE:



LOCAL PHYSIO

476 businesses (90%)

489 clinics (57%)

Average: 1 clinic

I'M THE EXPERT



STAY FOCUSED

Occupy market niche with capable team providing specific services (e.g. hand therapy)

BUSINESS STRUCTURE AND SIZE:

- Director/shareholder company
- Includes partnerships
- Group practice (generally 3+ clinics)
- # physiotherapists varies from 1.5 to 3 per clinic. Average 10 physios across group(s)

SERVICES OFFERED:

- Generally core physiotherapy, for some additional rehab services
- Focus areas: Acupuncture, Hand Therapy, Cardiorespiratory, Manual Therapy, Mental Health, Neurology, Occupational Health, Older Adults, Paediatric, Pelvic, Sports and Exercise

POTENTIAL NEEDS:

- Continuing to develop professionally
- Securing contracts to deliver key services
- Find time to work on the business
- Attracting employees and developing the right culture – including across multiple sites
- Marketing so that prospective clients can find us

BUSINESSES INCLUDE:



STAY FOCUSSED
28 businesses (5%)
116 clinics (14%)
Average: 4 clinics

HEALTH SOLUTION PROVIDERS

17



ONE STOP SHOP

Providing more complete health and wellness solutions to address a wider range of client needs. Holistic health care.

BUSINESS STRUCTURE AND SIZE:

- Director/shareholder company
- Owner/management team
- Co-location with fitness or similar business, across a limited number of locations.
- Up to 20 physios across all > 2-4 sites

SERVICES OFFERED:

- Core physiotherapy services
- Pilates, personal training, nutrition
- Some offer rehab services (or subcontract)

POTENTIAL NEEDS:

- Securing contracts to deliver key services
- Marketing so that prospective clients can find me
- Find time to work on the business
- Managing employment, developing culture including across diverse teams

BUSINESSES INCLUDE:



ONE STOP SHOP

16 businesses (3%)

46 clinics (5%)

Average: 3 clinics

LARGE PROVIDER LEADERS

18



COMPLETE HEALTH & WELLBEING

Providing a range of physiotherapy services as well as occupational health, rehabilitation and wellbeing services

BUSINESS STRUCTURE AND SIZE:

- Mix of business types including franchise
- Some with private equity investment
- At least 8 clinics, MDT, good geographic coverage regionally and nationally

SERVICES OFFERED:

- Full physio service
- Rehabilitation services (vocational, community) delivered per ACC contracts
- Wellbeing services (for some)

POTENTIAL NEEDS:

- Managing business expansion and geographic footprint
- Managing diverse teams and culture across network
- Securing contracts to deliver key services
- Management/governance
- Advocacy for Allied Health funding

BUSINESSES INCLUDE:



COMPLETE HEALTH & WELLBEING

5 businesses (1%)
232 clinics (26%)#
Average: 46 clinics

##Based on review of private clinics listed on Find my Physio <https://physio.org.nz>, websites and business intelligence.
APM estimated (40)

FOCUS GROUP RESULTS

- The Research Approach
- Business Owner Insights
- Benefit Statements
- PNZ Support Statements

THE RESEARCH APPROACH

This references key findings from a series of focus groups and interviews with business owners conducted Nov-Dec 2020

- Research stimulus informed from desktop research and stakeholder interviews (Oct):
 - **Owners:** Andy Schmidt (Active+), Grant Chittock (Motus Health), Mark Quinn (Auckland Physiotherapy), Matt Wenham (In Good Hands)
 - **Physiotherapy NZ:** Sandra Kirby
 - **Physiotherapy Board:** Damon Newrick, Maarama Davis[§]
 - **Australian Physio Association:** Jenny Thomson, Lowana Williams
 - **ACC:** Melissa Barry, Karen Robertson
 - **College of Midwives:** Wayne Roberston (MMPO, Executive Director)

- The purpose of the research was to understand:
 1. Current impressions of PNZ
 2. Key insights relating to business ownership
 3. Determine priorities for a range of different PNZ support options

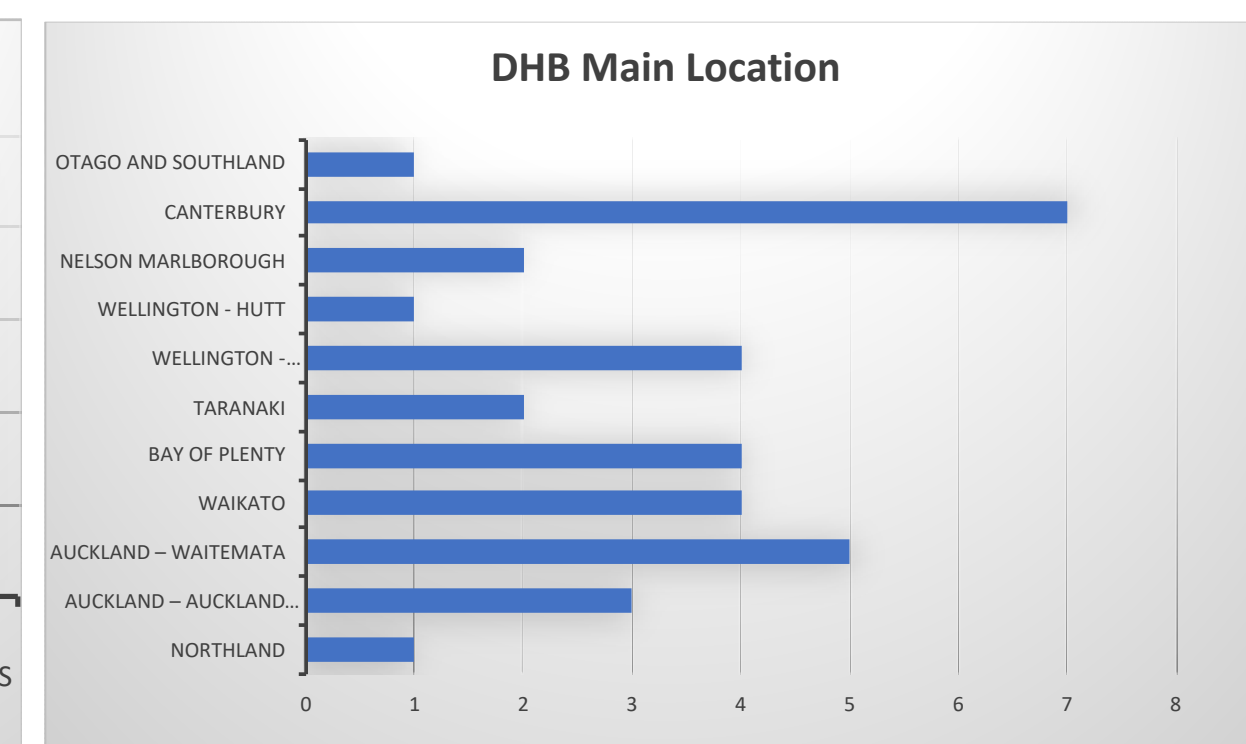
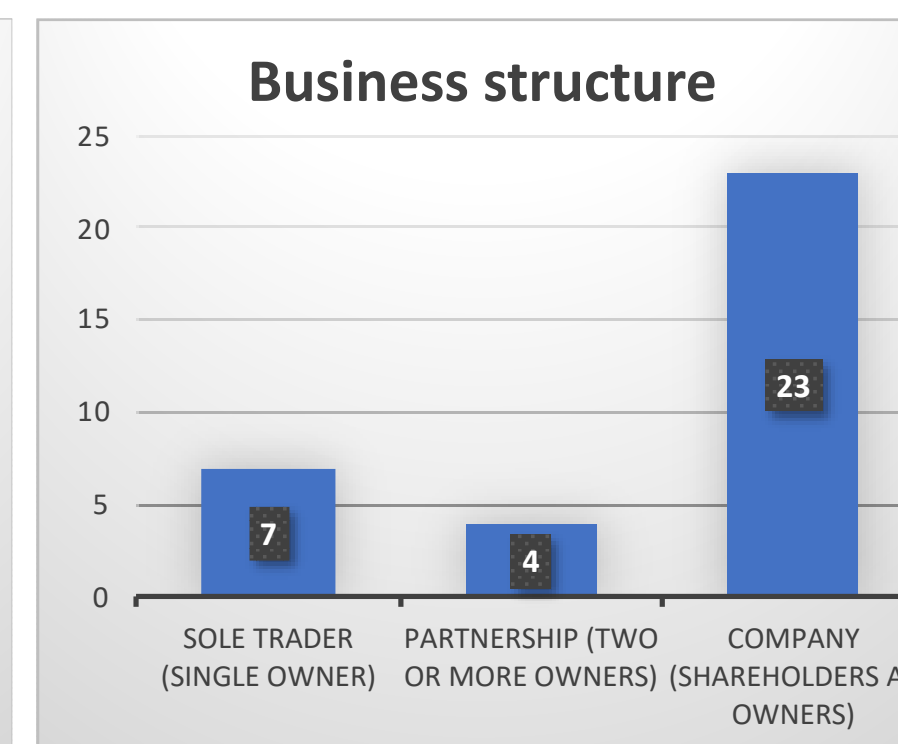
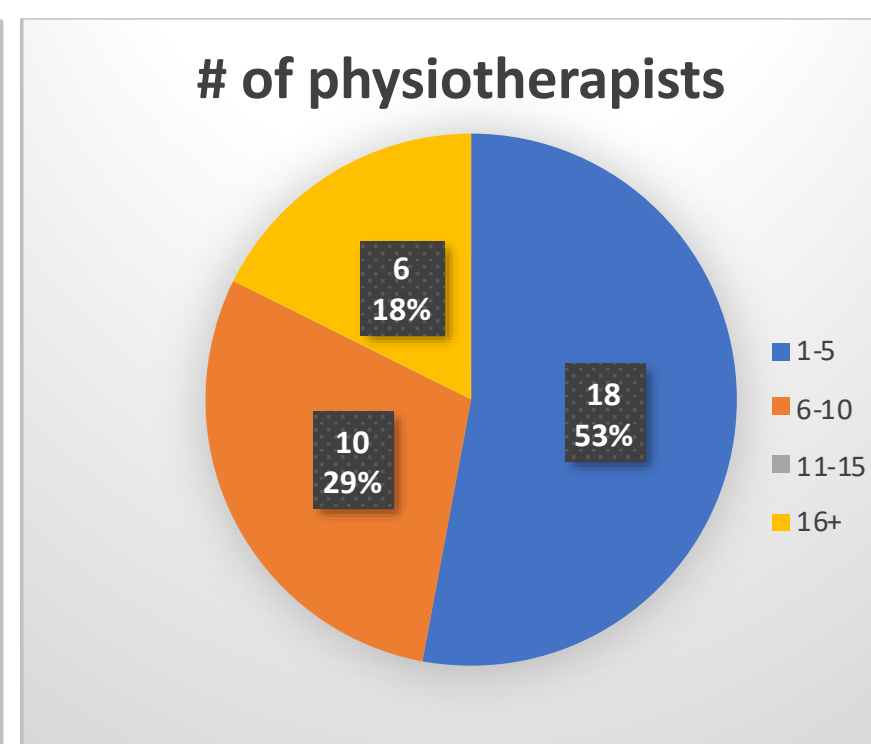
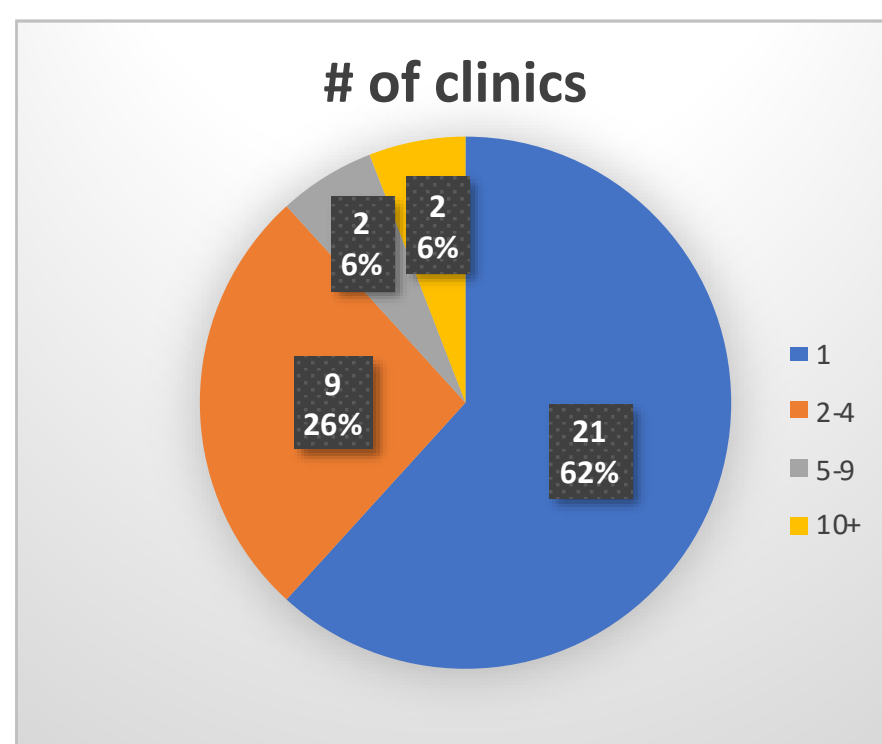
[§] Tae Ora Tinana

THE FOCUS GROUP PARTICIPANTS

- 11 online mini focus groups conducted with 29 participants[#] representing 11 different DHB regions across the country

Date Time	Tuesday 10th Nov 7-8pm	Thursday 12th Nov 7-8pm	Monday 16th Nov 7-8pm	Tuesday 17th Nov 7-8pm	Wednesday 18th Nov 7-8pm	Thursday 19th Nov 2-1pm	Thursday 19th Nov 2-3pm	Monday 23rd Nov 7-8pm	Tuesday 24th Nov 7-8pm	Thursday 26th Nov 12-1pm	Thursday 26th Nov 2-3pm
# Participants	3	2	5	2	3	2	2	4	2	2	2

- These were supplemented by a number of individual interviews, including with **Large Provider Leaders** (APM, Proactive) $n=5$
- Overall, participants had the following demographic profile:
 - Majority were **Small Practice Owner** shareholders of a single clinic that employed between 1-5 physiotherapists, similar to market structure.
 - There was coverage from all owner types including **I'm the Expert** (pelvic, hand therapy) and **Health Solution Providers**



38 people completed screening survey and were assigned to focus groups.
29 of these people confirmed and participated in 11 groups, 60 minutes in duration

KEY INSIGHT STATEMENTS

UNDERSTAND WHAT BUSINESS OWNERS REALLY NEED?

Insight A

I'M A PHYSIO FIRST

Majority of business owners are physios first and foremost. Many of us start as practitioners and fall into business ownership. We often continue to practice and stay involved “in” the business, including clinical and management roles.

However we were not fully prepared for the business side, especially our first time. There is a degree of naivety which isn't helped by lack of professional training, mentoring, or business advice. I have had to develop my own network of support including professional advice (e.g. accountant), however I do not always know the best place to go to first.

Despite physiotherapists being autonomous, the influence I have on those around me should not be underestimated. This includes role modelling good business practices, as well as leading others to be effective within relevant professional, ethical and legal frameworks.

Getting the balance right between managing and leading the team remains a challenge for me.

Insight B

STAYING PEOPLE FOCUSSED

Physiotherapy is a people focused business. However what is good for business may not be the best thing for our employees.

For example, during the COVID-19 lockdown periods we had to change workplace conditions (that have not yet fully corrected). Even prior to this, many of our physiotherapists were employed on flexible hourly rate contracts, or were required to work weekends.

Yet change is inevitable. Whether it be people working in multidisciplinary teams, telehealth adoption or the impact of consumer trends on services. Some people may be better equipped to cope with these changes than others, where our leadership is critical.

Its not surprising its hard to recruit or retain good physiotherapists. Many prefer to travel overseas or move to other industries where conditions are better.

This all has an associated cost to the business, either through recruitment, employment costs, or my own time in providing more clinic hours that takes away from my ability to lead. These can all threaten sustainability.

Insight C

COMMUNICATING VALUE

Physiotherapy services can be loosely defined with various descriptions can often confuse the public.

Outcomes for clients are often not well articulated by us as providers, which then makes it difficult for people to assess the value of the service they've just received. This extends to lack of any reliable benchmark of service quality.

This is further reinforced by the enormous price variation across the country. While some practitioners charge for services using a fixed fee (55%), others using an hourly rate (53%). Other practitioners have a “no charge” approach, which by some is simply seen as a race to the bottom.

Yet while this behaviour it is not surprising given heavy reliance on ACC funding, it's no wonder that it leaves people confused. In addition, it makes it difficult for businesses to successfully build a case for alternative sources of funding beyond ACC.

Insight D

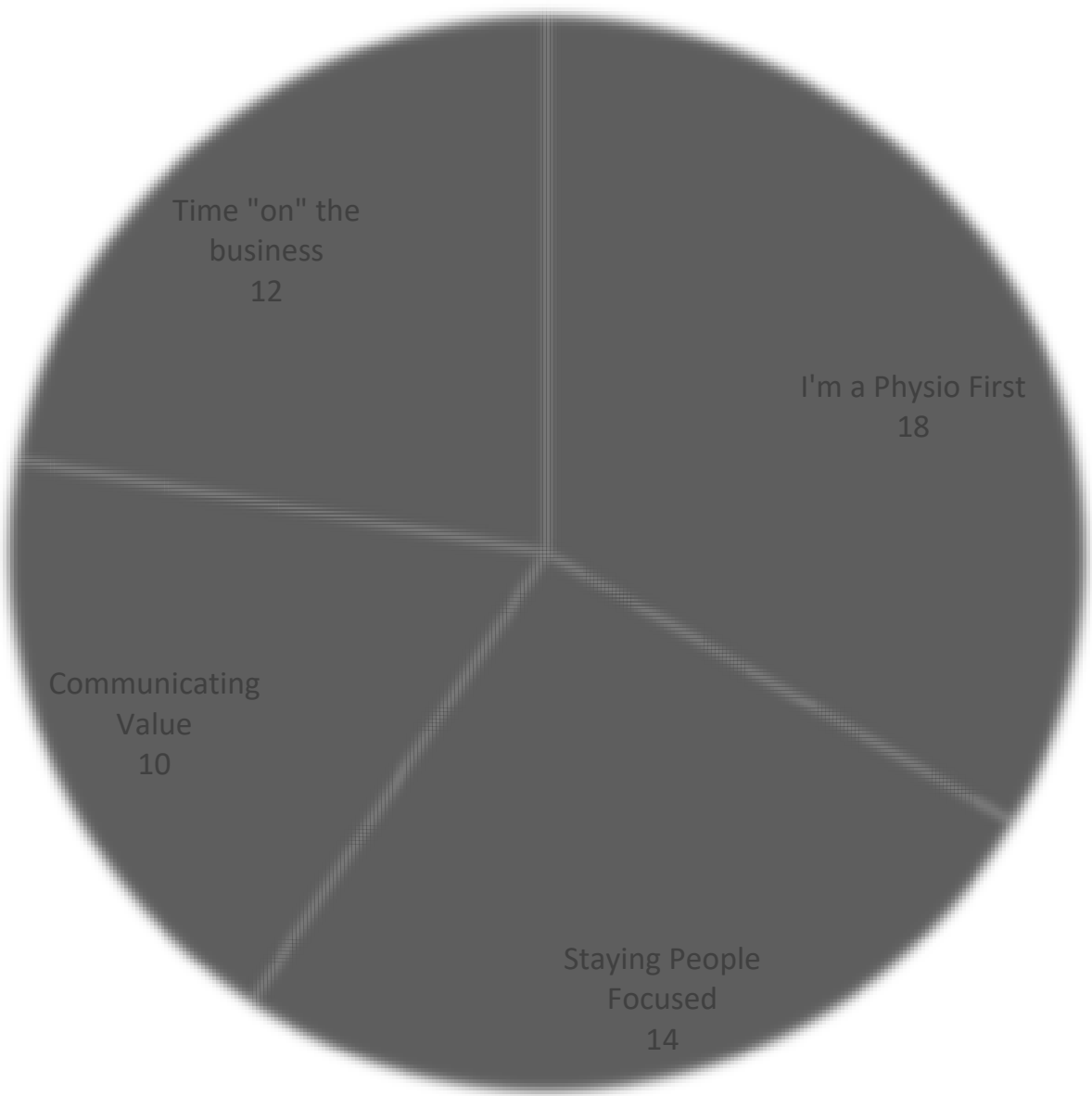
TIME ‘ON’ THE BUSINESS

I am often caught up in the operations of the business, which never leaves me with much time to develop plans for the future. In addition, the lack of governance and management structure can blur my role in key business decisions, a result of all the different hats I wear. I could be practitioner, manager or the owner.

The recent COVID-19 experience, with impacts we have not fully recovered from, has highlighted the importance of being future ready as a worthwhile investment of my time. Things like risk management plans, for example, were either not in place or only done in a limited way.

The impact of less surprising changes in the future of physiotherapy need to be better understood. This could include rapidly evolving consumers needs, market consolidation trends, meeting cultural safety requirements, or innovative business models (telehealth). Also I need to stay on top of any legislative updates.

Given all this, I need to be able to spend more time to work “on” rather than “in” the business. Or I can risk getting burnt out.



Frequency of presented insights across focus groups

n = 34
some participants evaluated 2 insight statements


There were were four insight statements developed following stakeholder interviews. These were presented to participants during focus groups and assessed for appeal and relevance. The following pages include overall impressions, suggested improvements and implications for PNZ

I'M A PHYSIO FIRST



Business Owner

Physiotherapist



BEGIN.

Majority of business owners are physios first and foremost. Many of us start as practitioners and fall into business ownership. We often continue to practice and stay involved “in” the business, including clinical and management roles.

However, we were not fully prepared for the business side, especially our first time. There is a degree of naivety which isn’t helped by lack of professional training, mentoring, or business advice. I have had to develop my own network of support including professional advice (e.g. accountant), however I do not always know the best place to go to first.

Despite physiotherapists being autonomous, the influence I have on those around me should not be underestimated. This includes role modelling good business practices, as well as leading others to be effective within relevant professional, ethical and legal frameworks.

Getting the balance right between managing and leading the team remains a challenge for me.

OVERALL IMPRESSIONS

Strong agreement with many of these statements. This is particularly for owners of new businesses and for small practices that lack scale to develop capability internally

Business ownership has been a steep learning curve. Although most are trained as physiotherapist, there is no paper on business ownership in schools (this does exist in Australia). The need for support is especially acute with their first practice.

For many, whilst not such a big jump to become a business owner, the main challenge remains balance of working on and in the business. It requires showing the value of work on the business against simply seeing more patients (seen by some as long vs short term focus). Against this few want to let go, instead preferring to still have a hand in the business.

Getting the balance right also means also supporting the physio side with professional development.

Whilst most relevant for small practices, large providers were also interested given subcontracting, with their "supply chains" needing to meet certain proficiency levels.

Accreditation: Many question the value of this and feel they were being driven into a contracting model. However those who had completed the accreditation process pointed to its role in developing basic business skills – *“it was best thing I've ever done”*

Isolation: Many small business owners feel isolated and on there own, especially rural physios

“I’m guilty of working in and not on the business”

“we are often having to change hats very quickly”

“not naïve though, just that we've had no training”

SUGGESTED IMPROVEMENTS

Identify and develop your network of support:

- Those with significant owner experience could provide a mentor role, or be connected through small business networks
- Also helps if they bought into business with partner/mentor to support or even buy accredited practice where most things already in place
- Business coaching or mentoring (supervision)
- Some mentioned sharing administrative services, or developing a pool of support

Getting accredited helps with this process to become a better business owner, covering strategic planning, leadership and structure. However this is a big commitment for many. Providing consent forms, or even going deeper down to support accreditation type work directly was suggested by some.

Some mentioned they really just wanted advice in terms of what the first step should be (not just providing a pathway).

Tenders were thought to be only accessible to large providers. Understanding tendering opportunity, with tool to guide in tendering and peer review service for small businesses - would help delivery higher quality.

However there was the warning that PNZ will not be able to provide for every business structure, so don't try to.

"We're our own best and cheapest employee"

"I had a mentor. A previous Physio business owner who saw a gap and now provides his experience to others"

"There is an ongoing role for strategic planning, leadership and management structure. Its not a one off. Part of accreditation"

PNZ COULD...

- ☐ Support business coaching or mentoring (supervision)
- ☐ Help me with the accreditation process, which also helps establish a number of important business processes (planning, policies etc)
- ☐ Help us coordinate pool for business services if required as cover. This could include shared services, admin with remote access to PMS (Gensolve)
- ☐ Provide resource and support for tendering for small businesses – including peer review
- ☐ Provide Business Basics. This could include resources with ability to navigate under one area. Also may include 1-2 year course for business owners. Would help people understand what owning a business really entails

**SUPPORT ME WITH RELEVANT RESOURCES AND
SUPPORT FOR MY BUSINESS**

STAYING PEOPLE FOCUSSED

Physiotherapy is a people focused business. However what is good for business may not be the best thing for our employees.

For example, during the COVID-19 lockdown periods we had to change workplace conditions (that have not yet fully corrected). Even prior to this, many of our physiotherapists were employed on flexible hourly rate contracts, or were required to work weekends.

Yet change is inevitable. Whether it be people working in multidisciplinary teams, telehealth adoption or the impact of consumer trends on services. Some people may be better equipped to cope with these changes than others, where our leadership is critical.

Its not surprising its hard to recruit or retain good physiotherapists. Many prefer to travel overseas or move to other industries where conditions are better.

This all has an associated cost to the business, either through recruitment, employment costs, or my own time in providing more clinic hours that takes away from my ability to lead. These can all threaten sustainability.

OVERALL IMPRESSIONS

Overall good agreement with most of these statements

As business owner have been forced into some difficult decisions, especially when we were required to adapt during COVID-19 lockdown. Also, leadership through difficult times is critical for the business owner.

As business owner, misconception how much owner puts in that is not of monetary value. When you are an owner you take all the risk, which is not well understood by others.

Retention: 50% of physios after 5 years leave the profession. Younger physios do not feel rewarded for their efforts, whereas others can hit the glass ceiling very early. Risks physio being seen as stepping stone.

Important to mentor younger staff, when they are still knowledge hungry (7-10 years) advanced scope practitioner etc. Need to provide outlets to keep growing.

Corporatisation: Its becoming very corporate, i.e. *“how many patients can I see in 30 minutes”* There creates tension between quality of care and business model focused on patient numbers (cheap physios plus one senior). This focus on numbers (KPIs, # clients), brings the profession down.

Overall contractors vs employees have different needs. When being paid per patient there can be high stress on physios, so some have deliberately moved to salaries for income certainty. This is easier to achieve for those with contract based business model.

“Physios are nice people. However being people focused means we often do not wrap strong business models around what we do”

“The way our funding is structured doesn’t support physios”

“We’re our own best and cheapest employee”

“During COVID-19 our team got on our bus and understood the WHY - that’s critical”

SUGGESTED IMPROVEMENTS

Make quality care and difference for people the focus of what we are doing (WHY).

Important to meet with your people to understand their motivations.

Be aware of mental health issues, both yours and your employees.

Idea: Possibly limit the billing that a junior professional can achieve?

Idea: Have a pay scale and a ladder (based on experience, referencing the DHB model)

Range of HR support generally from Humankind, Employ Share or some have a leadership coach. Support could be obtained through local chambers of commerce. Key is that the provider needs to be able to understand physios.

COVID-19 asked what can we get out of this in a positive way – it meant we had to do positive things, develop resources, be more flexible (telehealth) moving forward.

“Glass ceiling in terms of what ACC pay and difference between seniority of physios - difference in surcharge about \$4. We need a proper pay scale”

“I mean other HCP business models work well, could we compare to there?”

“Using HumanKind through the business seminars was quite handy, they understand how the physio world works”

PNZ COULD...

- ☐ Continue to provide access to HR services (HumanKind), although needs to improve member awareness on how to access
- ☐ Provide us more tools on how to retain our staff
- ☐ Help us with resources to support for different cultures and cultural differences
- ☐ More physio specific leadership skills would be valuable
- ☐ Support development of good pathways to keep our people engaged and avoid “glass ceilings”

**GIVE ME THE TOOLS TO ENSURE I HAVE THE RIGHT FOCUS
ON PEOPLE, CULTURE AND LEADERSHIP**

COMMUNICATING VALUE

Physiotherapy services can be loosely defined with various descriptions can often confuse the public.

Outcomes for clients are often not well articulated by us as providers, which then makes it difficult for people to assess the value of the service they've just received. This extends to lack of any reliable benchmark of service quality.

This is further reinforced by the enormous price variation across the country. While some practitioners charge for services using a fixed fee (55%), others using an hourly rate (53%). Other practitioners have a "no charge" approach, which by some is simply seen as a race to the bottom.

Yet while this behaviour it is not surprising given heavy reliance on ACC funding, it's no wonder that it leaves people confused. In addition, it makes it difficult for businesses to successfully build a case for alternative sources of funding beyond ACC.

OVERALL IMPRESSIONS

Reasonable agreement with statements. Recognised the role pricing plays in setting market expectations and importance of value

People vote with their feet: Provide good service, resolve their issue and people will come back. Communication to get the right outcome becomes important. Some clinics they feel they do that quite well by: 1. keeping to functional outcomes, 2. providing the right experience, 3. provide treatment plan showing "....how to return to 95% function within 6 weeks"

Working on hourly rate contracts seen as more patient centric.

"New patients can be seen for an hour, gives a chance for history, rather than rushing to get information out. Feels like they have been listened to"

Such a wide variety between what different physiotherapists offer price wise across the county:

- *"Physios are terrible at charging for their services, for example we had to go on physiotherapy contract in 2009 to follow the other practices in town"*
- Fixed fee – *"client has no idea what they are paying for"*
- If there was surcharge or co-payment this may provide some self regulation

"Range of other competing HCPs against whom it's difficult to describe what we provide for the health dollar" (referencing Osteos, Chiro, Acupuncturists, massage therapists, exercise scientists).

"We are competing against one stop shops that do everything under the sun"

"Physios not good at communicating the value they provide vs healthcare groups (i.e. GPs). There is more unfunded non-clinical work including administrative tasks such as note taking"

"COVID highlighted the importance that some professions are better equipped to communicate the value of their work"

"Lots of free physios round. Challenge is that it has devalued the physiotherapy practice"

SUGGESTED IMPROVEMENTS

The funding model is measuring the wrong things. What they think is a good service is less spend (i.e. better quicker, in-out), as opposed to using outcome measures. *"There are pressures in the clinic for new staff getting 4s and treating people less".*

Marketing the profession: PNZ has done a number of campaigns for profession, an area to keep promoting. Generally the physio marketing campaign was not liked by physios as they did not see themselves in there.

Definitely a gap in how we tell our story however we have everything there PMS Gensolve has in-built metrics. You can pull out subset of information in particular pathology, such as osteoarthritis. ACC require that we take outcome measures (even if primary interest is in treatment numbers); *ECFS, pain scale, GPE -5 to +5, did patient self discharge?, were their goals met?*

- We have been collecting for last 5-10 years
- Challenge is there is so many outcomes you can measure

However we can't prove what we are doing we can't talk about it. Cases were:

- Pelvic health - 1st line of defence example
- OA of hips and knees
- Hips and falls study

"Its incredible how uneducated the general public are on what physios provide, their level of qualification"

"Funders would like to hear our stories; e.g. last year physios had x private services in community, with y result"

"(they) have already being doing work alongside ACC in terms of resource development (modules), especially through COVID"

PNZ COULD...

- ☐ Understand and advocate for what all members want and then keep us updated on outcomes achieved.
- ☐ Understand who our markets are to inform the right approach. Don't confuse market, funders and potential markets
- ☐ Get better at creating datasets and then using the data, especially when we are around the negotiating table
- ☐ Enable me to let others know about my quality
- ☐ Market our profession better. Need to coordinate a bottom up local approach with top down national approach. Provide more resources that we could upload and use for own social media, with a campaign we are proud to promote.

**ENABLE ME TO COMMUNICATE THE VALUE OF THE
WORK WE ARE DOING**

TIME 'ON' THE BUSINESS

I am often caught up in the operations of the business, which never leaves me with much time to develop plans for the future. In addition, the lack of governance and management structure can blur my role in key business decisions, a result of all the different hats I wear. I could be practitioner, manager or the owner.

The recent COVID-19 experience, with impacts we have not fully recovered from, has highlighted the importance of being future ready as a worthwhile investment of my time. Things like risk management plans, for example, were either not in place or only done in a limited way.

The impact of less surprising changes in the future of physiotherapy need to be better understood. This could include rapidly evolving consumers needs, market consolidation trends, meeting cultural safety requirements, or innovative business models (telehealth). Also I need to stay on top of any legislative updates.

Given all this, I need to be able to spend more time to work "on" rather than "in" the business. Or I can risk getting burnt out.



OVERALL IMPRESSIONS

Reasonable agreement with statements.

As owners they are also part of the income generation and clients often want to see them, making it hard to then pay for other time. Despite that there's the whole management side of things, such as looking after staff, managing the books.

"Ideally most physios want to work so we can play"

You spend so much time in business and clinical operations, it's then difficult to put in place in your various parts of life so you can work on the business.

'Hats' are related to the business model and ability to transition from clinic manager to owner. Often many are all 3: practitioner, manager and owner. Its unclear between management and governance, many don't even have a board in their private practice.

Risk management plan: Keeping up with accreditation does keep many well prepared although for some the process is seen as bureaucratic, taking them away from treating patients.

Innovation like telehealth needs to be better understood in terms of impact on business model. *"It (Telehealth) is not more efficient. It requires us to structure differently and take more time."*

"As business owner we take on the risk, part and parcel"

"Suggestion to get your clinical fix and then move back to ownership, it's smarter"

SUGGESTED IMPROVEMENTS

There's a clear difference between being accredited and unaccredited:

Accreditation helps you think about various things with your business. There is unknowns, ACC contract, health and safety requirements. One person used external service provider to keep them updated with legislative changes (ebizdocz®), also helped them get accredited.

People in the team have different skills and strengths that can be identified. See this as an opportunity to try to strengthen their weaknesses.

Often don't have the time to stay on top of things:

- Time for professional reading, board requirements and hand therapy requirements, where relevant
- For a rural practice CPD can be expensive and hard to get time out of the clinic
- *"Talking to other people would be really useful for us. For example the physio Facebook page is available"*

What resources are available could be more engaging, such as "meeting cultural safety requirements".

"Business grants like leadership, marketing. I would rather go to PNZ because others don't know the context"

"Access Sports gave information on the telehealth process"

"Going in and coming out of COVID, basecamp with Active+ helped enormously. If you have a contract with specific questions the experience was overall positive"

PNZ COULD...

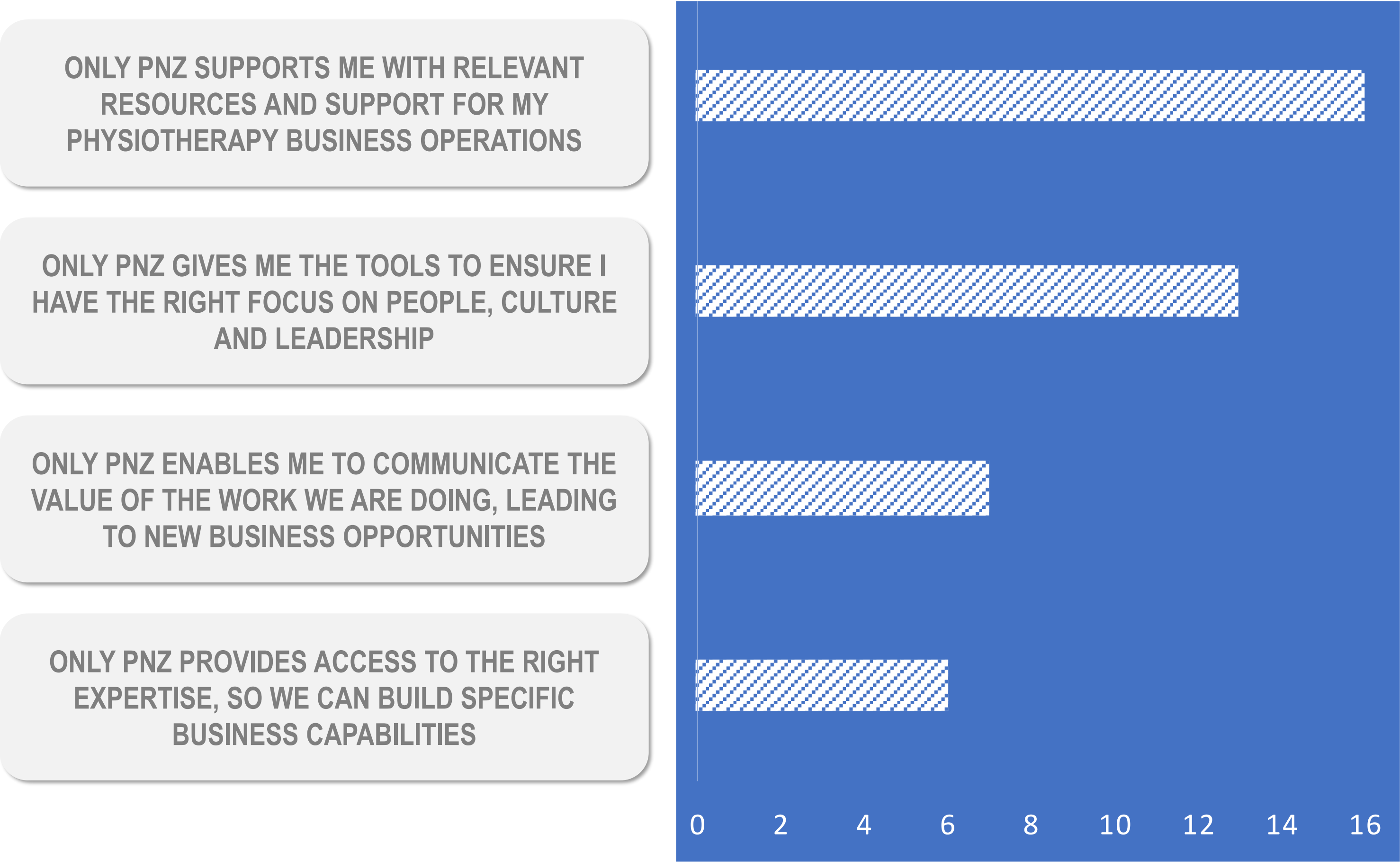
- ☐ Help business owners collaborate more (tools and environment)
- ☐ Provide resources and support package to help us with the accreditation process
- ☐ Provide resources that let us work “on” the business more
- ☐ Help us with digestible physio relevant information (e.g. legislative updates)
- ☐ Provide more engaging content for specific topics; e.g. meeting cultural safety requirements

**PROVIDE ACCESS TO THE RIGHT RESOURCES
AND EXPERTISE, SO WE CAN BUILD BUSINESS
CAPABILITIES**

WHAT MAIN BENEFIT COULD
PNZ PROVIDE OWNERS?

PNZ BENEFIT STATEMENTS

- Participants were shown the statements below describing the potential benefits of PNZ support for business owners
- The results of their ranked top 1-2 top benefit statements are shown here:



Relevant resources and support should be the priority, especially for SMALL PRACTICE OWNERS. This could include tools for developing culture and leadership

Communicating value, whilst important, was seen as more of a priority for LARGE PROVIDER LEADERS

n = 34

PNZ SUPPORT STATEMENTS

WHAT COULD PNZ PROVIDE TO
SUPPORT BUSINESS OWNERS?

40

FINANCIAL LITERACY

Helping you understand online systems, business performance, keep accurate records and balance sheet understanding

ADVOCATING FOR US

Provides collective voice representing the views of business owners in negotiating with ACC and regulatory agencies and communicating outcomes

STRATEGY AND PLANNING

Resources to develop and update your business plan, including your goals and strategies, unique selling proposition (USP), mission, values

MANAGEMENT STRUCTURE

Tools and advice to establish and maintain management and governance structure for your business, including roles and decision making rules

HIRING & EMPLOYING STAFF

Access easy to navigate job boards, recruitment tools, HR professionals, as well as a range of employment templates online to help you hire and manage staff

MARKETING SUPPORT

Support to develop a marketing plan including target audience, communication, social media. Plus online physio locator to help your business get recognised

PERSON & WHANAU CENTRED

Education and tools to use model to provide care that improve your health outcomes, plan professional development, and to enhance professional practice

CULTURE BUILDER

Flexible resources to help you conduct a cultural assessment and build your culture, irrespective of size or type. Includes culturally safe practices

NETWORKING WITH OTHERS

Staying connected with other owners through a range of online and in person events, access to special interest groups, access to discussion groups online

COVID-19 RESPONSE

Providing COVID-19 updates including links to information that is relevant to your business (i.e. subsidies, employment, business support etc)

NEWS UPDATES

Providing news and updates to help you stay on top of changes in physiotherapy world. Includes articles assessing implications of changes for business owner

PROFESSIONAL DEVELOPMENT

Access to online learning, courses and events (including national conference) at discounted rates. Member access to library and EBSCO

TIME SAVING TIPS

Tools and resources that are available online to use, including access to priority management tools and learning

DEVELOP AS LEADER

Online resources to help you develop your leadership style and approach including outside physiotherapy. Including a "Find my Mentor" online request

INSURANCE PACKAGE

Access to insurance products at competitive rates including; professional indemnity, public liability, business interruption and employee disputes

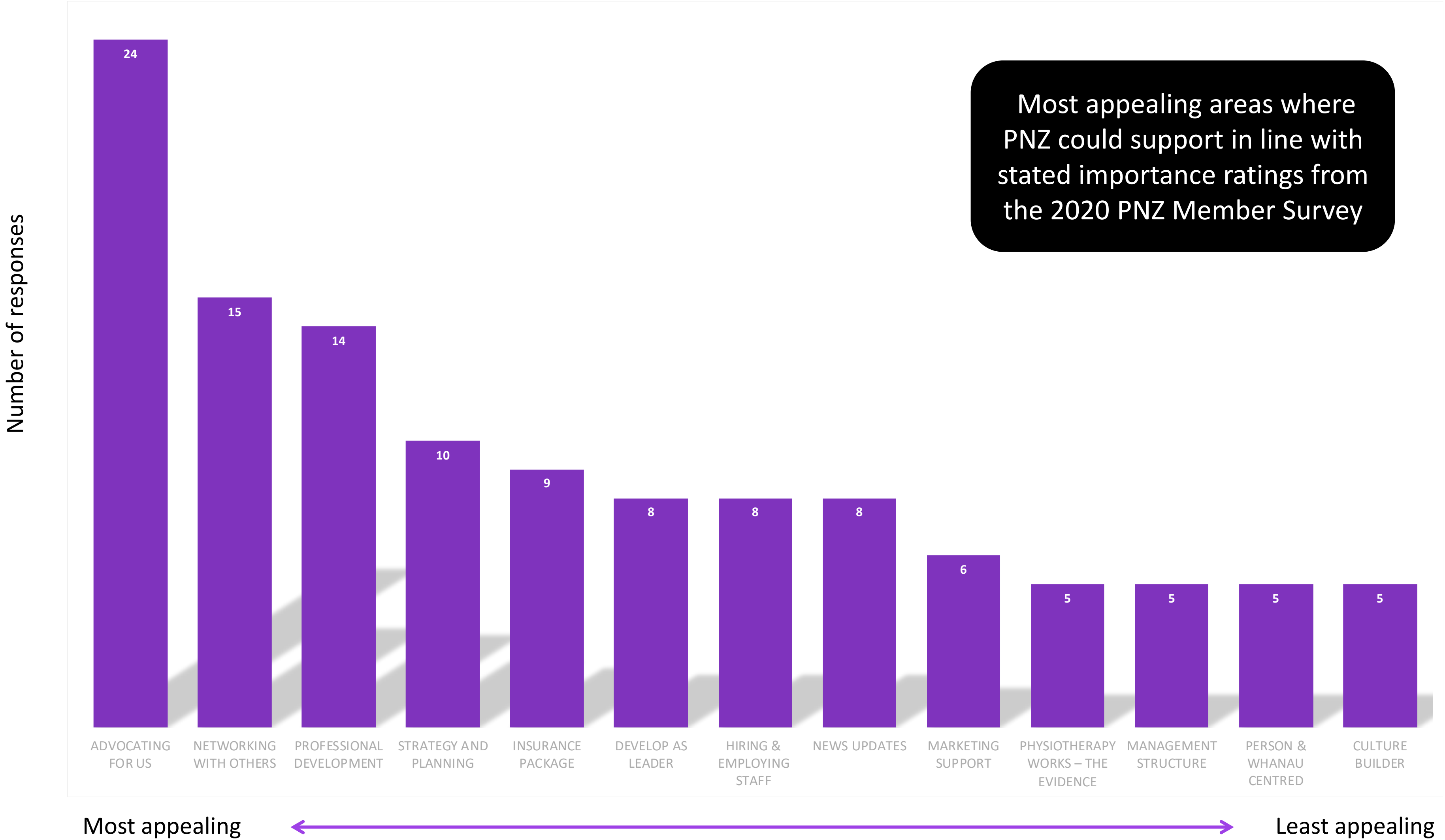
PHYSIOTHERAPY WORKS – THE EVIDENCE

Resources on how physiotherapy helps different health conditions, covering case studies, research and cost effectiveness

- Participants were shown these statements describing ways that PNZ could support them and asked to prioritise the top 3-5
- Results and detailed feedback are provided on the following pages

PNZ SUPPORT - RESULTS

WHAT COULD PNZ PROVIDE TO SUPPORT BUSINESS OWNERS?



This listing excludes areas where > 5 people prioritised. Includes financial literacy, COVID-19 response and time saving tips

ADVOCATING FOR US

Provides collective voice representing the views of business owners in negotiating with ACC and regulatory agencies and communicating outcomes

See main role as negotiating with ACC on our behalf

- Want PNZ to be well respected and thrive in that environment
- These are very high level talks, good negotiators are required:
 - this is our profession and what we do
 - the value we are adding and the evidence
- Ensuring payment for time and service provided are included: for example patient notes, photocopier allowance, discharge summaries
- In some cases other groups advocate already very well (Hand Therapy NZ) and have negotiated good contract
- *"Paying staff would then allow us to move forwards"*
- Advocate with other stakeholders including MoH, with potential funders, industry creating business opportunities in different areas (especially the case for those that have more mature/larger business)
- Working with physio schools on pathways, business paper inclusion etc

73%

WHAT COULD PNZ PROVIDE TO SUPPORT BUSINESS OWNERS?

42

PNZ: "As the united voice we lobby for physiotherapists interests and for quality physiotherapy services in New Zealand. This includes work with government, health and community sector stakeholders to promote physiotherapy national and internationally"

"Seems like there is a pressure and difference to move from regulations to contract physio. Does PNZ still represent those of us on COTR?"

NETWORKING WITH OTHERS

Staying connected with other owners through a range of online and in person events, access to special interest groups as well as access to discussion groups online

45%

WHAT COULD PNZ PROVIDE TO SUPPORT BUSINESS OWNERS?

43

Together we are stronger and "better together"

- Opportunity to learn from others through learning and networking
- Create small networks of physios - Local opportunities to network would be valuable, or even cross regional networks. Just talking like in the focus groups, were seen as more collaborative
- Some people do meet as local networks, mentioned by some as an accountability group
- Online casual forum, collective where people could come onto a topic where you put some questions forward (PNZ send you an email and ask for feedback). Facebook was also noted as another way that this already happens with groups
- Potentially the roadshows could include smaller group opportunities
- Find my mentor would be valuable for some
- Overseas, some have already had some connection with business owners
- Rural/isolated/time poor members - helps them keep on top of what is going on

"Business symposium is incredibly valuable but provide more time & space for people to share with others. Could include follow ups post. e.g. this can provide time saving tips"

PROFESSIONAL DEVELOPMENT

Access to online learning, courses and events (including national conference) at discounted rates. Member access to library and EBSCO

42%

WHAT COULD PNZ PROVIDE TO SUPPORT BUSINESS OWNERS?

44

Something for every physiotherapist, rather than specific to business owners

- Supporting the skilled and experienced staff, advanced practitioners etc, to create career progression
- Interesting ideas, courses, making sure that the quality of CPD is good
- Online learning post COVID provides opportunities given we are time sensitive and lack of travel
- Equivalent Australian agency manage this including quality and they are charging for this service
- For all classes of professional development, availability is important (i.e. if rural)

“More support and CPD opportunities for smaller provinces. Webinars should be used in order for us to tap in on things happening in bigger centres”

STRATEGY AND PLANNING

Resources to develop and update your business plan, including your goals and strategies, unique selling proposition (USP), mission, values

30%

WHAT COULD PNZ PROVIDE TO SUPPORT BUSINESS OWNERS?

45

Important, especially as new person starting out on their business journey

- Important that they funnel you towards the right people or support that understands your aspect of business
- Needs to be revisited over time, not just a starting point
- Some already have their accountant support them; e.g. COVID – *“accountants helped me forward plan for my business, provided as ongoing thing, reviewed every couple of years”*
- Part of the accreditation process (full) - you need to show that you have a business plan
- *“Strategy is not always my strength however guidance for planning important”*
- This should link through to the business performance and KPIs
- (more operational) *“Important if you want to keep a finger on your business and are not having regular contact with your accountant”*

INSURANCE PACKAGE

Access to insurance products at competitive rates including; professional indemnity, public liability, business interruption and employee disputes

27%

WHAT COULD PNZ PROVIDE TO
SUPPORT BUSINESS OWNERS?

46

Understands the right insurance for our type of business

- *“The package is important. I would hate to navigate the whole insurance field, is there as part of society membership”*
- BMS - with other insurance added as extra
- Some saw that Medical assurance society provide everything so no need to broaden from existing package, otherwise seen as ‘double dipping’
- Others saw that the list of insurance providers is really long and there is the opportunity to further consolidate

DEVELOP AS LEADER

Online resources to help you develop your leadership style and approach including outside physiotherapy. Including a "Find my Mentor" online request

24%

WHAT COULD PNZ PROVIDE TO SUPPORT BUSINESS OWNERS?

47

We all know good leaders have positive effects on the team and client

- You do not start off as a leader
- Suggestion: Provide us with interesting books to read, something to jog your memory or can access as you need it
- Self care and support is also important (could be addressed top down and bottom up); e.g. manage yourself, develop as leader, keeping yourselves healthy, establishing professional boundaries - flows through to staff

HIRING AND EMPLOYING STAFF

Access easy to navigate job boards, recruitment tools, HR professionals, as well as a range of employment templates online to help you hire and manage staff

24%

WHAT COULD PNZ PROVIDE TO SUPPORT BUSINESS OWNERS?

48

- Employment law changing all the time
- New graduate contracts being reviewed all the time, old fashioned stuff
- Accessing contract information (vs going to employment NZ, could go to right Government website)
- Helping provide an industry standard, especially given different business models
- Remuneration survey shows general trends, but does not allow you to compare apples with apples
- Predominantly contract work (voc rehab) vs medical fees + small surcharge
- Big variety of models for ACC - new grad, + experience
- Job notice board (no extra cost)
- Employment templates relevant to physio

NEWS UPDATES

Providing news and updates to help you stay on top of changes in physiotherapy world. Includes articles assessing implications of changes for business owner

Need to stay up to date and interpret new information

- Help us with interpreting new legislation and what it means for our business, what health laws, health and disability Act
- *“Went to conference and bought up Health Safety and Employment Act 2015, we implemented before PNZ”*
- Privacy laws changing Dec 1 - what role have PNZ played?
- Almost need group for communication

24%

WHAT COULD PNZ PROVIDE TO
SUPPORT BUSINESS OWNERS?

49

“Sometimes PNZ could have just been a bit quicker off the mark with email communications regarding what was involved/expected as we moved through the different levels in the earlier stages”

FOCUS GROUP SUMMARY

Business owners represent a diverse group with common needs

- Overall the virtual focus groups provided a constructive and open forum to better understand the full range of challenges facing business owners in physiotherapy today. There were a number of valuable ideas shared through sessions that highlighted the importance of this method of engagement
- The insight statements presented were generally agreed with by all participants. Any differences in response were due to differences in owner type, as well as their time spent as owner
- It showed that PNZ should focus on relevant resources and support for physio business operations. In terms of support there was clear preference for PNZ to provide *“those things we cannot achieve as a single business”*. This included advocating, professional development and providing insurance support
- Beyond this, there was a desire to network better with other business owners and the opportunity for PNZ to facilitate this
- There was also recognition by all of the challenges for the **Small Practice Owner** group and the need for relevant resources and tools for them

OPTIONS TO CONSIDER

1. Advocate for the whole private practice community with stakeholders including, but not limited to, ACC

2. Help owners connect within physiotherapy and business

3. Provide business resource access when needed

4. Help communicate the value of physiotherapy

5. Proactive and relevant communication

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