

MEDISPA MERCHANTS

The “Business” of Running a Medispa

by Susan Preston

Doctors, nurses and spa owners all want to set up a Medispa these days. This is the fashionable trend as we move further into the 21st century. Yet, as with any up and coming industry, not everyone will achieve success. Competition will weed out the marginal players in this game and the well-run businesses will be the ones to survive. So how do you set up the business to be one of the survivors?

Professional Program Insurance Brokerage (PPIB) has been insuring programs for 15 years and working with the Medispa world for about 5 years, starting with the laser industry and adding in Botox and dermal fillers as well as medical and aesthetic peels, microdermabrasion and sclerotherapy. This article will outline some of the issues our clients have had and our suggestions for success in this business.

In traditional medicine, people get products and services that their health requires they have. Often a portion of the cost of the service or medicine is being paid for by health insurance. Due to this, doctors and nurses and other health professionals are not typically in the business of “selling” a service, other than to advise on what is an appropriate solution to the problems. On the other hand, Medispa services are elective and not paid for by health insurance so professionals in the business must become sales people for the services and products being offered by the Medispa. It does not seem that everyone entering this world fully appreciates this distinction from traditional medicine.

DIVERSIFICATION

Many Medispas started out with laser services. Laser services are often the bread and butter part of the Medispa. Lasers and IPLs continue to advance so as to be able to offer better treatments. Laser operators and managers of the Medispa should be taught to sell other services that the laser or IPL unit can offer.

Offering laser work is probably not enough however. The medispa should have other options available to their clients, we believe. Women especially are very short of time these days and so they want to get treatments done without having to seek them out or go to various locations. By adding in other services, the busy woman and man can sign up for additional services after finishing one treatment.

Botox work and various dermal fillers are now being offered in Medispas with laser work. While these services require a doctor or nurse or other licensed medical professional in most states, it can be very profitable when combined with laser options. To get the maximum benefit from these services, it could be promoted by the Medispa to laser clients and also marketed as a full

cosmetic treatment plan. The cost of dermal fillers and Botox services are very competitive in some parts of the country, so it might be well to market it as a full “package plan.” At a recent convention there were people offering finance options and this seems like a good way to fund people getting a number of laser and filler treatments. When setting this system up in a Medispa, be sure to understand all the disclosure laws required to the client getting this financing.

Traditional salon services are also a good addition to the Medispa menu. It might be easier and less costly to find licensed aestheticians (vs. nurses) to do facial services and microdermabrasion yet this can be a very valuable addition to the success of the business. Again the aesthetician should market the other services being offered in the Medispa so that the client will become a regular customer. If the salon is run or owned by a doctor, an aesthetician or nurse could offer higher level medical peels, under the supervision of the doctor.

People lead stressed out lives. Massage therapy could be considered. Most massage therapists work as independent contractors, allowing the Medispa to offer the service without having to make a full time commitment to the masseuse.

The beauty and Medispa industries keep coming up with new products. Attend conventions on a regular basis to consider these new ideas, but be sure to understand the liability issues and possible complications before buying a new, untested product.

PRODUCTS

At this stage, we have not seen Medispas get into the product sales arena to any extent. Yet this seems like a good source of passive income. Salons have traditionally offered a range of creams and aftercare products for sale so these might be something a Medispa should also be offering more of. As long as the Medispa purchases products liability to ample limits, there are no reasons not to offer a line of creams and other over the counter products for sale. It is better to purchase products under someone else’s label as they become the primary source of products liability. Private labeling products is taking on extra liability more like a manufacturer and thus is probably more trouble and risk than it is worth, unless the Medispa sells hundreds of thousands of dollars worth of units on an annual basis.

At a recent convention we found companies that offer wellness analyses wherein Anti-oxidant levels of the client are analyzed and then creams and/or vitamins are offered. This is not a bad idea. When considering any ingestible product, get proof the company making the vitamins has high products liability limits and then the Medispa also needs to purchase their own.

MARKETING

In most parts of the country the general public is still not aware of all the options available to them from a Medispa. Marketing is a key component of any successful business. Offering referral credits and giving multiple service discounts are good ways to get repeat business as

well. Invest in a good brochure to hand out to all clients so that they can show their friends the type of thing available in the Medispa.

Unlike traditional medicine, people will not beat a path to your door without some incentive or cosmetic need. Make that happen – don't sit around and wait for business to come. This is an exciting world and people of all ages need to understand the glamour and benefits available to them. The Medispa that can put it all together is the one likely to survive and thrive.

SUSAN PRESTON

Susan Preston is President of her own insurance agency, Professional Program Insurance Brokerage and Face and Body Professionals, both located in Novato, CA. She has provided insurance and supplies to the permanent cosmetic and beauty industries for over sixteen years. She has worked with states and other governing bodies to develop industry regulations and served as an advisor to the National Environmental Health Association. In 2003 she started insuring lasers/IPLs for hair removal after studying the industry for 6 months and working with doctors and laser experts to get underwriting guidelines. In 2005 medispa services including Botox, dermal fillers and medical peels were added to the program. In 1990 Ms. Preston co-founded the Society of Permanent Cosmetic Professionals, a non-profit association setting standards for the permanent makeup industry. Her articles on beauty and medical issues have been published by national publications including *Les Nouvelles Esthetique* magazine, *Skin, Inc.* the *Advanced Dermatologic News*, and the *Woman's Guide*.

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