

## All Clinics Great and Small: An Exploration of Veterinarians' Perspectives on Corporatization

By Annie Showers



Have you read James Herriot? I imagine many aspiring veterinarians have at some point. If not, let me paint the picture: he was a humble English vet who serviced the countryside, practicing medicine with his wits and whatever was in his bag. His mission was to help his neighbor by helping their four-legged friends. His books epitomized the country-doc ideal, which for a time, characterized society's perception of veterinary medicine. James Alfred Wight, penname James Herriot, passed away in 1995.<sup>1</sup> This was just nine years after the founding of a little company known as VCA.

Things certainly look a bit different today compared to James Herriot's time. In just over thirty years, VCA Antech grew from a small company in Los Angeles to a corporation that runs over 800 animal hospitals within North America, services hospitals nationwide with laboratory diagnostic work and

high-tech imaging, and provides doggy day care and boarding across the country.<sup>2</sup> Corporatization is becoming the norm in veterinary medicine, and if you do not believe me, just ask Mars, Inc.

Yes, that would be the makers of your favorite little chocolate morsels. In 2017, Mars purchased VCA for about \$9.1 billion, as Malinda Larkin explains in her JAVMAnews article *Veterinarians Incorporated*. This merger comes after the purchase of BluePearl, Banfield Pet Hospital, and the therapy dog company known as Pet Partners. All the aforementioned companies now makeup Mars Petcare. According to Larkin, the veterinary hospital conglomerate will retain much of its identity, with the CEO and founder Bob Antin continuing to lead VCA as a new division within Mars Petcare.<sup>3</sup>

There are some estimates that suggest that 25% of all veterinary hospitals will be corporate-owned in five years. This may seem like a small number, until you consider a related prediction: in five years, those corporate-owned practices will be servicing 50% of all veterinary visits.<sup>4</sup> Corporate acquisition and consolidation is happening in veterinary medicine at rapid rates – but what is it actually doing to the profession?

We need to know what the benefits are, and what we are losing with relatively aggressive corporatization. To find the answer, I wanted more than the opinion of a single columnist in a veterinary news outlet. So I designed a survey that was sent to veterinarians primarily in Ohio, and I received three-hundred and six. Eighty percent work in a privately-owned practice, and over half own or are co-owners of their clinic. When asked about potential pros and cons of corporate-ownership, those surveyed had the following responses:

Which of the following do you consider a potential benefit to corporate ownership?

- Lower prices for bulk inventory - **79%**
- Better payment options and benefits for employees - **73%**
- Establishment of standards of care - **25%**
- More research opportunities - **10%**

Which of the following do you consider a potential downside to corporate ownership?

- Pushing profit at the expense of quality medicine - **84%**
- Reduced ability of the veterinarian to make medical decisions - **83%**
- Poor public image (as opposed to the "country-doc" ideal) - **57%**
- Poor client communication/service - **44.6%**

Those who filled out the questionnaire were able to pick any or all of the options listed, so the percentages represent how many of those surveyed feel each pro or con statement is valid. The majority of the respondents agreed that the main benefits of corporate ownership can be boiled down to financial savviness. The more you buy, the less you pay per item. Corporations can get better prices for the supplies that vet clinics need. Additionally, and possibly most importantly, larger companies can offer better salaries and benefit options for their employees. This is very attractive to new graduates who are exiting veterinary school facing a debt-to-income ratio of 2.26:1 as of 2018.<sup>5</sup>

As the results summary reveals, few surveyed believed that corporations are beneficial in terms of establishing standards of care or providing research opportunities. When it comes to disadvantages of corporate ownership, negative perceptions are clear, and the two most commonly chosen cons are focused on the very medicine we practice. Over 80% of those surveyed felt that larger companies end up pushing profit at the expense of quality medicine and limit the ability of the veterinarian to make medical decisions based on their preference or expertise. Poor public image and poor client communication/service were not as concretely agreed upon, but there are certainly those who worry about the client experience being tainted as well. Survey of client satisfaction as well as objective measures of clinic performance are needed to assess the validity of veterinarian's perceptions.

Corporate-led practices offer an exciting chance to dive right into medicine without sacrificing salary. I was also able to communicate with many veterinarians one-on-one, and they did point out that new graduates have prospects of more reasonable hours if they join a corporate-owned practice, such as a VCA or a Banfield. Better pay – better hours. Win-win? Those same veterinarians also mentioned, however, that mentoring, a critical aspect of private practice, is lacking. Besides limitations put on medical choices and pressure from corporate to keep profit up, you may not receive the training that you want and need. So, what is a new graduate to do?

Until every private practice can find a way to consistently provide solid retirement prospects for those heading out and reasonable starting salaries for those coming in, corporations will continue to buy up smaller outfits. Do we run and hide? Scream and curse the capitalist giant? No. Is this really different from those days when a veterinarian ended up with a boss who did not run the clinic the way s/he would? Or, is it that different from being a country-doc in the 20<sup>th</sup> century who had to use what was available? As veterinarians, we do not wait for the ideal situation that allows us to practice the best medicine possible; we practice the best medicine possible in whatever situation we are in. Private practice is certainly not going out of style any time soon, but corporate ownership is going to become more and more relevant. If this does worry you, look to James Herriot for inspiration: practice quality medicine with your wits and whatever you have in your proverbial bag.

#### References

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