

## Shared Services Management for Private Practice Audiologists



**Brandon Dawson - CEO**

### **About Audigy Group**

Audigy Group helps private practice audiologists and hearing professionals excel in their businesses while allowing them to grow as leaders. We empower and inspire teams through superior tools and training.

**Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine**

### **CEOCFO: Mr. Dawson, what is the concept behind Audigy Group?**

**Mr. Dawson:** We are a shared services management company for independent business owners, and provide them resources that are typically only available to big box retailers and large consolidation.

We have created a model where an independent business owner of almost any size can tap into a cohesive suite of professional services that assist them in aligning their organization, their people, and their long-term business objectives to drive greater success and sustainable growth for their practices. Marketing, human resources, human resources, finance, and operations are just a few areas we specialize in to provide greater focus to our members' businesses.

Our organization began in audiology, and we have launched separate companies of similar models in dental, otology, and in Ear, nose, and throat practices.

### **CEOCFO: At what point might an organization come to you for services?**

**Mr. Dawson:** It's a pretty broad mix. We assist half-million dollar businesses, and we serve ten- and fifteen-million dollar businesses. We have members who have joined us saying, "My business has been flat, and I want to grow my organization." Others have told us, "I am growing, but I am not growing fast enough."

And there are others that have the wisdom and foresight to realize that while they are growing, they are not growing at a scalable rate that is sustainable. We've had plenty of experiences in assisting business like these, and even others still who have a whole different set of challenges, and they're not always strictly business-oriented — sometimes they're challenges of belief.

These are the business owners who join us because they have gone into struggle mindset and they are insecure, fearful, or they have lost the belief that they will be able to move their business. And that's where we come in.

### **CEOCFO: What do you understand about delivering all of the services and all of the support that perhaps other companies do not? What do you bring to the table?**

**Mr. Dawson:** I think that what we bring is an aligned, synergistic approach with our service offerings. And we ensure that our service offerings work together to best give the business lift. We're a team, and we operate like one.

Many of these businesses hire a myriad of consultants: financial consultants, legal consultants, operational consultant, etc. And they hire a marketing company, or a multitude of marketing companies: web optimization support, a design firm, direct mail fulfillment — they hire all of these people and they spend all of this money, *and none of the services are aligned.*

In any business you have a brand. And your brand has to be consistent in order to be effective. When the different facets of your business are working together, they support your brand, amplifying its value to your community. But when you hire

a bunch of third party specialists who don't work or communicate with one another together, what you end up with is a confused message that ultimately undermines and dilutes your brand.

We offer a holistic business methodology that supports our members in growing to the next level. What we understand is that all facets and all pieces of that process need to be coordinated to work together, so that "what you say is what you do, and what you do becomes your legacy." If you say your brand is one thing, you had better follow it all the way through all spectrums of all that you do.

**CEOCFO: *When you are talking with a prospective client and you explain this, how can they resist? What, if anything, do people miss about that concept?***

**Mr. Dawson:** Well, it can be several things. One is the fundamental belief of many entrepreneurs—that what makes them unique is the way they do what they do. But, ultimately, the better they are at doing what they do, the bigger their business becomes, so they have to surround themselves with people to help them. But what they often miss is the shift from "what they do" to "how you do it, and who you do it with."

It's a whole new way of thinking in relation to the business. So what happens is people get so stuck in their old system of beliefs and forget to adapt to a system of operations that reflects what their business has become.

Our approach is always based on best practices that are duplicable across the entire team. The importance of leveraging all people and all processes so that they are consistent across all spectrums is key, but we often face the belief that it cannot actually happen—because if it could happen they would have already done it.

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Secondarily, we often see an issue in their business's operational effectiveness. They have been working their entire lives on their businesses—and they're good businesses—so the obvious assumption is what they are doing and the way they are doing it is the best that it can be done. They do not believe that they can be any better than they currently. But we want these businesses to be more than good. We strive assist our members to create remarkable businesses.

The third, and perhaps most important component, is one of leadership. Many of these business owners believe that they are already as effective as they can be. And they do not recognize the necessity of strong leadership with their team, or what being an effective leader truly means.

You get a lot of resistance when you go into an organization that is doing okay and they believe that anyone that meddles in that will mess it up. Fear and anxiety become bigger motivators, quite honestly, than the opportunity. People just get in their own way. They get stuck and they get into a routine. Change is very hard. The biggest obstacle is people stepping back, opening their minds and really saying, "Can I be bigger, better, and more substantive tomorrow than I am today? Can I create a higher magnitude of impact in all that I do, or am I already at my peak and I'm just scratching to hang on?"

**CEOCFO: *Would you walk us through a fairly common, simple engagement and maybe something a little more challenging?***

**Mr. Dawson:** Sometimes we will hear, "We have been building this business for twenty years. There are twenty of us doing it. We are at capacity. We need to add more employees. We need to expand to another location, but our insurance companies are reducing their reimbursements. We are stuck in a place where we need more resources, we need more assets, and we need more space. But we don't really have the capital to invest in it. So we're kind of stuck."

Then we come along and say, "Well, let me show you a similar business in a similar market with the exact number of assets, key performance indicators, and opportunities that you have, and yet their business is twice as big as you with half the staff. And they are three times more profitable than you. So let's understand gain an understanding of what they are doing versus what you are doing."

Some business owners will reject that. They don't believe us. They do not even want to do the work to find out. But some will say, "Okay, prove it to me." And what we typically see is business owners certainly work very hard, but aren't working as smart as they could. There is an enormous amount of leverage in their existing business, and they just do not know how to go after it.

The difference then is, "What are you able to do with the resources, assets, and marketplace that you are in versus what others have been able to accomplish?" This spurs a very dynamic conversation. It points to improvements that can be enhanced in the location that are either flat or struggling or have huge growth opportunities.

To be even more specific, I talk to many business owners who say, "We have been doing this for twenty years. We have generated one million dollars of revenue between two providers. I am doing \$600K, and I have another provider doing \$400K. And we're tapped out. There is not more room for us."

So we show them example after example of a similar business in a similar market with the same KPIs, yet they have one doctor generating \$2.2M. There is a big difference there, right? So once we can establish what is possible, we can use best practices to give the business lift.

**CEOCFO: *Do you find that many professionals do not understand the need to let go delegate?***

**Mr. Dawson:** Yes, but here is the thing. What you just touched on there is an issue of leadership. So we created what we call the three lids. A lid is the highest point you have been able to excel at in a certain area. If you're a business owner, everyone in your organization is either at or below your three lid levels. One lid is belief. In other words, how high is your belief? Because the higher you believe, the higher you achieve. The second lid is operational effectiveness. The more effective you are, the more success you have. And then the third lid is leadership.

Many business owners are so busy doing the "what they do", which is how they became successful. When you're successful, you pack you organization with people. However, the bigger the organization gets, the more fearful they often get that the things they used to do are now in someone else's control. If things are working they tend to abdicate until they break. They do not tend to delegate. They confuse abdication with delegation. And that abdication typically is, "There is a job that needs to get done. Go figure it out, and I hope that it works and if it does not I am going to be upset, but if it does I am going to love you and let you do whatever you want to do." Delegation is, "This is the exact methodology we identified to succeed at this role. It is the highest level of success, creates the highest magnitude of impact, and I want you to do it exactly the way I teach you to do it until you perfect it. Once you are able demonstrate to me that you are able to master it at its highest level of effectiveness, you can incrementally improve it." It really is a technical issue. That is delegation.

In order to be a delegator you have to learn to be a leader. When we teach business owners how to actually delegate and lead, they technically learn the process of doing it. They find it to be much easier and much better for their quality of life. Abdication creates a lot of insecurity, fear, and jealousy. That becomes the business's cultural environment instead of an environment of freedom where we can all grow and succeed and conquer together, because we are all working toward a common goal.

**CEOCFO: *You mentioned going into dental; why is that the time to focus there?***

**Mr. Dawson:** Because the need is there. We have twenty-five different verticals that are under some kind of pressure: dental, audiology, healthcare, dermatology, allergy, veterinarian clinics, and a ton of other independent businesses that have huge opportunities to succeed. Yet they are under consolidation pressure and reimbursement pressure. They have a very fear-based way of thinking. They do not realize just how much opportunity there is to stay independent, to grow independently, and to be able to attain the quality of life they want to obtain without conceding or having to give up by joining a buying group or by being acquired for fear that they'll miss their big opportunity.

**CEOCFO: *How are you reaching out to the various groups?***

**Mr. Dawson:** We have a very specific methodology we have built to identify the kind of people we want to talk to, based on their current level of excellence in their practices. It is proprietary. I have a whole team that does it.

In dental, for example, the team operated for a year in eight markets before we started reaching out to anyone. We had a very good idea of whom we wanted to talk to. Once we build solid relationships with practices, things become very much referral-based. Then their friends will refer friends because of the success that they have. Like attracts like. Finding the right partners the right way the first time is very important.

**CEOCFO: *Is there much competition? Are there many organizations with the range and depth of Audigy Group?***

**Mr. Dawson:** There are many organizations that say they do the things that we do. But we have yet found in any of our verticals: audiology, dental—even in our pre-veterinarian business—anyone that really does it with the depth that we do.

When we looked at vision or chiropractic, we looked at the management companies that were out there. Usually they managed thousands of locations and they have one hundred people or fifty people on staff, and they outsource all of those essential components that I mentioned earlier. They have a sales team, but they do not do the work themselves. We do all of the work for ourselves. We have two hundred and sixty employees across all verticals. We design, build and deliver everything in-house to be consistent with what those business owners want and need. We do not outsource—and that includes our technology platforms.

**CEOCFO: *Your website indicates that philanthropy is important for you. Why and where do you focus your efforts?***

**Mr. Dawson:** We try to invest locally into the community and then we also invest heavily in hearing. Obviously, our largest business is in audiology and hearing. We partner with the Starkey Hearing Foundation, which works with great organizations like the Clinton Global Initiative and many others. They donate tens of millions of dollars in hearing aids a year, all over the world doing mission trips.

We are one of their larger sponsors. We just came back from fitting thirty thousand families and kids in Peru, over a two or three week period, with about thirty of our team members. We do two or three missions a year and contribute hundreds of thousands of dollars in an effort to give back to those in need of better hearing, so they can reconnect with life.

We also support families and children that are displaced in shelters here in Vancouver. And we support things like the parks initiatives to upgrade the public parks.

Eventually, probably next year, we will be doing the same thing with our own international mission trips. As we start to amass our business processes and success, we start investing more in to charity. We just believe in giving back. It's a fundamental unifier, and it is very healthy for our teams to be able to go see what it is like around the world and really appreciate the depth of what we can do to help people. We live in an amazing country with amazing resources and I think that people tend to forget that.

**CEOCFO: *Audigy Group was selected as one of the top Oregonian workplaces. How do you create the atmosphere to be labeled as such?***

**Mr. Dawson:** When you are growing as fast as we are, you find yourself adding lots of people in real time. We have a twenty-five percent turnover rate here, and it's because we are very clear about what our inspiration and motives are. We serve our membership.

That means that we are available to do whatever's needed in order to have a positive impact personally, professionally and financially on the lives of those members we serve in any of the verticals that we work in. My job and the job of my management team, first and foremost, is to demonstrate that to our own teams. If we do not live that ourselves, then we certainly cannot ask our members to live it—you can't say it and not do it yourself. And so you have a third of your team who are inspired and personally motivated. They want to excel. They want to do all that they can and they are passionate about what they do. Then you have the middle third that just want to be taken care of. They want to have a great place to work. They want to feel good about what they do, but they are not overtly going to drive every day at the highest level of impact, because that it is just not who they are. Then you have the bottom third that want to just basically show up to get paid. And Gallup polls affirm this.

One of our biggest assets we have is a very strong filtering mechanism that weeds out people who are not inspired, who are not fully dedicated or committed to the purpose and passion of the organization. So what we end up with is a lot of very highly motivated, highly inspired people who are aligned personally, professionally, and financially with our organization and our magnitude of mission for the people we serve.

People either love that environment or absolutely hate it. It just so happens that the majority of the people that are here love it! I would say that we have been very diligent over the years. It gets harder as you add more and more and more people, but we have been very diligent in building our core team. Seventy percent of my directors and vice presidents are home grown. They have been here a long time, and this is their first career. They're intrinsically aligned with what our magnitude of mission and purpose is. When you have that kind of team, you can be a Top Workplace.

**CEOCFO: *What should our readers take away? What should they remember about Audigy Group?***

**Mr. Dawson:** The most important thing is that we are a group of people that individually and collectively are exceptionally passionate about working for the benefit of the people that we serve—our members. We recognize and understand that the only way we can succeed personally, professionally, and financially here at Audigy Group is if we provide the ability for our members to succeed personally, professionally, and financially.

We align our business's interests with their interests. If they struggle, then we struggle. If they win, we win. That way we are always fighting together as a collective to impact each other verses someone winning and someone's expense. That sense of alignment is very important to us. I think that's the most important thing. We do not win at their expense. Many of the businesses working with independents are winning at the expense of the business owner. We just do not believe in that.

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**Bio:** Brandon is a sought-after lecturer and CEO advisor on entrepreneurship, leadership, and business-building strategies. Brandon created a unique, variable-expense shared services delivery model with the purpose and passion of supporting and preserving independent business owners who have the desire to become more profitable and to grow their existing business or expand to new markets.

Brandon looks specifically to verticals that are confronted with poor single or multi-unit economies of scale, industry consolidation, or the introduction of large-scale competitors. He is the founder of Audigy Group, his first management shared services company, which supports more than 250 of the leading independent hearing health care businesses throughout North America. Audigy Group has grown from a startup in 2004 to managing more than 650 locations and 1,700 full-time employees with \$250M in aggregate revenue. Audigy Group itself has grown from \$500,000 in revenue in 2005 to approximately \$33M in expected revenue in 2014, with continued growth on the horizon.

Seeing similar opportunities in other vertical industries, Brandon founded Audigy Medical, an ENT-based management shared services company and Stratus Dental Group, a dental management shared services company. All of his business ventures are labors of love that were built without the aid of outside investment capital. Brandon has dedicated himself to helping his clients, colleagues, and employees achieve their personal, professional, and financial goals.

Brandon's success and entrepreneurial spirit have not gone unnoticed. Audigy Group has been honored as one of Portland Business Journal's Fastest Growing Private Companies for six consecutive years, is a six-time Inc. 5000 winner, and a two-time winner of the Inc. Hire Power Award for outstanding success in job creation. Additionally, Brandon has personally been named a finalist twice in Ernst & Young's Entrepreneur of the Year Award for the Pacific Northwest.

Prior to founding Audigy Group and its sister companies, Brandon served for seven years as the founder and CEO of Sonus Corporation, a publicly traded hearing care company. At the time of taking Sonus Corporation public, Brandon was the youngest CEO to list his company and ring the opening bell of the American Stock Exchange.

While at Sonus, Brandon raised \$38M in four separate equity transactions and \$20M in strategic debt financing. He was also responsible for acquiring more than 100 businesses and forming and creating the Sonus Network, a national network of more than 1,000 locations. In addition to these accomplishments, Brandon has identified and negotiated approximately \$100M in a variety of real estate and other financial transactions as a partner, principal, and representative.

Brandon is married to his wife, Tammy, and they have three girls: Samantha, Brianna, and Ciara, along with their first grandson, Ryker.



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