

LOST IN THE CLAWS AT LINDA ANIMAL CLINIC AND SURGERY

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ABSTRACT

This case presents the operational challenges faced by Linda Animal Clinic & Surgery following a period of initial slow growth which transitioned into increasing demand. The sudden departure of Dr. Alice amid these challenges further strained the clinic's performance. In response, the clinic turned to offering more ancillary services.

Keywords: Operational issues, diversification strategy, manual processes.

Taking the first steps

In early 2017, Dr. Linda opened her animal clinic – Linda Animal Clinic & Surgery after accumulating years of experience working with multiple clinics. At Linda Clinic & Surgery, she was assisted by Dr. Alice, a newly graduated veterinarian, and Marco, the clinic assistant. The clinic offered consultation and surgery services, as well as a wide range of sales of cat foods and litters.

Marco handled all the administrative work manually, everything from patient intake and record keeping to sales of cat foods and litters. Each record and receipt for the day were compiled into hardcase files according to their categories. Records of everyday sales and purchases were recorded in a logbook, and then reconciled with the cash register records at the end of each month for bookkeeping. If the numbers did not tally, Marco would check the receipts or records in the hardcase files for any missing transactions.

Operating in a new business compound, the clinic struggled to attract customers. One evening, while waiting for customers, Dr. Linda approached Marco with an idea. "Marco, if we were to offer grooming services, would you be interested in assisting? Bathing, brushing, nail trimming and ear cleaning?"

"I would love to, as there's not much else to do anyway. I'll get extra pay, right?" replied Marco.

It was then decided to expand the clinic's services to include pet grooming. Part of the clinic's kitchen was renovated for the grooming area.

Running between the hurdles

After nearly two years in operation, despite struggling to break even, the clinic gradually built its loyal customer base. A steady stream of new customers flowed in due to recommendations from family and friends, whether for clinical or grooming services.

As the number of customers increased, Marco found himself with a lot on his plate, from managing grooming appointments to handling customers. Oftentimes, there would be nobody at the counter as Marco was busy searching for customer records or preparing the medications at the back. Dr. Linda had to step in and manage the counter from time to time. Customers also often experienced delays in paying and receiving medications after consultations.

“I should hire another clinic assistant to help Marco, but, I’m also considering renting the shop lot above our clinic to store our stocks. The waiting area is overcrowded with cat litters and foods. Unfortunately, we cannot afford to do both!” said Dr. Linda.

The clinic has one consultation room, a records and medication room, and a surgical ward. The sales of cat litters and foods significantly contributed to the clinic’s revenue, thus, the clinic had to maintain large stocks to meet the demands of its customers. However, whenever the stocks were replenished, the waiting area would be filled with cat litters and foods since the clinic had no storage room.

Hissing all of a sudden

All of a sudden, Dr. Alice decided to part ways to pursue other opportunities. This left Dr. Linda solely responsible for managing the consultation and surgery services. She had to stretch herself thin to meet all the demands. At times, customers had to wait for over two hours, with some eventually giving up and leaving. There were also several cases where pets were unable to receive full care treatment due to the large number of people waiting. During emergency operations, the clinic was left without anyone to attend to waiting customers. This led to a drastic increase in customer complaints.

To help manage Dr. Linda’s workload, the clinic hired a locum doctor as it was difficult to get a permanent veterinarian urgently. However, despite the rotation of locum doctors, none were able to meet the clinic’s standards of service. There were numerous instances of rushed appointments, leaving customers worried about the thoroughness of the examination.

“I thought bringing in locum doctors would help us ease some of the pressure, but, it’s getting more complicated,” said Dr. Linda.

Many customers began to seek alternatives although some remained loyal due to Dr. Linda’s exceptional services. Adding to the dilemma, two new veterinary clinics opened in the neighbouring area, intensifying the competition even further.

Kneading to unwind

In response to the decline in demand for consultation and surgery services, Dr. Linda shifted her strategy towards offering a new ancillary service. The clinic upgraded the cages in the surgical ward to accommodate cat boarding services, which cater to pet owners who needing care for their cats while away on holidays or business trips. Dr. Linda also rented the shop lot above her clinic to store more cat foods and litters. Meanwhile, Marco continued to provide grooming services, and even investing in new grooming equipment.

The clinic continued to rely on manual processes even though several vendors had approached them with various integrated point-of-sale (POS) systems. Marco was hesitant to transition to a digital system as he had become accustomed to the existing manual processes, despite the extra hours he often invested during off-hours to finish the administrative works.

“We hardly get as busy as we were before, but at least we are still in business. We’ll see what the future holds for us” said Dr. Linda.

DISCUSSION QUESTIONS:

1. Explain the term “ancillary service” and provide two examples of such businesses.
2. Is offering ancillary services the best option for Linda Clinic & Surgery to address the decline in customer demand for clinical services, considering it as a diversification strategy?
3. Identify the key strategic and operational measures that the clinic should consider to effectively manage the challenges it is currently facing.
4. Discuss how the reliance on manual processes impacts operational efficiency, particularly in the face of increasing competition.