



PLANNING FOR SUCCESS – From Start-Up to Booming Business in Only Three Years

Charles E. Crutchfield III, MD

Dr. Charles Crutchfield has shown how even new dermatology practices can quickly become large successful businesses.

His secret? Great ambition and good execution of a well-designed business plan.

By Jodi Norton
Photographs by John Wagner

Dermatologists thinking about starting their own practice often wonder how long it will take to turn it into a successful business. While buried in the normal details of starting a business – finding office space, recruiting staff, arranging financing that will allow it to pay its bills until it can generate revenue, etc. – it’s hard for these physicians to imagine running a profitable company in the foreseeable future much less a large enterprise in only a few years. Dr. Charles E. Crutchfield III should serve as an inspiration to these budding entrepreneurs.

Since its creation in January 2001, Crutchfield Dermatology has grown from a four- person operation into a booming enterprise consisting of 25 employees, with Dr. Crutchfield serving as the sole physician. Running a clinical practice, phototherapy center and DermiSpa, Dr. Crutchfield and his staff treat close to 140 patients per day – with appointments booked up six months in advance – and have already treated more than 15,000 unique patients from the Minneapolis-St. Paul area, with an average of 24,000 patient visits per year.

His success has also been recognized within the medical community in the Twin Cities. His peers have selected Dr. Crutchfield as one of the area’s top dermatologists twice in the most recent surveys conducted by a local magazine.

Basing his practice in Eagan, Minnesota (a suburb of St. Paul), Dr. Crutchfield wanted to create the “crème de la crème” of dermatology clinics that would offer his patients the highest level of quality care, in an elegant clinical environment. “I wanted to be the Nordstrom’s of skincare and dermatology,” he says.

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When entering the warm reception area of Crutchfield Dermatology, it is clear that its owner left no details unattended. The beige walls displaying colorful Georgia O’Keefe prints complement the muted natural cherry wood furnishings, and the large windows brighten the room with natural light. Fresh flowers, gentle music, a flat screen television and a magazine rack stocked with current issues of everything from *O Magazine* to *National Geographic*, as well as Dr. Seuss for the younger readers, combine to offer patients a welcoming and luxurious environment. The receptionists, dressed in crisp white lab coats with embroidered names, offer a friendly smile and greeting to every patient who walks through the

door. According to Dr. Crutchfield, who hired both an architect and interior designer before opening his practice, “Nothing happened by accident. It is all part of a strategic plan to ensure that patients have a pleasant experience at Crutchfield Dermatology.”

The Inspirations Behind the Dermatologist

Being the son of Dr. Charles Crutchfield, Sr., a practicing obstetrician/gynecologist, and Dr. Susan Crutchfield-Mitsch, a retired family practitioner, it is not surprising that Dr. Crutchfield chose to study medicine. He has a Bachelor’s degree from Carleton College and graduated from the Mayo Clinic Graduate School of Medicine with both a Master’s degree in molecular biology and Doctoral degree (MD) in medicine. It was during clinical research for his PhD that Dr. Crutchfield was first introduced to dermatology. “It was like a lightning bolt hit me,” he says. “And I knew then that clinical dermatology was what I was supposed to do.”

After completing his transitional internship at the Gundersen Clinic and his dermatology residency at the University of Minnesota in 1998, Dr. Crutchfield joined a group of 12 dermatologists in the St. Paul area. Although he has very high regards for his former partners and his four years of experience with this group, he acknowledges that there were certain limitations to a practice of its size. “I wanted to try some different strategies in a dermatology practice that were just not amenable to a 12-person group,” he explains.

Dr. Jennifer Biglow, creator of Z. Bigatti skincare products and one of Dr. Crutchfield’s former partners says, “His exceptional rapport with his patients and passion for the practice of medicine made it clear early on that Dr. Crutchfield would be going places.” She believes that, “In his practice Dr. Crutchfield fulfills his visions of both a medical and cosmetic approach to the practice of dermatology, and provides his patients with thorough and compassionate care.”

The Business Behind the Practice – Ensuring an Efficient and Successful Operation

Before opening his practice, Dr. Crutchfield sought the help of a practice start-up firm and the counsel of his two key advisors – his parents – who, he says, “have seen all the trains come and go when it comes to running a medical business.”

According to Dr. Crutchfield, one of the greatest lessons that he has learned from his parents is that “you can’t turn your back on bread and butter medicine.” Today, 80% of Dr. Crutchfield’s revenue is generated from general dermatology, with the remaining 20% coming from cosmetic dermatology. “My bread and butter practice has been invaluable to me,” he says. “It is through it that I have built my cosmetic practice.”



Nurse Deanna at one of the nursing workstations

When starting his practice, Dr. Crutchfield identified four key components that he believed were essential ingredients for the high quality organization that he hoped to build: a “paperless” electronic medical record system, a happy and highly capable staff, strong relationships with other physicians in the community and superior patient care.

Paperless EMR system

According to Doug Anderson, a principal at Healthcare Management Resources Inc., the company that assisted Dr. Crutchfield in starting his practice, “Dr. Crutchfield’s infectious enthusiasm motivates all those around him, and his innovative approach to running a practice has been instrumental to his success.” He believes that, “The customized electronic medical record system and Dr. Crutchfield’s army of registered nurses have

made him more efficient in providing his patients with a higher quality of care.”

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At Crutchfield Dermatology, you won’t see employees running to the file room or frantically photocopying charts; using an electronic medical record system (the first Minnesota dermatology practice to do so) and flat panel monitors located in every exam room and at other strategic locations throughout the office, Dr. Crutchfield and his staff are able to enter information, access records and print prescriptions with the click of a mouse. “I felt very frustrated by the redundancies of the traditional medical record keeping system,” explains Dr.

Crutchfield. He found that the surplus of paperwork took valuable time away from his patients and from what he was really trained to do: “analyze a condition, come up with a diagnosis or a plan to arrive at a diagnosis and then implement a treatment plan for my patients.”

Dr. Crutchfield selected MediNotes, an Iowa-based electronic medical records company, because of their strong physician base and preexisting dermatology forms. Working closely with the company, he custom-designed templates and implemented a fully automated medical record keeping system that would meet the specific needs of Crutchfield Dermatology.

According to Dr. Crutchfield, “Integrating this system has allowed us to both see more patients and provide them with better care.” He is able to focus his energy and time on his

patients, while relying on his nurses to enter medical history and previous treatments based on his templated questions. The result is that on average, first-time patients are given at least 30 minutes of undivided attention by a healthcare provider, whereas using the old system, “I would be lucky to be able to devote 10 minutes to a new patient,” he says. Furthermore, all medical records include a digital photograph so when speaking with a patient on the phone, Dr. Crutchfield can instantly put the patient’s name with their face.

The system has also proven to be effective in billing and collecting from insurance companies. Not only are the charts legible and easily accessible, but using templates that correspond to the designated level of exam helps ensure that the necessary information has been documented in order to secure appropriate reimbursement.

Happy and highly capable staff

Employing a skilled and satisfied staff is another key component to Dr. Crutchfield’s successful practice. “I believe that if you treat people like professionals, they will start acting like professionals,” says Dr. Crutchfield, who selected his 12 current nurses and front office/reception staff for their superior skills and affability. The nurses of Crutchfield Dermatology are registered members of the Dermatology Nurses Association and receive salaries in the 80th percentile of compensation for all clinical offices. Furthermore, as a prerequisite for a raise, Dr. Crutchfield requires his staff to write, present and submit monthly dermatology case reports. The nurses play a key role in communicating with the patients, and carry their own business cards so that patients can contact them directly to discuss problems.

With each nurse assigned to one treatment room, their responsibilities extend beyond the traditional tasks of escorting patients and sterilizing

equipment. Using Dr. Crutchfield’s template of questions, the nurses record the patients’ medical histories and chief complaints and then brief Dr. Crutchfield when he enters the exam room, similar to a traditional “resident’s presentation.” Nurses are also trained in meticulously educating patients on treatment regimens and assisting in executing prescriptions. “I was first introduced to the ‘one nurse per exam room’ concept by Inga Ellzey,

the noted dermatology coding expert. She told me that she had never seen the system not work. She was right. We also outsource our entire billing component to her company, Inga Ellzey Practice Group, and they have done a great job.”

Dr. Crutchfield, who lives by the motto, “constant and never ending improvement,” encourages his staff to come up with innovative ideas and



Dr. Crutchfield and Nurse Renee performing a combination Botox cosmetic and Restylane procedure

rewards them with an actual golden nugget when they do. In their monthly staff meetings he routinely asks two questions: “What can we do to serve our patients better?” and “What can we do to make our practice run better?” Once a year, Dr. Crutchfield pays for his nurses to attend the National Conference of the Dermatology Nurses Association – an investment of almost \$10,000 – and finds that they return to the office feeling energized and inspired. The practice has a 100% retention rate of nurses and Dr. Crutchfield says that his staff members regularly express how satisfied they are with their jobs and how much they enjoy interacting with their patients.

Mary Tonsager, a technician and member of the nursing staff at Crutchfield Dermatology, who also worked with Dr. Crutchfield and his partners in his previous practice, says, “I love being able to interact with the patients, and they appreciate the time and

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A nursing staff member calibrating the narrow band full-body light unit in the phototherapy center

treatment education that we give them.” She believes that Dr. Crutchfield’s involvement in academics fuels his progressive mind and “makes Crutchfield Dermatology a challenging and stimulating place to work.”

Strong relationships with other physicians in the community

About 50% of Dr. Crutchfield’s new patients are referred by doctors in the Twin Cities area. An additional 25% of referrals come from other patients and the remaining 25% comes from their website (www.CrutchfieldDermatology.com) and other marketing sources. Currently the practice has a base of 529 referring physicians in the Minneapolis-St. Paul area. Dr. Crutchfield says he is both “honored and humbled” by this number, and is meticulous about sending thank you notes and update letters to referring physicians and patients.

Furthermore, his colleagues can be assured that all patients who visit Crutchfield Dermatology will receive timely and quality care. Dr. Crutchfield believes that it is important for referring physicians to know that their patients will be seen by him personally, rather than by a physician extender. “When a person comes to my practice, Crutchfield Dermatology, they should be seen by Dr. Crutchfield and if not, patients are not going to get the quality of care that they want and deserve,” he explains.

Superior patient care

Although his appointments are booked up six months in advance, every day Dr. Crutchfield saves an emergency time slot in order to accommodate physicians with patients in need of acute care or immediate assistance. He is also always willing to offer consults for hospital patients. “When a doctor refers to me, I have to be receptive and will make every effort to see the patient as soon as they need me to,” he says.

According to Ken Weisenberger, one of Dr. Crutchfield’s current patients being treated for psoriasis of the hands, “Dr. Crutchfield and his staff are extremely caring and leave nothing to chance in their diagnosis and treatment plan. As a securities officer and volunteer firefighter, my hands are essential to my work and I was frustrated by the limited time that I received at other dermatology offices.” From the moment he stepped into Crutchfield Dermatology, however, he says, “It was instantly different; Dr. Crutchfield knew what we were dealing with right away and he established a complete treatment program that has changed the quality of my life.”

An Unrivaed Commitment to the Medical Community, to Family and to Teaching

Dr. Crutchfield enjoys participating in the medical community and will never turn down an invitation to speak; he also maintains contact with his colleagues by mailing quarterly update letters that include case study discussions and high resolution glossy photographs. Currently, Dr. Crutchfield is in the process of launching a newsletter component to his website and already has over 500 physicians and healthcare providers signed up.

Having always had a passion for clinical photography, Dr. Crutchfield has accumulated a library of over 25,000 clinical images, many of which are publication quality. In fact, he has used many of these images in a textbook of dermatology co-authored with Dr. Bernie Ackerman and several other dermatologists, entitled “A Clinical Atlas of 101 Common Skin Diseases.” As a service to healthcare providers, Dr. Crutchfield plans to launch a dermatology image atlas on his website that will allow healthcare providers to download images for their talks and PowerPoint presentations. They will be able to do so free of charge – Dr. Crutchfield only asks that users consider making a contribution to his favorite organization, Camp Discovery, a camp for children with skin diseases.

Additionally, he plans to provide a continuing medical education section on his website that will include archived presentations of his recent talks on selected dermatology topics and a library of clinical “dermatology cases of the month.” Dr. Crutchfield, who develops the site with an outside vendor and his wife, a computer software engineer, after business hours, explains, “My website has turned into quite a project and hobby – we receive compliments from patients and other physicians every day.” He adds, “I believe our website is one of the finest dermatology sites anywhere.”



The cosmetic DermiSpa at Crutchfield Dermatology

Dr. Crutchfield’s areas of special interest include psoriasis, acne and vitiligo. As the first and only African American clinical dermatologist in Minnesota, Dr. Crutchfield also specializes in ethnic skincare and has a large African American patient base. He is also one of the biggest providers of Botox and Restylane in the state of Minnesota and has performed over 5,000 laser surgeries. Although Dr. Crutchfield uses the most state-of-the-art laser equipment,

he manages to do so without owning a single laser. Rather, he relies on an outside laser company that contracts out to healthcare plans for specialty fees paid by patients and provides usage of the equipment to him free of charge.

Despite his hectic schedule, Dr. Crutchfield takes off two afternoons a week, often goes home for lunch (his home is five minutes from the office) and is usually home by 6:00pm. “Quality

family time with my wife and two children is essential to maintaining my overall well-being,” he says.

Dr. Crutchfield is also an Adjunct Clinical Associate Professor of Dermatology at the University of Minnesota. “Teaching is a wonderful way to give back,” he says, “and the residents and medical students keep me sharp and focused.” He also is a visiting Professor of Biology at Carleton College, teaching the popular course “Cutaneous Biology for the Premedical Student” every spring. An unexpected benefit of teaching is that Dr. Crutchfield finds many of the physicians who now refer patients are also former students.

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In 2003, Dr. Crutchfield was awarded the Outstanding Teacher of the Year Award by vote of the University of Minnesota medical students, an honor that that is sponsored by the Alpha Omega Alpha

national medical honor society. He also is involved in publishing and research, having recently received a patent for a medicine he developed to treat psoriasis and he has co-



Dr. Crutchfield with some members of the nursing, DermiSpa and administrative staff

authored over 150 peer- and editorially-reviewed dermatology articles and write-ups. He currently is doing research to better elucidate the psoriatic state at the molecular transcription level. “The current field of biologic treatments is just the beginning,” he says with a smile.

Dr. Crutchfield also finds time to educate the African American community on skincare concerns. In 2003, he was recognized by the American Academy of Dermatology with a “Gold Triangle Award” for community service from a radio program entitled “MedChat,” which he co-hosted with his physician-mother for almost two years.

Dr. Crutchfield has no immediate plans to hire another physician or to open a satellite office in the future. He believes that the key to Crutchfield Dermatology’s strong corporate culture is his hands-on approach and the strength of his staff. “If I see that some aspect of the practice is not fitting into my overall vision, I just change it,” he says, quite simply. He intends to continue to focus his energy on growing and expanding Crutchfield Dermatology, and is considering the possibility of exploring telemedicine, which he thinks could be a viable option for a field as visual as dermatology, and launching a web-based dermatology product line and sales platform. Regardless, it is certain that neither Crutchfield Dermatology nor its founder is slowing down any time soon. ■

Jodi Norton can be contacted at editorial@dbmmagazine.com.