



7 Crazy Smart Reasons to Walk Away From Success and Start Over

Are you constantly growing, changing, and improving? Ask yourself these questions and find out.

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Sometimes when everything is going great is the time you need to shake things up.

Josh Katke had accomplished what many entrepreneurs dream of. Fresh out of graduate school, he saw big opportunities in the medical imaging field, got some [business loans](#), and in partnership with others, began opening radiology centers. Between 2010 and 2013, he helped open and run four successful outpatient radiology facilities. He was a 25 percent partner in each one. "They were all successful. Two were extremely successful," he says.

If it ain't broke, don't fix it? Not Katke's philosophy. So in April 2014, he left all four partnerships to start [M1 Imaging Center](#) with a new partner, Chintan Desai, MD, a radiologist. Why would Katke walk away from four successful businesses and start over from scratch? Simple: He knew his existing businesses weren't [as good as they could be](#). In the fast-changing world of health care he also knew that if you aren't constantly growing, changing, and improving, sooner or later something will come along and run you down.

Rather than be the road kill in that scenario, Katke decided to disrupt his own career and income stream so as to start over with something better. Here are the questions he asked along the way--questions every leader should ask on a regular basis:

- 1. Is there a customer we should be serving, but aren't?**

In Katke's case, there was an obvious answer: Third-party payers, the insurance carriers and government programs that actually foot the bill for imaging and other medical procedures. "It took us 12 months to set out our vision for what M1 would be," he says. "How do we provide value not only to patients, but also to third-party payers? Most health care providers don't treat the payers as [customers](#)--at times they're almost adversaries."

But one element of the Affordable Care Act is a gradual move toward value-based payment--that is compensating health care providers based on how much or little they actually improve patients' health rather than how many procedures they perform. Given this trend, Katke says, "we changed our mindset." So M1 became the first outpatient imaging center in the country to roll out a system called ACR Select. When a physician orders an exam, ACR Select returns a rating from 1 to 9 as to how appropriate the exam is based on that patient's information. It won't override physicians' orders, but gives them immediate, evidence-based feedback on whether they've chosen the right exam.

Doctors appreciate this feedback because they're less likely to have their exams questioned later by payers, and also because with the dizzying array of choices available, guidance is a help. With fewer unneeded exams, payers benefit, and patients do too.

2. Is there a product or service our customers don't know about yet but will want when they do?

In health care, new products and better approaches come along all the time, and the trick is to know which will make a meaningful difference to patients and doctors. For M1, weight-bearing imaging is such a technology. MRI exams are traditionally performed with the patient lying still on a table, but for patients experiencing back pain, an image that shows the patient's lower back while he or she is standing can provide greater insight into the cause of the trouble. Knowing this would be a game-changer, Katke and Desai made sure to be the first outpatient imaging facility to offer weight-bearing lumbar MRIs.

"New technology enters and things change," Katke says. "So you always have to be anticipating what the customer will need before they know they need it. That's vital in health care, and probably in every industry."

3. Can we gain competitive advantage by jumping on something early?

For M1, with weight-bearing imaging, the answer was clearly yes. "It's not necessarily easy to be first to market," Katke says. "But when we have done that, we have had huge benefit. You can catch the capital purchasing cycle just right when the hospitals bought something a few years ago and aren't going to replace it yet."

Katke and Desai had been closely watching the market and actively looking at technologies in use in other states and other countries, and that's how they learned about weight-bearing MRI and realized how useful it would be. "In health care, and especially in radiology, it just gives you such a marketing edge, as opposed to being third in the game when everyone else has it already."

4. How can we leverage relationships to our advantage?

Katke knew that the advantage of weight-bearing imaging would be multiplied if M1 was the only clinic in the state that offered it. So he and Desai locked in an exclusivity deal with the device maker, making M1 the only clinic in Michigan to offer weight-bearing lumbar MRIs.

How did they manage that? Not with financial consideration, but by making use of his [relationships](#). "Using other contacts we had outside of Michigan, we helped the supplier sell other units," Katke explains. "They saw that as value enough to give us exclusivity." And not a moment too soon. Within two weeks of closing the deal, the supplier was getting inquiries about weight-bearing MRI from other Michigan facilities.

5. Are we prisoners of our business plan?

Why weren't these innovative moves possible at any of Katke's original imaging centers? "These centers ran a certain way and running them was very easy to do but there wasn't the burning desire to improve," Katke says. Part of it has to do with the economics of the business. "You have a very successful center that has technology which is 15 years old," he explains. "It's fully depreciated and a cash cow at that point. But knowing we have equipment that's not as good as others have, there's something that doesn't feel good about that. To have a [business plan](#) should just be a starting point."

6. Are we the best?

Having the best facility in Michigan was a big part of Katke's motivation. And it's paid off. "Soon after we opened, we were able to walk into any doctor's office and say, 'I know

you have 15 MRI centers visiting you every month, but we promise you we're different.' Then we tell them about weight-bearing imaging and ACR Select."

It's working. The center opened in April and scanned 50 patients in May, its first full month. By November, it was scanning 200 patients a month.

7. What's next?

This is one question you always have to keep asking, and Katke and Desai are busy asking it. Part of the answer is expanding the concept of standing imaging to other parts of the body. "Now that we've launched it for the lumbar spine, we're working with some very respected orthopedists on doing shoulder MRIs where the patient's shoulder is rotated in different positions," Katke says.

And they're looking to the future of ACR Select as well. "With Medicare, there's no pre-authorization, so they see the value of having doctors self-regulate using this system," Katke says. But private insurers do require pre-authorization, a system that he describes as cumbersome for everyone involved. So once the program is better established and has a larger sample size, he's planning to propose to major insurers that patients referred to M1 could skip pre-authorization because ACR Select will do it for them. It would be a pilot project at first, with plans to make it standard if the system works.

"They'll spend less and have happier doctors," he says. "And happier patients."

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PUBLISHED ON: FEB 6, 2015