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Facing the future

Doctors are achieving success by expanding into the medi-spa business



Dr. Russell Johnson, Island Medical Spa, loves repairing problems with plastic surgery.

By Amanda Baltazar

Retaining youthful looks is becoming such a priority to us these days that two Skagit Valley businesses are expanding their facilities and their services to keep up with demand.

Island Medical Spa plans second location

Island Medical Spa in Anacortes moved into a brand new location in March, which is three times bigger than its former home. It's also constructing a new building in Coupeville, which will be around 3,000 square feet, substantially bigger than the existing business, which is just 600 square feet.

The spa, which started off as a purely medical practice, treating problems such as skin cancer, expanded into cosmetics eight years ago, a year after the medical side of the business was launched. The big push in cosmetics came five years ago. "The goal was to provide anything you'd have to go to Seattle for," said Dr. Russell Johnson, M.D., Ph.D., founder of the spa. "People are very picky and wouldn't hesitate to go to Seattle for the treatment they need."

The new facility is very different from the former. "The old place was very medical, not spa-like and there were no softening edges," said Johnson. "Doing cosmetics is much more complicated," he said. "People expect there to be more luxury."

The Coupeville location will also fill a need, he said. "Whidbey Island is an area that's really been ignored. It's not an easy place to break into." But Johnson is confident of his success since the two open houses he's run so far have drawn big crowds.

Originally, Johnson fought against a move into cosmetics "because I thought the



Island Medical Spa's new location on Commercial Avenue in Anacortes is convenient for "lunchtime" procedures.



Esthetician Marcy Scott and patient coordinator Shelby Tanner in one of Cascade Medical Spa's treatment rooms.

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people would be very high maintenance and had body dysmorphic disorder (where they don't see themselves as they truly are)," said Johnson. But he realized how much cosmetic treatments can really help someone's self esteem, especially, for example, a teenager with acne.

Now, Island Medical Spa offers everything from laser treatments and Botox to chemical peels and facials. "Our focus is on minimally invasive procedures. It's been a trend in the last five years because people don't have the time or the money for face lifts, so they do lunchtime procedures," said Johnson.

Botox is by far the most popular procedure, he said, because it gives the face a relaxed look. Nine years ago, he explained, one vial of Botox would last a month in his practice; now he goes through six a week.

Typically Johnson's clients are in their 30s and 40s, and not surprisingly, 90 percent of them are women. "We're not talking someone who's 70 and making them look 50; we're making them look refreshed," he said.

#### Marketing pays off

The downturn in the economy hasn't affected Island Medical Spa. In fact, said Johnson, business has increased around 20 percent every year since he's been open and continues to grow as word gets out and he does more marketing.

Marketing has been a learning curve, he said, because they certainly don't teach that in medical school.

The first step was hiring great people; then he took out advertisements in the local phone directory, which was an education in itself. "We started off by giving too much information in the ads, but now they're just really good looking." He said this portrays the spa's image and encourages people to try it.

The next step was setting up the spa's Web site, which is also very visual, he said, but the other bonus of the Web site is that it proves the business is legitimate.

Once this was in place, Johnson joined the Anacortes Chamber of Commerce, through which he's met other businesses and now partners with some, such as local hotels and restaurants, offering for example, a Valentine's Day special that features a massage, a meal and flowers, all from Anacortes businesses.

Finally, Johnson turned his spa into a brand, creating his own leaflets using information from his suppliers, all emblazoned with his own logo.

Now the spa side of the business is up and running Johnson said he sees three types of customers coming in. The first is the person buying products, all of which are medical-grade and have been subjected to clinical studies. These customers pay approximately \$150 on products per visit. The second customer comes for services like Botox or laser resurfacing, and typically pays \$600 to \$700. The last type of customer comes in for relaxing treatments such as a massage and spends around \$90.

"These customers can easily spend half a day here," said Johnson, adding that some clients are a mixture and look for a relaxing treatment after they've received Botox, for example.

"We try to give people a place to come that's relaxing and enjoyable but also medical," he added.

Johnson's doing something right because in the last five years, his spa business has increased by a whopping 1,300 percent. Each day the spa sees about 15 people, while closer to 45 go through the medical side of the business, because it's more geared toward high turnover, he explained.

The great thing about the spa is that it offers potential for the future, so Johnson can expand it if he wishes, and it gives him an exit strategy if the problems with the country's healthcare system deteriorate further, he explained. It also runs itself, without him being there, which he enjoys.

But he continues to gain pleasure from the medical side. "I like repairing things with plastic surgery," he said, adding that around 50 percent of his business is as a skin cancer surgeon; the other 50 percent is for medical skin problems such as psoriasis or eczema.

Johnson says there's not much competition out there for him. There are some

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people in the region offering non-medical treatments but they don't concern him. "The only competition is when people get into the medical side of it without any training. The people who go [to those types of places] are people who are looking for value and we don't want that kind of customer."

#### Cascade Medical Group moves to larger office

Cascade Medical Group has been operating out of Mount Vernon since 1975, and Dr. James Gross has been there since 1985. He's one of three board-certified facial and plastic surgeons there.

The Medical Group encompasses Cascade Medical Spa, although Gross explained that traditionally they haven't advertised the latter. Now, though, cosmetic treatments have become much more acceptable, so they do.

The spa offers services including peels, facials, laser skin rejuvenation and hair removal; the medical side of the business deals with problems such as skin cancer, sinus difficulties, hearing aids and allergies.

The spa part of the business started in 1994 but business has grown so much that the entire group is moving into new offices across the street from its current location.

The new building is expected to be operational early this month and will be very different to the current home of the medical group and spa. "This facility is cozy and cottagey, and the new one will be sleek and modern, in a Northwest way," said Brooke Herzberg, the practice's manager.

When the practice moves, it will operate out of one half of the building, she said, but if things go well, eventually it will take over the entire building and the practice will bring in another doctor.

Like Johnson, Gross also sees more female patients – they're probably 75 percent of his business, he said, but 20 years ago, there were no male customers. Men tend to come in to remove a spare tire, said Gross, which is an easy area to improve with liposuction.

There's a lot of satisfaction in what he does, said Gross. "I treat a lot of people who've had head and neck cancer and it's also such a pleasure for me to treat people who just want to feel better about themselves," he said.

The most common surgeries are blepharoplasty (eyelid surgery) and facelifts, but the cosmetic side of the business sees more customers "because they can almost just walk in off the street and need no preparation," he said.

This is in contrast to the surgical procedures, when people need to spend time talking to the doctor. But overall, business is probably split 50/50 between necessary procedures and cosmetic procedures, he explained.

Right now, he said, there are a lot trained people offering similar services, but like Johnson, Gross is not concerned, because many of the services his business offers are beyond their capabilities.

Perhaps what the future holds, he said, is that the two types of practice can partner up and send patients to each other.

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