

Weight-loss clinics on rapid growth diet

A group of doctors partnered with two businessmen
eyes other markets to expand

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The Register-Guard
Oct. 25, 2007*

Did you hear the one about the weight-loss doctors who went into business with the restaurant guys? It's no joke.

A group of doctors who started up a weight-loss clinic last year in Eugene knew how to help overweight patients drop pounds but weren't sure what to do when it came to expanding the business.

So they connected with a pair of former restaurant executives who knew how to build and operate a multi-outlet chain and run a business.

Now the business, Monarch Medical Weight Loss Center, has embarked on an ambitious growth strategy, opening five new clinics this year with plans to open four more by year's end.

The story began in April 2006, when seven emergency room physicians and a nurse practitioner from McKenzie-Willamette Medical Center opened up a medical weight-loss clinic at 1680 Coburg Road.

The clinic's program is modeled after a program used by a Redding, Calif., doctor named Raymond Powell. Each patient is given an individualized plan that involved cutting caloric intake, increasing physical activity and making weekly visits to the clinic to be weighed. In addition, some patients are prescribed stimulants to curb their appetites.

From the start, it was clear that the clinic was providing a service high in demand, said Dr. Robert Graham, the clinic's administrative medical director, driven mostly by word of mouth as patients who had success with the program passed the word to friends and family.

"We saw lots of people from the very beginning and it just continued to grow far beyond our expectations," he said.

From the start, the original partners were thinking about opening additional clinics.

"We saw how well that was working and we wanted to try to replicate that," said Dr. Richard Lindquist, the clinical medical director. "We started to look around and realized we didn't have the business expertise. ... Doctors are good at some things but not necessarily at other things."

Enter Bill Service and Bruce Davis. The two men are partners and former executives in the Elmer's restaurant chain; Davis was president when Service was CEO and became CEO when Service left the company. They had no medical background, but they knew how to open and manage multiple sites, how to deal with builders and city planners, how to do payroll and accounting and how to manage technology.

Dr. Dick Abraham, one of the doctors who started the weight-loss clinic, contacted Service and asked him to look at the clinic and "to consider what this small group of doctors could do with the concept," Service said.

Service and Davis began researching the weight-loss industry from a business perspective, doing "an extensive amount of due diligence." They found that some physicians had had success with the medically directed weight-loss programs in Michigan and Southern California, but there were no regional chains, Service said. They met with the doctors to figure out if their weight-loss protocols could be replicated.

"That was a big deal with Bruce and me to get comfortable with," Service said. If it couldn't be replicated, he said, "We weren't going to be successful with it."

In turn, the doctors told the businessmen what they needed.

When both sides were satisfied, the businessmen and the doctors struck up a partnership. The company originally called Medical Weight Loss Centers of Oregon, was renamed Monarch Medical Weight Loss Center. This fall, Lindquist and Graham agreed to quit their medical practices and work full time for the new corporation.

In May, the company opened its second clinic, in Roseburg. In the past five weeks, they've opened clinics in Florence, Albany, south Salem and south Eugene. By year's end, they plan to open clinics in Lake Oswego, southwest Portland, Hillsboro and Beaverton.

Public health experts view obesity as a national epidemic. About one in three adults 20 and older — more than 60 million people — are obese, meaning they have a body mass index of 30 or higher.

And weight loss is big business these days — Americans spend about \$46 billion a year on diet programs, diet foods, fitness programs, drugs and surgeries, according to Marketdata Enterprises, a research firm in Tampa, Fla.

The doctors say Monarch Medical Weight Loss Center takes a scientific approach to obesity and weight loss. "It has nothing to do with will power and everything to do with biology," Lindquist said.

"Only in recent years have we understood how complicated the biologic processes of appetite control and weight maintenance really and truly are," Graham said. "We're just now getting the most basic understanding of that."

Their program begins with the patient being weighed on a high-tech scale that measures not just weight but also body fat percentage and body mass index and calculates a patient's daily caloric needs.

Patients often begin the program by drastically cutting calories for two weeks to six weeks to "jump start" weight loss. They are given a calorie-counting book and prescribed a diet that includes 200-calorie snacks every two or three hours and then a 600-calorie dinner. Those small, frequent meals help fend off hunger pangs, speed the body's metabolism and keep fat cells burning, the doctor's say.

The doctors don't prescribe rigorous, structured exercise programs to start, but they do encourage increased physical activity. Once a patient has had success losing weight, exercise becomes a bigger part of the weight-loss picture.

"We take that advice that every primary care physician offers — diet and exercise — and we fill in how you do that," Lindquist said.