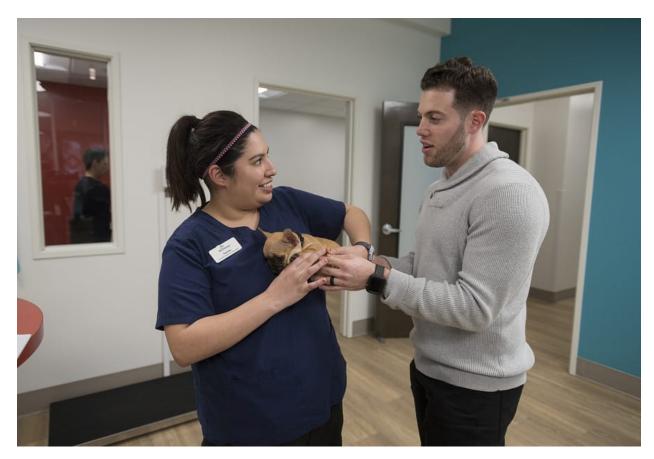


All's well at Vancouver-based WellHaven Pet Health

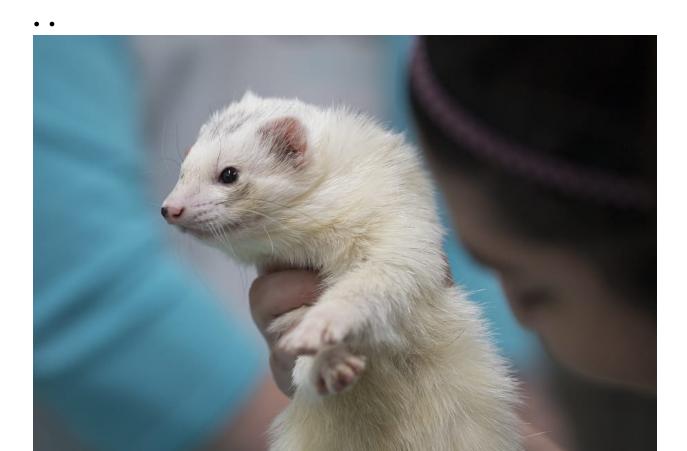
Pet health care company changing way vet offices function expands to 35 locations, including downtown



WellHaven Pet Health chief medical officer Bob Lester, left, and chief executive officer John Bork talk about the business at the company's downtown Vancouver corporate office.



Licensed veterinary technician Karina McNulty, left, greets four-legged patient, Sumo, while talking with Sumo's owner Allon Freiman. Freiman is the CEO of Petriage, an online pet health service that partners with WellHaven Pet Health. Photos by Amanda Cowan/The Columbian



Licensed veterinary technician Karina McNulty checks on four-legged patient, Rigby the ferret, at the WellHaven Pet Health hospital in downtown Vancouver. Amanda Cowan/The Columbian

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By Anthony Macuk, Columbian business reporter

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It's hard to believe WellHaven Pet Health got its start only last year.

After launching in a tiny space in downtown Vancouver, the pet health care company has grown to 35 hospitals and has its sights on adding 15 more in the next few months. In July, the company moved into a corporate headquarters in downtown's Vancouvercenter where they also opened one of their clinics.

WellHaven, led by two alumni of Vancouver-based Banfield Pet Hospital and backed by a Californian investment firm, finds itself in the thick of a trend sweeping American veterinary medicine: Consolidation of animal hospitals into larger organizations. Overworked veterinarians are joining larger organization in part to reduce the stress of running a small business, WellHaven's founders say, while pet owners receive improved, managed care for their beloved animals.

WellHaven's founders — CEO John Bork and Chief Medical Officer Bob Lester — are well aware they're not the only player in pet health consolidation, but the duo say their goal is to create a model for consolidating animal hospitals that can empower veterinarians and improve their working experiences.

Designing the HQ

WellHaven's corporate office is in downtown Vancouver's Vancouvercenter, but the exterior signs direct attention to the company's animal hospital on the ground floor.

"There wasn't a veterinary hospital on the west side of Interstate 5 (in Vancouver)," Bork said, "So we really wanted to be downtown."

Lester is an Oregon native and Bork has lived in La Center for the past 13 years, so they say it was an easy decision to establish their headquarters in the Portland area. Putting the corporate office and a hospital in the same building was one of the essential goals for the company, Bork said, and the downtown Vancouver location gave them an opportunity to achieve it.

The proximity is intended to keep everyone focused on the company's mission. All employees at the office are expected to don scrubs and head downstairs for at least four hours per month to spend a shift alongside the veterinarians at the animal hospital.

Lester said the company strived for a hospital design that would emphasize the needs of both pets and their doctors. Most of the exam rooms connect directly to the lobby, and the check-in process gets animals into rooms quickly, with no front desk in the lobby.

"If you're a pet coming into a strange place, that's stressful," Lester said.

The exam rooms feature scents that are intended to be reassuring. And the rooms are designed to allow veterinarians to perform most of the exam on the floor rather than forcing a pet onto a table. Computers, medications and specialized areas such as the diagnostic lab, X-ray room and surgery suite are located down a hallway from the lobby, out of sight of pets.

The corporate office three stories above the hospital adopts design cues from modern, techfocused offices. They have an open floor plan and conference rooms with dry-erase surfaces covering every wall for brainstorming sessions.

Bork and Lester say the design choices reflect their goal of making the company an innovative, flexible and modern player in pet health. Most of the corporate office staff is millennial-aged, which the founders say reflects the changing age demographics of veterinary staff and pet owners.

"Millennials are now the dominant force in pet spending," Lester said.

Adding new hospitals

WellHaven's hospital roster includes a mix of new facilities, such as the one in downtown Vancouver, and existing practices the company has acquired. The company tries to build local hospital networks to allow for better support. Most of its existing practices are in Oregon, Washington and Colorado, as well as Bork's home state of Minnesota.

The Vancouvercenter hospital is similar to all of WellHaven's. The facilities include state-of-theart equipment and American Animal Hospital Association accreditation. (Veterinary hospitals do not require accreditation, and not all carry it.)

Bork and Lester say their recruiting pitch for new hospitals is straightforward: Make life and work easier for veterinarians. The hospitals can offload much of their administrative and business-side work to the WellHaven corporate office, leaving veterinarians free to focus on veterinary work.

WellHaven's hospitals also emphasize preventive care, Lester said, with specialized "companion care" coverage plans that encourage owners to bring their pets in for regular checkups and cover the cost of regular medications.

With a four-day work week and other perks, doctors are encouraged to recharge. That helps prevent stress-induced burnout, which is a major problem in veterinary medicine, the founders say. The company's most important metric is employee retention, Lester said.

Vets work long hours and often have to deal with the pain of watching families say goodbye to their aging pets. Along with running a small independent practice, Bork said, the pressure can leave veterinarians overwhelmed.

"They're tired," he said. "I just think it's too much to ask a single owner to do 900 things."

WellHaven can also make investments individual practices might struggle to afford, the founders said.

"They have to eat top ramen noodles for the next six months (after upgrading their equipment)," he said. "We'll make those investments when we purchase a hospital."

Starting WellHaven

Bork and Lester have longtime backgrounds in the veterinary industry. Lester's career has focused on veterinary medicine and teaching, while Bork's background is in business and administration. They met years ago working at Banfield.

The pet health industry is undergoing transition and consolidation, Bork said, and he was inspired to try to create his own model that would be geared around helping out veterinarians. In 2017, he left Banfield to build what would become WellHaven.

"I felt there was a path that had not yet been created," he said. "It was a mom and pop industry of folks doing it all by themselves. I wanted to create a support platform for private practitioners."

One of his first decisions was to reach out to Lester to bring him on board. Lester said he saw Bork's approach as an avenue to improve the industry by combating fatigue and burnout. He also saw it as a way to help manage the consolidation trend in the industry, which he said is being fueled by changes in the traditional veterinarian career path.

"You work for someone and then you either buy or build a practice" he said, describing the historical career model.

A lot of boomer-age owners are looking to sell their practices and retire, he said, but they're having a harder time finding millennial-age veterinarians who are willing — or financially able — to buy them out. That's a scenario where WellHaven wants to step in and keep practices going, Lester said.

Some of WellHaven's hospitals are longtime independent practices whose owners want to retire, Bork said. Others are middle-aged veterinarians who want to continue working, but want a better work-life balance.

The pet industry is increasingly popular with investors, Lester added, partly because of the consolidation and also because it was one of the few industries that didn't take a substantial hit during the Great Recession. But he and Bork said the current trend isn't focused on finding the best ways to support veterinarians.

"There are investors out there that get the numbers, but not the heart," Lester said. "The classic flip-and-forget."

WellHaven needed investor support to get started, but Bork said struggled to find backers who understood his vision. He eventually secured \$50 million in outside investment from Martis Capital, a California-based health care investment firm that was looking to break into the pet care industry.

WellHaven opened its first pet hospital in October 2017, backed by a corporate office that at the time was located in a small two-room space in downtown Vancouver that housed nine employees. They quickly outgrew the space as the number of Wellhaven hospitals grew, and moved into the new Vancouvercenter headquarters in July.

Future plans

Despite its first-year rapid growth, Bork and Lester say they don't have a firm target for future expansion. They want to take the time to ensure each hospital's success — even if the process takes months.

"For them to be successful, we have go and find the right real estate, and that takes time," Bork said

But the pair aren't shy about their long-term ambitions for the company. Lester said they plan to create a "100-year practice," and the company has been reaching out to the academic world to try to work on new training and career pathways for veterinary students.

The company also plans to open a new facility in St. Paul, Minn., next year called the WellHaven Center for Women in Veterinary Health, which is intended to provide leadership training to combat the industry's gender disparities. Women make up 85 percent of the students in veterinary school, Lester noted, but the majority of the industry leadership is male.

Bork and Lester said that even in the midst of the expansion, they've remained committed to Vancouver and its strong community support for pets. Their most recent hospital, which opened Dec. 15, in Hazel Dell and joins the company's roster of five previous hospitals in the Portland area.