

Maximize Your Practice, Part 2

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In [part 1 of this two-part series](#), I discussed the rationale and justification for keeping your practice streamlined, understanding the risks that are inherent in trying to expand.¹ Now let's discuss expanding your practice by opening up multiple locations. You have a successful practice and have spent considerable time creating a unique chiropractic patient care model. You feel things are running smoothly because you have been able to implement systems and have the right processes in place.

Where do you go from here? Most will think about opening up another location. There are key issues you need to address and evaluate prior to making this decision. Detailed business concepts for site selection, valuation and integration are beyond the scope of this article. The purpose here is to initiate the thought process that will lead you to evaluate whether expanding your practice is the right choice.

Benefits of Opening Multiple Locations

Opening up more than one location can have several benefits. First and foremost, it will allow you to expand the patient base that can be introduced to your unique concept of patient care. The majority of doctors are passionate about the type of practice they have created and know everyone can benefit.

Second, it's about decreasing risks. For example, diversifying your investment prevents a significant loss if one part of your investment suffers. Having your hands in multiple locations will limit any problems that may occur in one location.

Third, you need to understand how to leverage your time. According to Dr. Scott Wilson, CEO and president of Physiomed Health, "Staying in one location is like trading time for dollars. You need to be directly involved in your practice to generate any revenue. Instead, leverage your value in multiple locations and be able to generate more revenue by having others implement your dreams."

Evaluate Your Current Situation

In order to take the initiative to open up another location, you need to evaluate your current practice. We all think we are running the perfect practice. However, you need to be honest with yourself and write down the things you are doing well *and* the things you are not doing so well. Always strive for best practices and discard things that don't work. If there are issues you feel you have not improved upon, more often than not they will also come to the surface in the new location.

Does your personality drive your practice, or is it the supporting staff, unique therapies, marketing or associates? In essence, you have to know that you can replicate your brand. Are you going to be hands-on in this new practice, or are you willing to be more of a partner, motivator and teacher? This is important since it will dictate the type of staff you need to hire, including the clinical director.

Are you willing to hand off your current practice to someone else while tackling the new location, or do you have the management skills to hire someone to run and grow the new location? If you are going to hand off your practice and be hands-on with the new location, then you have to ensure you have the current location running on automatic pilot. Systems need to be in place to ensure that even without you, the primary clinic will still be profitable.

Dr. Ali Tabrizi knows what it takes to open up multiple locations. He is currently opening up his third location. According to Dr. Tabrizi, "One of the biggest fears that one can have is leaving your current practice to someone else. Before you even consider doing it, you have to make sure that the practice can be run on automatic pilot. Hiring the right successor is important, but having the right systems and procedures in place is paramount to your success. The last thing you want is to constantly baby-sit two different locations. It comes down to your valuable time and focus."

Start-Up, Acquisition or Conversion?

There are many ways to go when looking at expanding to multiple locations. The options that are available include starting up from scratch to acquiring another clinic altogether. There are benefits and risks to either option. Starting up from scratch requires additional working capital, since you will need to ramp up your patient numbers. Acquiring a clinic allows you to develop an instant cash flow. However, there is the risk that the practice you are buying is based more on the personality of the doctor than on systems and procedures.

According to Dr. Tabrizi, "The decision to choose one over another should take into consideration your current situation in life. If you are young and have the ability to take some risk, starting from scratch may be a good option. This way, you are able to build up the practice the way you want. Your vision can be realized. Also, you have to have passion in what you are setting out to do. If you don't have the passion and drive to manage or work a new center, no amount of work you do will make it successful."

If you have a unique system in place in your practice, one which has allowed you to become successful, then you might also want to take a look at a conversion situation. This can take the form of a partnership with an existing practice, allowing you to go in and integrate your own unique system of patient care. You will gain an existing practice that does not require a significant amount of leasehold improvements, in addition to a patient base that already exists which may benefit from your services.

Site Selection

One of the key decisions to be made is site selection. You must decide whether you are going to open up your practice nearby or in another town. Benefits of opening nearby are the ability to leverage marketing efforts. In addition, branding the locations with similar names, colors and systems allows easier recognition for potential patients. Also, you are close by in case there are any issues that need to be dealt with in an emergency basis. Trust me, most of the time, there usually are. However, the key is to have a plan in place.

According to Dr. Tabrizi, "Before I set out to expand to another location, I first identified the city and area, in addition to doing demographic research. This took me several months. Once I narrowed it down to the area I wanted, I then set out to look at either starting from scratch or acquiring another practice. The key is that you have to be prepared with a plan and not just go out and look for what's available."

By doing the research ahead of time, it places you at an advantage. When you look at clinics in the

area that are up for sale or property that may be available, you will be better prepared to understand what it takes to succeed there. Simply finding a practice that is "successful" or a location that looks "just right" may not ensure success. Being prepared allows you to not only find a successful practice for sale, but also to identify practices that may be underperforming.

In essence, 90 percent of the process is preparation, and 10 percent is execution. So, if you are looking at opening up more locations, evaluate your own situation, ensure that you have the right systems and procedures in place, and most importantly, have the drive and passion to succeed.

Reference

1. "Maximize Your Practice, Part 1." *Dynamic Chiropractic*, Nov. 4, 2008.
www.dynamicchiropractic.com/mpacms/dc/article.php?id=53495

FEBRUARY 2009