

## Step by Step: How to Successfully Find New Office Space

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As with any business, there are three keys to enjoying a successful business: Location, Location and Location. The death knell for selecting the location for your chiropractic office are lease rate and proximity to your home. Picking an office based on the amount you pay for rent without considering the more relevant factors is penny-wise and pound foolish. On the other hand, picking an office location based on travel time from your home to the office is focusing on the wrong component for having a successful practice location. While travel time to and from your office is a consideration, focus on the office location first and, if necessary, move your residence.

Here are the critical factors for selecting an office location or for relocating your existing office:

- Demographics and Psychographics
- Building
- Visibility
- Neighbors
- Space
- Parking Access
- Terms
- T.I Allowance

### Demographics and Psychographics

The first and most important factor for selecting a new location or relocating is the marketplace demographics and psychographics. A marketplace is defined as a 15 minute drive time from the physical location. When considering relocation, get a current demographic report for your office and then secure demographic reports for other areas you are considering. What you are looking for is a concentration of prospects who meet your desired patient profile based on your best patient demographics. At one time, your current location could have been highly prized, but over time, the demographics have shifted away from the people who desire chiropractic or can afford your fees. Demographics and psychographics are more important than virtually any other factor when it comes to selecting an office. Many commercial realtors can provide you with this information or you can purchase online from a number of vendors based on a number of factors to ensure you select the location that offers you the maximum opportunity to build a successful practice.

### The Structure

Commercial space is available in a variety of physical space: converted house, strip mall, traditional mall, office park or free standing building. Each of these structures have advantages and disadvantages, but the most important factor is congruency with your brand of chiropractic. Each location style has a strong and unstated message. How people in your marketplace view your office facility will have a significant impact on how they perceive the quality of care they can expect from you. Viewing a practice in a converted home, a strip mall or a free standing building will embed a perception about your brand of chiropractic. Obviously, the perception is different from

one style of a location compared to another. Your choice should be the one that represents your brand of chiropractic and is congruent with your care philosophy and your desired fees.

### Visibility

If they can't see you, you are wasting a tremendous marketing tactic. The next factor to consider is visibility of your office by traffic. Your office should be located in a highly-visible location that will have a constant stream of traffic and that traffic can see your signage and your office. The greater the visibility, the greater walk-ins you will enjoy. A great location with strong signage, visible to the traffic, can contribute 9 to 12 walk-in new patients per month, often providing the income for the entire space! As with demographics, there are reports available to show you traffic flow for most streets. Ask your commercial property realtor or contact city hall. Traffic flow broken down by time of day and day of the week, will give you some insight into signage considerations.

### Neighbors

Depending on the location, who are your immediate neighbors? For example, if you are considering a strip mall location, who is adjacent to you? Do they complement your practice or are incongruent with your image. A restaurant may be convenient, but does cooking food aroma drift into the office? Is the mall run-down, with many empty or poorly maintained units? Where's the nearest competitive colleague in relationship to the location you are considering?

### Space

If you have made it this far, carefully inspect the actual space of the location. Does it have enough space for growth or will you be forced to relocate in one or two years? The biggest mistake made is having a large vision and then trying to fit it into a closet. You don't want to lease too much space, but worse, you don't want to have too little space to support your growth plans. The cost to relocate in the near future (3-5 years) is not only wasteful, but destructive. The amount of space you will need today and in the near-term will be based on your brand of chiropractic. What products and services will be offered immediately and in the near future, i.e., massage, rehabilitation, nutrition, etc. Next, is the space raw; no walls or even a floor or is it chopped up from the previous tenant? Build out or remodeling can cause months of delays to get an occupancy permit. Stripping a space down in order to create the optimum office flow can be costly. Consult with an architect to ensure that the space dimensions are suitable for the layout you desire. Not all dimensions can support your vision.

### Parking Access

Most locations will offer parking space, however, you must be careful. Some governmental agencies require specific numbers of parking spaces for medical offices, based on the square footage of the office. If the office is located in a shared parking lot, this could be problematic. If you have a popular neighbor, they could be grabbing most of the spaces, forcing your patients to drive around, park on the street or around the corner. You don't want that. You can negotiate parking space as part of your lease including designated, reserved spaces for your practice.

[pb]The other important issue is actual access to the parking. Some locations were poorly planned or have restrictive ordinances due to the traffic patterns. The more difficult it is to enter and exit your parking, the more impact this will have on your new patients and patient retention. Forcing people to make u-turns or forced turns to exit the parking area is an unstated message that can lead to patients finding it inconvenient to seek out your brand of chiropractic.

### Lease Terms

When selecting your office location and once you have determined that the location meets your standards, as described above, the next step is to submit a lease or purchase proposal. Again, be sure you are working with a commercial building realtor, not a residential realtor. There is a HUGE difference. You will need guidance in terms of what to offer:

1. Lease Rate or Purchase Price
2. Lease Term
3. Move-in Allowance
4. Tenant Improvement Allowance

Your broker should be able to provide you with recommendations on an appropriate lease rate, which is often influenced by the term of the lease. Go for a long-term lease! That's why it is important to select space based on your vision, not your current situation. The longer the term, the more power you have in getting the right terms. Lease terms should never be less than three years, and 7 to 10 years with options are strongly recommended.

### Tenant Improvement Allowance

Ask for a move in allowance. This is lease free rent for a specific number of months to allow you to cash flow your relocation expenses. Depending on the market, you can ask for one month per each year of the lease term. The tenant improvement allowance is based on the estimate to bring the office up to your planned layout and interior design. The architect you consult with can give you a good quotation based on the size of the office and the style you desire. You want the landlord to provide the tenant improvements. Tenant improvements are affixed to the building, owned by the landlord, so should you need to relocate in the future, you would need to leave the tenant improvements behind. The lease rate will include the tenant improvement allowance. This way you are paying for the T.I. monthly, as part of your lease. If the landlord refuses to provide the tenant improvements to your specifications, then you should seek an alternative location. Fronting the T.I. on leased spaced is not the best utilization of your capital.

### Preparing the Site

Once you have a lease agreement, it is time to begin developing the site for your office. Your architect will prepare working plans and the contractor will submit for permits. Once the project begins, inspect what you expect and if the contractor makes errors, they must do it over! Don't compromise on your dream. Next, as soon as possible, get a banner mounted to the building announcing "Coming Soon." As you get closer to opening day, change the banner to "Now Accepting New Patients." Window graphics should include brand name, telephone, office hours, website and e-mail address, which are easily visible to people in the parking lot. If the parking lot needs resurfacing or maintenance, get it scheduled as this should have been included in the lease proposal. Order your exterior signage and schedule installation appropriately.

### Marketing

Develop a marketing plan to launch the new location. Use multiple streams of communications including inserts, mailers, radio, outdoor media, etc. This budget should have been determined before signing a lease agreement. Your target is 100 new patients in the first month, in addition to your current patient flow. There are three marketing elements for a successful plan:

1. Pre-Opening
2. Opening
3. Post Opening

Pre-opening marketing is focused on building awareness for your new location. You must plant the "seed" in order to harvest the orchard. Shout it out, "Coming Soon!" Plan an open house event about 30-60 days after you have opened and everything is working. You will discover that after you get your occupancy permit that not all is well. Allow time to "fix" the problems before you plan a major event. An open house must be much more than an open house. You must inspire and motivate people before they will participate in your open house. Create an event, not a punch and cookie affair. Do a health fair concept with an alliance with a charity. After your grand open house, you then move into spaced repetition with a consistent and planned marketing program. You started a fire, now keep it burning!

### Current Patients

If you are relocating an existing office, then you need to communicate with your patients regularly and consistently. This can be a postcard showing "progress" photographs and promoting the benefits of the new location. Depending on the time to occupancy for the new space, you may want to do this in a weekly mailer to create and maintain excitement and anticipation for the new location. Plan on losing 30% of your current patient flow when you relocate. Some will drop out of care because they are beyond the 15 minute optimum drive time from their home or work to your new office. Others will leave because this gives them a good excuse. But, don't write them off. Keep them on your list for future promotions. In the end, selecting your office location is a major decision that should be carefully considered and planned. It will be one of your most important marketing tools!