

Maximize Your Practice, Part 1

By Jaspinder Sidhu, BSc, DC

This is an exciting time for chiropractic care. Not only are we seeing new technology being utilized within our practices, but we also are seeing chiropractors going back to the basics and basing their practices on wellness and spinal manipulation. As we set up our practices, there's sometimes a desire to offer more services and products so we can provide a "one-stop shop" of sorts to our patients. However, if you aren't careful, rapid expansion can become overwhelming, and in some cases, detrimental. Other times, if done the right way, expansion can provide the opportunity for us to realise our goals and dreams of offering our patients the best care possible. In part 1 of this series, we will focus on the problems that can arise from rapid expansion and the benefits of keeping your practice small and streamlined. In part 2, we'll talk about the benefits associated with not only expanding your practice, but also opening up multiple locations.

Expanding your practice can have several advantages, such as being able to provide more services for your patients, working in a multidisciplinary environment and generating more revenue. However, it's not as easy as it seems. Dr. Phil McAllister from Guelph, Ontario, has had experience in expanding and feels that preparation is the key. "I went from a successful 1,500 square-foot solo practice to a 5,000 square-foot practice with 10 other health professionals. However, I hadn't fully prepared for it. Knowing what I know now, I would have done it a lot differently." Dr. McAllister has been in the trenches and based upon his experience, he is in the process of starting an online learning academy that teaches common business sense to various health care professionals. Let's take a look at some of the key issues he feels need to be addressed if you are going to expand your practice.

Hire the Right People

This always sounds easy. However, it's been shown that hiring the wrong person can cost you as much as \$50,000 in lost revenue before you even realise it. "I hired the first people I could find because I was excited about having various health professionals become a part of our team," says Dr. McAllister. "However, you need to set up strict criteria on what you are looking for. Take your time and be proactive in recruiting the

best people.” According to Dr. McAllister, the small group of professionals who are aggressive and self-motivated may not be the ones applying for a job. You have to be proactive and seek them out. Basically, *recruit*, don’t *hire*. Although this can be time-consuming, it will eventually save you in the long run.

Market Your New Clinic Before You Build It

If you have a current practice, use the “ask” campaign with your patients. Focus groups are important. If you don’t ask, you may not know what your patients are really looking for. Are they open to other professionals? Do they feel they need those added services? The answers you get back may surprise you and may lead you to focus on adding value and services in your existing practice, which may end up generating more profits than expanding.

Systemize the Process

All too often, we let emotions dictate what we feel is important for our practice. “In order to really build a successful practice, you have to emotionally detach yourself from the outcome,” says Dr. McAllister. To do this, you have to constantly improve on what works, and ruthlessly discard what doesn’t. This involves continuous feedback from your patients and staff. However, what it really comes down to are the numbers, because the numbers don’t lie. Are you making a profit on the service you are providing? If not, is it a loss leader for other valuable services that you offer? All this needs to be constantly evaluated if you want to truly understand what works and what doesn’t.

Maximize Your Revenue Per Square Foot

For some chiropractors, this is a hard one to understand. However, I’ve seen highly successful and busy practices that use only 1,200 square feet of space. These chiropractors have mastered the ability to use every square foot of their practice to generate revenue. There is no wasted space, hence there has never really been any need to expand. Dr. McAllister understands this concept. “I realised that growing into larger facilities incurred more costs and overhead. Bigger may not always be better. After reviewing my options, I went back to a 1,500 square-foot office and haven’t looked back since. I’m working, yet being more profitable.”

Focus on Profitability, Not Gross Revenue

As you expand and increase in size, there is a tendency to be dazzled by the gross revenue. However, once you take into consideration the added costs, you may gain a different perspective. Everything is based on profitability. For every service you provide or every service being provided by other health professionals in your office, you need to continuously demonstrate that you are making a profit from it. Again, be ruthless about discarding what doesn't work and enhancing what does.

Learn the Language of Business

All too often, I've seen chiropractors frozen in fear when they have to read a balance or cash flow statement.

However, this is the lifeblood of your practice. You need to fully understand this in order to ensure success. Running a chiropractic office is no different than any other form of business. Take some time and enroll in business courses. Understand what other businesses are doing in unrelated fields. You will be surprised how much useful information you can get from this. Never leave this information for your accountant to decipher. This is information that must be analyzed on a daily basis so you can react quickly if there are problems, or if something is working and needs to have all your energy focused on it.

Expanding your practice can be exhilarating and exciting, but if you are not prepared, it can take up your valuable treatment time and negatively affect your long-term growth and success. Taking business courses and being open to other ideas, suggestions and experts will only help you achieve the goals you set for yourself. Critically evaluate the reasons why you want to expand, but at the end of the day, leave your emotions at the door. Hard numbers and profitability will dictate whether the route you want to take makes sense. The more you systemize your practice and have the proper feedback processes in place, the more you can concentrate on providing the quality of care you are known for.

Dr. Jaspinder Sidhu graduated from Canadian Memorial Chiropractic College in 1994, and opened the Downtown Injury Rehab Centre in Windsor, Ontario, Canada, incorporating vibration training into the rehabilitation part of his practice. Currently, Dr. Sidhu is vice president of clinical services at WAVE Manufacturing in Windsor.



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