

Get Ready, Get Set, Go into Debt!

Stanley Greenfield, RHU

Starting a practice can be quite an adventure. It can also be a nightmare. It is not an easy process; just when you think you have everything in place, something will happen to set the whole process back a few weeks. In spite of all the problems, it can be done, and it is an adventure! Make sure you go into this with your eyes wide open, totally aware that Murphy's Law will persist.

Most practices that fail do so because of two main reasons: lack of planning and being undercapitalized. There are other reasons, but I feel they would all come under these two main headings. Both of these will affect you and your chances of success.

Make sure that you have taken a strong look at your finances and have enough capital to cover all of your expenses, both personal and business-related, for the first four months. I realize this may be a tough order to fill, but you must understand that it takes a while before the money will start to flow in a positive direction. If you don't have the money, at least make sure you have some "other resources" that you can tap into if needed. Don't forget that you also need money for advertising and promotion. I have seen too many practitioners ignore this area. You cannot afford to do that and be successful.

Let us not overlook the planning aspect as well. Do you have a written business plan? You definitely need one. You need some direction and how you plan to get there. A business plan is well worth the time and effort it takes to draw up. There are many books and computer programs available today to help you with this project. While you are at it, a marketing plan is needed, too.

Where will your practice be located? I'm assuming that you have already picked where you want to live. Now it's time to pick a location for the practice.

Begin by getting a map of the city and marking where the other practitioners are located. Next, highlight the areas where you feel an office could be located based on the growth of the city. I would also highlight the major roads in those areas. Now before you is a map which shows the potential spots for your practice and how close they are to major roads for accessibility and exposure.

It's now time to get in the car, visit those areas, and see which offices are available. This can be done with or without the help of a local realtor. If you see an area that looks like a winner but there are no "For Rent" signs visible, it might not hurt to stop in and chat with a local businessperson to see if they know of any space that is available. They may know someone who is thinking about leasing some space but hasn't yet gotten around to putting up a sign or contacting a realtor. It never hurts to ask.

I caution you against finding just one spot that you love and then doing or paying just about anything to have it. You need to always have a few parcels that you are looking at to keep the whole process in perspective. You might have to do some real digging to locate some spaces, so don't give up too quickly.

How much space do you need? What it really boils down to is, how much overhead do you want? Decide what you need and don't rent more than that just because you like the location and because the space is an "all or nothing" situation.

What kind of office space do you want? Do you want to be in an office complex; a strip mall; a medical park; a free-standing office; or have a home-based practice? You might begin by seeing what is available in the areas where you want to practice. Have you considered sharing space with another practitioner? Take a look at all of your options before making a final decision.

Once you make your decision, it is time to sign a lease. A lease is a legal document. I would recommend that you have an attorney review any such documents before you sign them. Most realtors will tell you that it is just a "standard" lease, whatever that means! I have reviewed hundreds of leases and can say that I have never seen what I would call a "standard" lease. With that in mind, make sure you get it reviewed to know what it does for (and to) you.

Many communities require that you obtain an occupational license before opening your office. I suggest you check with the local authorities to see what the requirements are in your area. If the name of your practice is going to be different than your regular name, you'll need to register for a fictitious name for your practice. You might call the local city hall or court house to see where you can file for this. There is a fee, but it isn't a large fee.

Once you decide on a community, contact the local telephone company and find out the publication date for the phone book. More important is the cutoff date for having your number listed in the book. You can always reserve a number; even if you move to a different area in the city, there will be an intercept message with a recording telling callers your new number. This is better than having no listing at all.

Having an ad in the Yellow Pages is another issue. Some practitioners swear by them, while others swear at them! It may be a good idea to check with other practitioners in the area and see if an ad pays for itself.

Unless you get out and let people know that you have opened an office and are open for business, things will progress very slowly. Nothing will happen unless you make it happen.

What methods of marketing should you use? While you are planning your office, you also need to plan a marketing campaign. I mentioned having a marketing plan earlier. People are not going to knock your doors down to come see you. You need to get out there and get them in. For some this will be the hardest job, but I can tell you it is the most important job. You need to always be promoting yourself and your practice. If you don't, you will always go through major highs and lows. Don't make your practice and yourself "manic"!

MARCH 2000