

Building a Practice

The second installment in this three-part series focuses on sustainable, responsible growth.

BY ELLE KAPLAN

Most providers pursued the medical profession because of their passion for helping patients. I certainly can relate to this mission-driven mindset; my dream of financially empowering clients led me to found my independent asset management firm, Lexion Capital. In becoming private practitioners, however, many providers do not fully anticipate becoming business owners. Essentially, these doctors wear two hats, one labeled *physician* and the other *CEO*. The responsibilities of each are very different.

Every stage of private practice comes with different goals and challenges. The initial focus is on putting together a plan, setting up the practice, and laying the groundwork for growth. After building a stable foundation, it is time for the physician to take the practice to the next level. Unfortunately, medical school does not cover business metrics or even the basics of profit and loss.

How does a private practitioner arrive at his or her 1-, 5-, and 10-year destinations? What are the provider's defined overarching goals for the practice? With the answers to these questions, doctors may begin mapping out the specifics to get where they wish to go.

EXPANSION AND GROWTH ARE NOT ONE AND THE SAME

Physicians should be careful not to expand their practices so quickly that they struggle to keep up with demand in terms of time, resources, and administrative support. A common mistake is being too slow to hire employees, which can prevent the practice from taking full advantage of growth opportunities when they arise. As the practice grows, the administrative support staff needs to grow with it.

One strategy is to tie new hires to new patients. The idea is to set a schedule for adding a new member to the office team every time the practice grows by a certain number of patients. Tying expansion proportionally to the needs of the practice virtually eliminates the risk of either over- or understaffing.

THE NEXT STEP IS MARKET ANALYSIS

Doctors should take the lead in defining what sets their practice apart in order to best market it to potential new patients. Why would people come to this facility as opposed to others in the area? A well-designed website is the equivalent of the practice's brochure. The site should come up readily in online searches for the physician's specialty and for the geographic area in which the practice is located.

A second component of effective marketing is creating a strategy for how best to reach potential new patients. It is critical to identify referral sources. Who are the specialists who could help build a network, and who would refer patients back to the practice?

GOOD PRACTICES WILL BRING IN MORE PATIENTS

It behooves physicians to find a personal way of acknowledging referral sources. For example, I promptly send a brief e-mail message thanking people for their confidence in my firm and for their thoughtfulness in referring business to me. It may seem simple, but many people do not take the time to send thank-you notes. Doing so will set the practice apart and strengthen its ties with the source.

In addition to maximizing word-of-mouth references and cultivating connections with established providers, it is important to make the practice a visible presence in the local community. Schools, community centers, and other resource centers in the area can serve as referral platforms. It is worthwhile to advertise the practice's services and to get it listed in popular local directories. When doing so, the key is to ensure that people are aware of what sets the practice apart from others in the region and how to connect their clients with the practice. ■

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