

HOW TO START A PHYSICAL THERAPY PRACTICE

PART 1

WHAT TO KNOW BEFORE

YOU OPEN YOUR OWN PT PRACTICE



If you're like most physical therapists who want to open a practice, you may be motivated to get started but have an overwhelming number of questions about the process. In our three-guide series, we will help walk you through the three stages of opening a physical therapy practice; before you open, setting up your practice, and maximizing your success after you open.

There are no shortcuts when it comes to starting your own business, and having a strong foundation will be critical to the success of your new physical therapy practice. Here you will learn everything you need to know – from the initial planning stages to outfitting your business, to tracking key performance metrics for the ultimate financial success. With a clear plan and hard work, you can successfully transition from a physical therapist working for someone else, to the proud owner of your very own private practice.

While private practice ownership won't be the right choice for everyone, it can be a very rewarding endeavor. You must be prepared to work long hours and perform several roles outside of physical therapist when you get started. For you to succeed, you'll first need to develop a plan. This guide will help you through the initial planning process for how to start a physical therapy practice.

Define Your New Practice

Before you can even begin to set up a PT practice, you'll first need to understand who your patients will be. Three major categories will intersect to determine if your physical therapy business will be positioned to attract patients. Those factors are your target market, your competition, and your niche specialties.

Your Target Market

Who are your customers? By their very nature, physical therapy clinics are location-based. This means that when considering the type of patients you want to attract, you will want to consider the concentration of those types of patients within a radius of your desired location. You'll want to consider these key questions as you evaluate who your target customer is within your community:



Who needs physical therapy services within the community?

An analysis of your competitors may give insight into a population of the community that is currently under served. For instance, there may not be a pediatric physical therapist in the community, but there are several large school districts nearby which indicate there is a great pediatric population in the community. Part of finding success as a physical therapy owner is finding untapped demand in your community.



What types of therapy will they need?

For example, a community that skews geriatric could benefit from balance therapy services, while a community that has a major university and a population that is skewed younger may benefit from sports rehabilitation PT services. Finding the right mix of services can help you differentiate your practice while providing excellent care to those in your community.



What referral sources are within the community that may tie into the type of therapy you offer?

You will need to develop relationships with other providers who can refer out to you for physical therapy services. An orthopedic surgeon may be a good referral source for sports injury rehabilitation, while an ENT would be a great referral source for balance and vestibular services. Referral sources help you grow your practice so understanding the sources in your community is key to a thriving practice.

Know Your Competitors

When choosing a location for your practice, look at how many other physical therapy businesses exist in the area. Don't forget to consider hospital systems and concierge practices as well. You'll want to examine the following competitor traits within a specified radius of your prospective location:

- How many direct competitors are out there?
- How big are their practices?
- How long have they been in business?
- How are their businesses structured?
- How have they been successful?
- What do they specialize in?

Once you have gathered the data for the location you are interested in, you need to determine if there is any additional demand for the services you will offer, or if that location is already saturated. If it is, select a new location and repeat the competition audit.

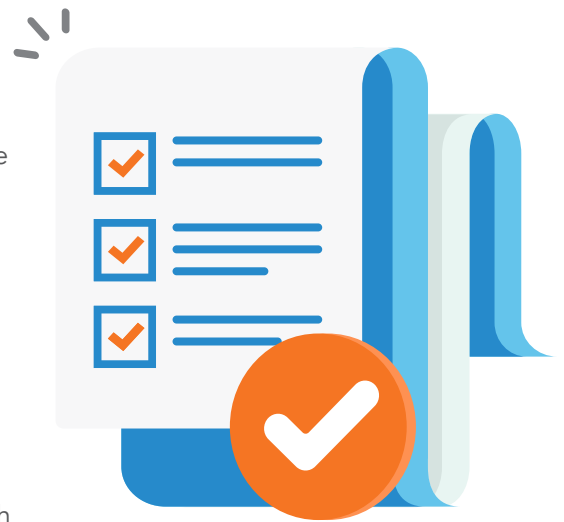


Choose Your Niche

Once you have considered your pool of potential patients and evaluated your competition, you should determine your specialty. What services will you be able to provide that will set you apart from your potential competitors? Choosing a specialty gives you a competitive edge. Consider the following before you make your choice:

- What type of PT do you enjoy performing?
- Is there market potential for your area of interest?
- What types of patients do you enjoy working with?
- Does your experience help you serve patients within this specialty?
- Are there any PTs who have built a practice successfully around this specialty?
- How many of the competitors in your area will directly compete with your niche?

An area of specialty that meets an unmet need in the community is a powerful indicator of potential success for a new physical therapy clinic. If you have already decided on your area of specialty, you can instead look for an area that has a growing demand for those services.





Financing Your Practice

The most eye-opening part of the process for opening a PT practice is often the amount of capital required. This is the biggest hurdle for new practice owners, and sometimes where the dream of opening a practice ends. Likely, business finances weren't part of your doctorate education, yet it's fundamental to opening a private practice. The experience can be more manageable when broken down as follows;

Solo Leadership or Business Partnership?

Do you plan to run your business on your own or with a partner? There are pros and cons to both. A partner can often bring a skill set to that table that you're missing – such as business acumen or financial support. A partnership could allow you to achieve greater success than going it alone. However, there are some definitive risks to forming a partnership – consider the loss of total control, differences of opinion, and risk of your relationship if you partner with friends or family. Before entering any partnership, the APTA highly recommends seeking legal counsel to protect both parties. Solo practice, on the other hand, allows you the freedom to make all the decisions, but you also take on all the debt and all the risk.

Here are a few questions you could ask yourself that may help you decide which option is best for you;

- Is your skillset well balanced? Are you both an outstanding clinician and good at handling complicated finances and launching successful marketing campaigns?
- Can you implement and maintain technology?
- Are you a big picture or daily details-oriented person? If you don't do both, who will?
- Do you prefer to work with a team or on your own?
- Do you know exactly what you want your practice to be like?
- Are you confident in your skillset and abilities, or would it be best to have a partner that complements you?

Selecting a Business Model

The option to “choose a business model” wasn't always a part of opening a physical therapy clinic. There used to be just one traditional model that every clinician defaulted to – an insurance-based business. But, as the industry evolves and the era of choice is upon us, physical therapy practice owners have more business model options than ever before. Below, we sum up four of the most popular options.

Cash-Based Practice

Cash-based clinics are on the rise, and there that comes as no surprise since insurance can be such a hassle for practice owners. A cash-based practice may relieve you of the claim's submission process, but some of your patients may still want to submit for reimbursement directly to their insurance company so you will need to provide invoices that detail the charges. Ultimately your documentation and billing practices must lead to patients getting reimbursed by their insurance or they may not continue treatment with you.

This model can also allow you to spend more time per visit with each patient and decrease the number of visits per patient overall. You will have to overcome some hurdles with patient perception and educate them on the benefits of a cash-based practice. There are also some specific Medicare

considerations for cash-based practices, so do your research. Before choosing this model, contemplate your community demographics and survey how other cash-based businesses (e.g. massage, chiropractic, acupuncture) are performing in your area. (It seems this needs more context to wrap it up. Once you survey other businesses, then what?)

Insurance-based

This is the most traditional business model for physical therapy practice owners. PTs contract with major insurance companies to provide services to insurance beneficiaries at an agreed-upon contract reimbursement rate. Most of the cost of services falls to the insurer, while the patient may pay a modest copay. As insurance reimbursement continues to decline, more PTs are opting to supplement this model with the addition of cash-based services such as massage and laser therapy, to generate additional income. While often a bigger hassle and more overhead for the PT, insurance-based models are still preferred by the patient majority because of their smaller out-of-pocket cost.

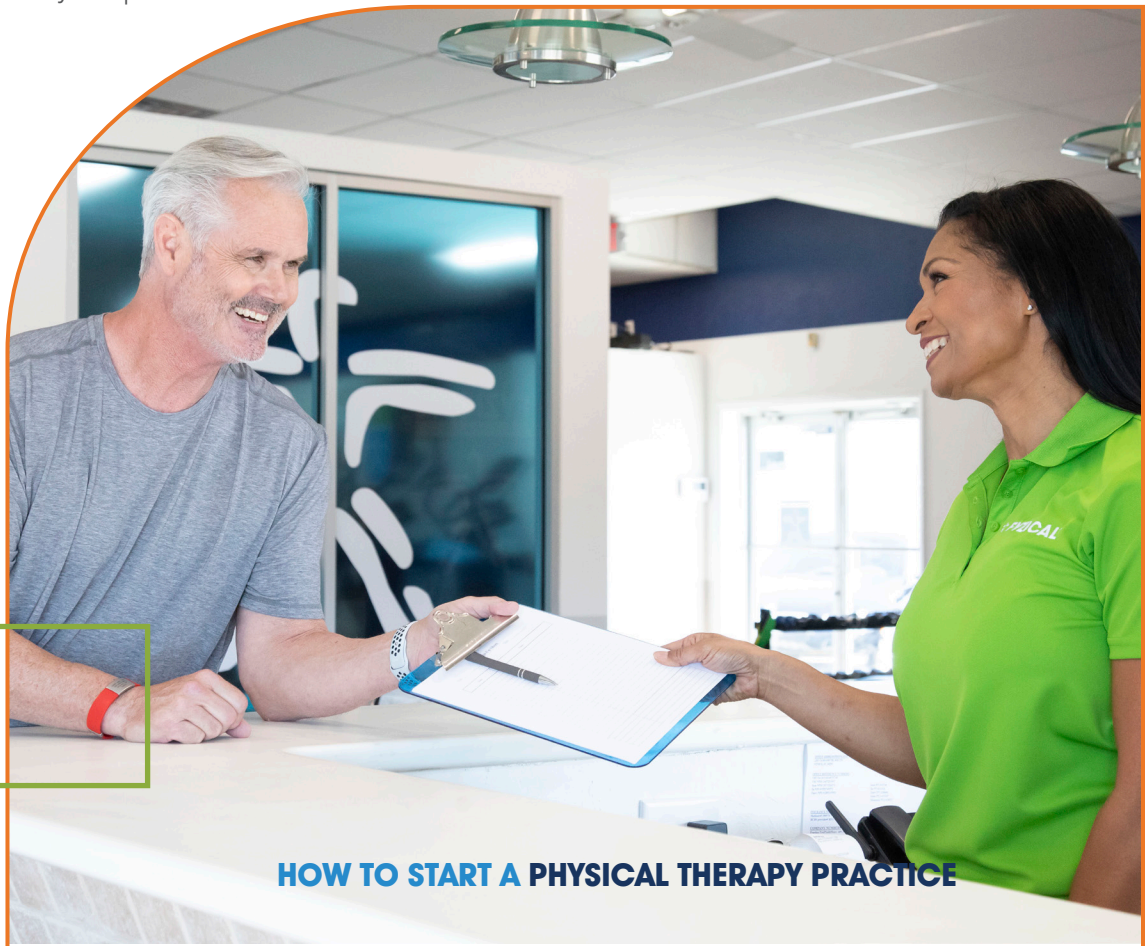
Multi-Disciplinary Practice

With a greater emphasis on collaborative care than ever before, providers across various health professions

are teaming up to deliver holistic care options to their patients. The model is designed to increase patient satisfaction, improve patient experience, and reduce the overall cost of care – both monetarily, and through the time savings not needing to visit multiple offices. This model also allows for more efficient referral processes and improved health outcomes through provider collaboration.

Concierge Practice

Subscription-based concierge care isn't a new concept, but it's helping many physical therapy business owners boost their profitability. In this model, patients pay an annual or monthly fee to access all services within the practice. PTs who use this model love it because it helps their patients avoid preventable illnesses and removes insurance dependence and copays while also decreasing long wait times. It's a recurring revenue model and boosts the perception of the physical therapist as a primary care provider.



Develop Your Business Plan

Now that you've thoroughly researched your market, identified your competitors, and you've chosen a niche focus and a business model – you must secure financing. However, you'll need a strategic business plan first. Remember, you will be held accountable for the projections and proposals that it contains, especially if you plan to raise the money for financing your practice. Plan strategically, this is the document that will outline your optimal path to achieve future goals and show your awareness of potential roadblocks. Your business plan must include:



Executive Summary

This is your strategic plan in brief. Employees, advisors, and investors will see this as part of your plan.



Elevator Pitch

This should include your target patient demographics and area of specialty. Also, provide a brief description of your clinic and the services that you plan to offer.



Your clinic's mission and value statements

Outline what motivates and connects you and your team – beyond the day-to-day, this shows what sets your practice apart from other local therapy clinics.



An analysis of your clinic's strengths, weaknesses, opportunities, and any potential threats, roadblocks, or barriers to goal achievement.



5 Year Strategic Plan

Start with your 5-year goal and work backward to outline what you will achieve year-over-year to reach that long-term goal. Once you have your 5-year goal, break down each year into quarterly goals and lastly, into monthly goals.



Marketing Plan & Budget

Include your plan for how you will reach your community and bring business into your clinic.

Remember that a strategic plan is a living document – you should revisit it often and update it to reflect changes. Business planning never truly ends, it requires care and maintenance to best navigate practice ownership.

Getting Your Paperwork in Order

A new business requires a lot of important documentation before you will secure financing, much less open your doors. Stay organized from the beginning and keep hard copies of everything in a safe place. The following is a comprehensive punch list of the documentation you'll need for your business:

- Check your state's website for any state-specific requirements for opening and operating a business
- Set up a business entity - LLC, PLLC or PC, Partnership, Corporations, Non-Profits, Sole Proprietorship
- Claim a business name – be sure to check for online availability, you don't want to open a business and find that the web address is already taken and well established.
- Open a business bank account
- Apply for an Employer Identification Number (EIN)
- Retain a CPA or accountant and select a calendar or fiscal tax year to pay based on

It's always good advice to speak with an attorney who specializes in private practice law when setting up your new business. They will also be able to help advise you on tax implications and fees for small businesses in your state, city, and county.

Secure Your Financing

With a comprehensive business plan in place, you can now begin the process of securing funding to start your practice. The startup cost for a physical therapy practice varies based on your location, specialty, and size so it's difficult to give a blanket estimate of cost, but you'll want to consider the following to understand how much you will need to fund your business endeavor:

- Cost of state, location, and/or regional business permits
- Rent/Mortgage and Utilities
- Equipment
- Furnishings
- Software – EMR, Scheduler, Billing, Administrative, Payroll
- Personnel – Labor costs and benefits
- Insurance – general and liability

In addition to determining the costs above, you will need to prepare four essential documents before you head to the bank for financing.

- Your business plan
- Financial projections
- A personal financial statement
- Professional references

Finally, you will select a lender. Choose a bank that has experience working with healthcare providers, many new practice owners work with the Small Business Administration (SBA) to secure their financing. Another option is a local bank or



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credit union. Evaluate the terms of your lending agreement very carefully and try to secure more than one offer before you ultimately select your lender. Compare these offers and choose the one that benefits you and your business the best.

This was part one in a series of three guides that help teach you how to open your own private physical therapy practice. This guide was part one, and the initial foundation for starting your new physical therapy practice. In part two, you learn how to leverage the research you performed in this stage to finalize your practice location, understand lease negotiations, the process of getting credentialed with insurance providers, as well as staffing and outfitting your practice. This is the comprehensive handbook that will help you understand the pre-opening procedures for your physical therapy practice, check it out [here!](#)



[CLICK HERE TO READ PART 2 A GUIDE TO PRE-OPENING: SETTING UP YOUR NEW PT PRACTICE](#)

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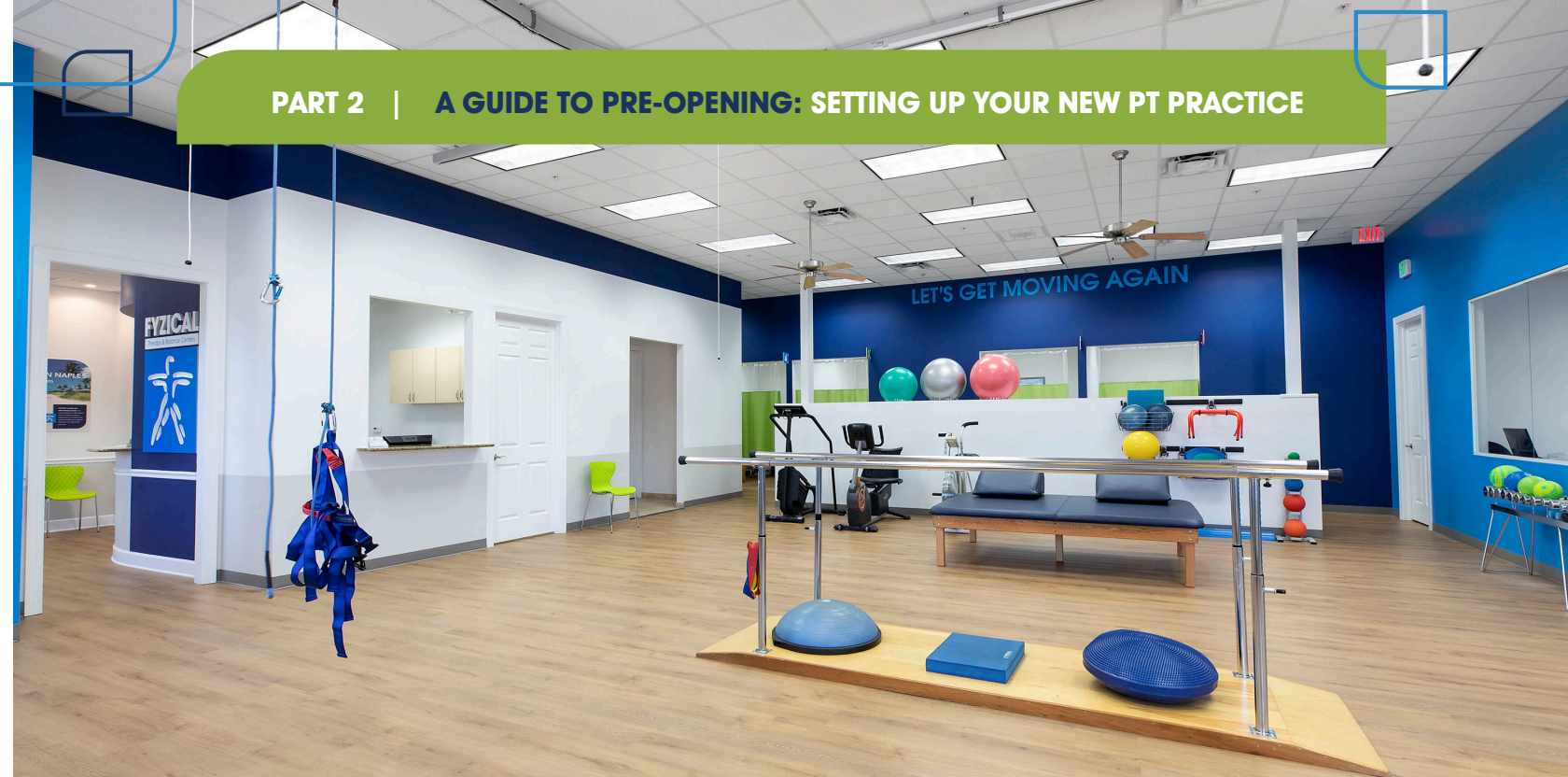
HOW TO START A PHYSICAL THERAPY PRACTICE

PART 2

A GUIDE TO PRE-OPENING:

SETTING UP YOUR NEW PT PRACTICE





In [guide one](#) we discussed the pre-opening process. If you haven't had a chance to read that guide, check it out here. In part two of our series, you will learn how to leverage the research you performed in part one to select and finalize your new physical therapy practice location. You will also walk away understanding key strategies for lease negotiations, the process of becoming credentialed with insurance providers, as well as understanding what it takes to staff your new practice, select and purchase equipment and furnishings for your new business.

Legal Implications

There are legal liabilities involved in how to start a physical therapy practice and you need to understand what affects you and your business specific to your state. Make plans to meet with a lawyer who specializes in private practice law. You will need to indemnify yourself and your practice and get all of your legal paperwork in order. This investment in your business now will help to prevent costly legal fees in the long run – *you need to know the legal obligations of practice ownership, do your due diligence!*

Finalize Your Practice Location

Unless you plan on practicing on a small island, there won't be one perfect scale to measure exactly who your patient base and competition are within a specific area, but there are several factors to consider which will help you understand what could make one location more desirable over another. In the beginning, you selected a general area to practice in, now it's time to look more closely at scales and methodologies to determine your clinic's ideal location.

Referral Providers – How many are also in this area and routinely prescribe physical therapy to their patients?

Number of People that Live & Work in the Community – What is the population, and realistically how many could be expected to see out the care you provide? A good place to start is with the U.S. Census data.

Reimbursement Rate – What is the typical reimbursement rate for providers in this community? Can you become a preferred provider for payers? What should you expect to write off because of failure to collect/denied reimbursements?

Drive times – How accessible is your clinic location to the community that you intend to serve? In most rural environments, a 2-3 mile drive time is the expectation, but distance may not account for undesirable traffic patterns or the presence of a river or large roadway making travel in one direction or the other preferable.

The proximity of Competition – Consider the ratio of potential patients to the number of PT clinics within your radius.

Physical Barriers – Within the radius you are analyzing, are there are physical barriers? For instance, if there is a large lake or river that divides the territory within your radius, you may not have as much accessibility to prospective patients on the other side. Besides, if there is a competing practice serving the population on the opposite side of this physical barrier, you almost certainly won't be able to attract patients from that area.

Cultural & Psychological Barriers – Is the area you are considering in the city, rural, or somewhere in between? Cultural and psychological perceptions of distance can play a huge role in the willingness to travel. Sometimes a radius around a site or drive time cannot accurately predict how far someone will travel for your services. In rural areas, for example, people tend to think in terms of counties, and this normalizes long-distance travel for services.

Site selection is only one piece of the puzzle when it comes to the success of your physical therapy practice. Besides geographic location, you must consider property-specific conditions that will impact your business, like:

- Clinic and Signage visibility
- Size of the Space – *Is there room to grow? How many practice rooms are there?*
- Cost per square foot
- Available parking
- Handicap accessibility
- Restrooms
- Easy ingress/egress



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SELECTION FOR YOUR
NEW PT PRACTICE

Lease Negotiation

Lease negotiation is critical for a new practice owner and is a great place to get input from your legal counsel. You don't want to be locked into a lease that you can't afford, and conversely, you don't want to be stuck in a short lease and face a steep rental increase. Your lawyer and accountant can help you determine what you can afford and assist with negotiations that will fit your budget. You may also consider these money-saving provisions when negotiating your commercial lease:

Parking - for clients and employees

Signage – Is there a signage provision in the lease?

Exclusive-Use Clause – you don't want another PT clinic to open in your lot!

Option to Renew Clause

Look out for the 'Restore the Premises' clause – do everything you can to negotiate this clause out of your lease agreement

Negotiate a cap on any personal guarantees

Ask for a flexible 'Assignment to Lease' clause – if you sell your business before your lease ends, you want to be able to assign your lease to the new owner.

Tenant Improvement Allowance – this allowance means the landlord is fronting the cash to pay for your initial renovations. \$20-\$30 per square foot is a good rate.

Ask for an Extended Fixturing Period – time to renovate your space before you have to pay rent. A good goal is 3 months.

Getting Credentialed

If the practice model you selected is partially or entirely insurance-based, you'll need to be credentialed with payers. Becoming credentialed means you are accepted into an insurance provider's network. Insurance carriers then determine if you're qualified as a provider to serve on their panels. Most patients will use your in-network status with their insurance provider as the determinant for using your services. To begin the process of credentialing, you will need:

Tax ID number

Malpractice Insurance

Every health insurance company will ask for a copy of your malpractice insurance declarations page. Make sure your limits match or exceed the amount listed by the insurance network contract.

A National Provider Identifier (NPI)

To register for your individual NPI, go here <https://nppes.cms.hhs.gov/#/>. It's important to have your business tax ID established before you get credentialed as any change to the tax ID number or billing structure will force you to re-credential and you will have to begin the entire process all over again.

Have an Established Clinic Location

(Your Business Address)

Register with Medicare

Per the Medicare Benefit Policy Manual, Chapter 15 Section 40.4 states that physical therapists in independent practice cannot opt-out. You must register as either a participating or non-participating provider.

Completed Your CAQH Application

A multitude of insurance companies use one application for credentialing called 'CAQH ProView' to get your provider information. You can fill out your CAQH application here <https://proview.caqh.org/PR/Registration>. Save yourself time and complete the application now – the process can take up to 2 hours, so set aside an appropriate amount of time and scan in your tax, malpractice, and NPI documentation ahead of time.

Once you have completed all of the steps above, contact each insurance company that you want to be in-network with. Review the contract and fee schedule before signing up as a provider. Be diligent in checking that the terms of the contract fit with your business model and practice plan before committing to it. Accuracy is critical to being credentialed promptly. A missed signature or incompleteness of the application can cause a major delay.

Staffing Your Practice

Recruiting is essential, especially in the beginning when you're setting up your business. Every practice wants to create a great culture, attract talent, and keep the best employees. For a single PT clinic, you should have three to four team members other than the physical therapist. Here are the roles you need to fulfill:

Office Manager/Reception – Performs clerical responsibilities, schedules patients, client intake, and insurance knowledge.

Owner – That's you! You're now responsible for tracking and managing the key performance metrics of your business and all financials of the business.

Clinical Director/DPT – Most likely this is also your role! This person oversees the day-to-day operations, hiring, training of new clinical staff, all initial evaluations, and discharge.

Physical Therapy Assistant – This role is to assist the DPT, and will perform all PT activities outside of initial evaluations and releases.

Sales/Marketing Representative – This role executes your marketing plan and is a critical bridge between referral partners and your practice. Their responsibilities will include networking and marketing activities that bring new patients into your business.

Having a great staff builds and nurtures the culture of your practice. You want to create a team that works hard, understands their responsibilities, acts efficiently, and wants to be at work. A great staff is comprised of solution-oriented individuals who take initiative!



Create a Memorable Experience

From the moment a new patient walks in your door they want to feel like they have made the right choice in picking your practice for their physical therapy needs. That means that everything from the waiting room to the restroom makes your patient feel welcome and taken care of. You want to create a memorable experience that delights your patients from their very first impression of your practice.

Design Your Space

The way you set up and design your space reflects you as a business owner. Keep it professional and neat. Paint your walls, and maintain a cohesive and professional design flow throughout the business. Use visual planning sites like Pinterest to your advantage if you can't afford to hire an interior designer. Look for clinic interiors you like and replicate the best elements.

Don't forget about your reception area, it forms a critical first impression on a new patient. Create a comfortable waiting room space – invest in nice chairs, a side table or two, and some plants. This is a great place to promote your additional services to patients while they wait, consider ways to leverage the space you have to draw patients into your retail products and other services.





Purchase Equipment

Buying your equipment doesn't need to be a budget buster but understand some equipment can help you offer better treatments and drive revenue you wouldn't have been able to provide otherwise. Here are some things to consider for equipping your new practice:

Rent

Consider leasing costly equipment when you start. Flexible and budget-friendly payments can allow you access to newer machinery.

Work Smarter

Your patients won't have access to fancy professional equipment at home, so consider adapting your in-practice exercises to use inexpensive equipment that is also accessible to your patients. Utilize sport cords and resistance bands – this demonstrates exercises that are reproducible in a home environment.



Think Smaller

Do you need the large high-end ultrasound machine, or will portable units suffice in the beginning? Consider what equipment is essential, and what you can work with for now while you save for a bigger purchase.

Shop Online

Check your local business swap sites, eBay, and Amazon. Look for other physical therapy businesses that are closing – you can buy used equipment for substantially less.

While it can be tempting to purchase every piece of equipment available, the best business decision is to purchase only what you need and build out over time. Here are some considerations before your equipment buy:

- Assess the types of patients you plan to see primarily and what the diagnoses and treatment options are.
- Create a list of the most critical equipment for each category above
- Assess the versatility of each piece of equipment and grade it on a scale of 1-3
- Rate each piece of equipment on a scale of 1-3 for importance in the treatment
- Choose only the highest-rated pieces in each category to get started

Don't neglect the rest of your clinic! You will need to budget for the purchase of office equipment and other business supplies as well. Items like chairs and other furniture for your waiting room, desks, chart materials, business cards and brochures, a copier/fax/scanner, cash box, and credit card processing machine are just a few of the often overlooked items when planning a budget for your equipment buy.

Consider that an excellent physical therapy clinic will also have:

Testing & Measuring Devices –

neurological testing instruments, video analysis hardware and software, Dynamometers, etc.

Basic Modalities – Small freezer and ice packs, massage cream, hydrocollator with hot packs, traction unit, table, vaso pneumatic compression device, etc.

Educational Materials – anatomical models, skeleton, poster, tablet for patient education.

These are the initial considerations for the set-up and pre-opening of your new physical therapy practice space. In [Part 3](#) of this series, you'll learn what you need to do as a new private practice owner to achieve maximum success in the physical therapy industry. Learn how to select the right software for your new practice, market your services, and stand out among your competition. You'll also discover how to develop and nurture critical referral relationships in your community, and what key metrics you need to track and measure so you can ensure success in your new practice ownership endeavor!



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HOW TO START A PHYSICAL THERAPY PRACTICE

PART 3

MAXIMIZING YOUR SUCCESS

AFTER OPENING YOUR NEW PT PRACTICE

In [part one](#) of this series, you learned about the pre-opening process. If you missed it, check it out [here](#). In [part two](#), you finalized your practice location, and learned how to set up and equip your new practice before you opened your doors – check that out [here](#) if you haven't seen it yet. In the final part of this series, you will learn what you need to do as a new practice owner to achieve maximum success in the physical therapy private practice industry. From marketing planning to software selection, and understanding key performance metrics in the business, this final guide will help you get the most out of your new practice.

Did you know that approximately 50% of small businesses fail after five years in business? This is according to the [U.S. Bureau of Labor Statistics as reported by Fundera](#). As a new owner who has recently opened its doors, you may be feeling like you can finally take a moment to catch your breath, but you still have a lot of work ahead of you. Opening the doors to your new practice is only the first step to success in the physical therapy industry. Below, learn how to maximize your value as a practitioner and how to market your practice effectively in your community to keep patient flow strong, and avoid being a statistic.

Marketing Your New Practice

Patients have many options when it comes to choosing their PT, so you'll need to give them plenty of compelling reasons to pick you over another practitioner. The key to this lies in your marketing plan. What most practice owners don't realize is that continuing to nurture their current patients is just as important as getting your business name in front of new patients, and in the following section we will address some of the ways you can begin marketing your new practice so that you can grow and maintain a steady patient flow.

As we have established, marketing is critical to your success. To develop a strategy that will bring the patients you want to work with into your business, you will need to focus on attracting and keeping patients who need your services. This requires an approach that crosses multiple inbound marketing channels, and the first thing you need to do is define the following:

Your Target Audience – As a physical therapy practice, you will market to two major client segments for most business models: referring physicians and consumers.

Strategies to Reach Your Target – What will you do to get your name in front of your patients? There are several methods of marketing, and you'll need to decide what is best suited to you.

Owned Media is any marketing you have direct control over or own the responsibility for. This kind of marketing is great because there is a minimal monetary investment and you maintain



full control, but it can require a hefty time investment to achieve success. Examples of this type of media marketing are patient and referral email marketing, social media pages, Google My Business listings, your website, and blogs.

Earned Media is the awareness that you receive rather than broadcast yourself, such as public relations and third-party validation. This is often the lowest monetary investment but does require nurturing relationships, your time, and typically something unique to activate it. Examples of this type of media marketing are conferences and speaking engagements, editorial pieces, press releases, newspaper articles, live segments from local news sources.

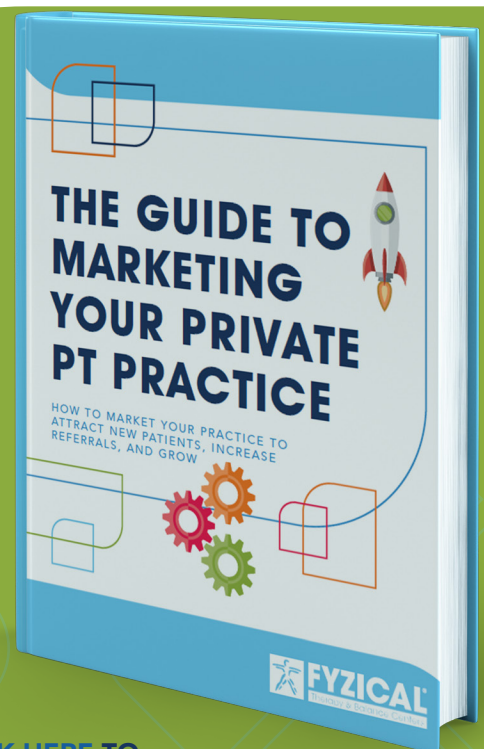
Paid Media is marketing that you pay to activate, and it includes both traditional and digital media. Most new business owners think of this type of marketing first. This strategy has a wide audience reach and is less time-intensive than other forms of marketing, but conversely, it is more expensive and still requires content creation. Some examples include mailed and printed advertisements, television, and radio, google ads and paid social advertising as well as event sponsorships.

Messaging – In the beginning, your marketing strategy will be to target your messaging to new patients and new referral sources, but as you build your book of business, you will also need to continue to nurture your existing patients and referrers. Understand how to segment your messaging to nurture patients -- past, present, and future.

Allocate Resources – When identifying available resources consider people, time, and budget. Which people in your practice can assist with your marketing tasks? Of those people, which of them have the time to assist without vacating their current responsibilities? Finally, determine your available budget. A breakdown of your budget will help you understand how to allocate your resources and select the appropriate style and frequency of marketing for you.

Evaluate Outcomes – It is critical to evaluate your marketing efforts and make adjustments, execute again, and then evaluate again. Marketing is not a silver bullet; it requires continuous adjustment to receive maximum return on investment.

Marketing can be one of the most complex and consuming tasks in your new practice, but it's also imperative to do it well. We've created a series of guides that help practice owners learn to effectively market their practice, and you can find them below.



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Branding

Branding is critical, it can help to form the general public's opinion about your business when they hear your name. It is key to attracting the right people to your business. Your brand is your name, your logo, and your aesthetic! The look and feel of your clinic should reflect what you want your clients to think of your practice. Soft color palettes might evoke relaxation, while high contrast colors could represent high energy and motion. Carefully consider what clientele you want to serve and develop your brand to reflect them.

Digital Space

Just as your physical therapy practice has a brick-and-mortar presence, it also has a digital doorstep! Your online presence is critical to the success of your physical location. In a survey of more than 1,700 U.S. adults, 4 out of 5 patient respondents have used the internet to make healthcare-related searches in the past year, and 63% chose one provider over another because of a strong online presence. With this knowledge, you will need to set up the following:

- Robust Website - include lots of calls to action and a way for patients to book appointments online if you can
- Social Media Pages – Facebook and Instagram are the top social networks for physical therapy practices
- Online Provider Directories
- Google My Business Listing

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- Collect Positive Reviews – and post responses!

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- Google Pay-Per-Click advertising campaigns – This is integral to your search engine optimization strategy, and it gets your practice to show up in local search results.

[CLICK HERE TO READ USING GOOGLE'S PAY-PER-CLICK ADS](#)

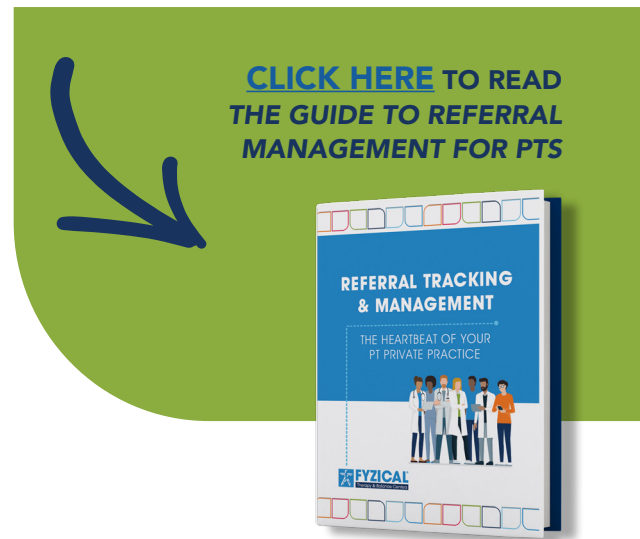
- Paid-Social Advertising Campaigns – One of the quickest ways to reach prospective patients is through online advertising. Both Google ads and Facebook ads allow you to set up highly targeted audiences so you can be very specific about who your ads are served up to.

Digital advertising is a fast, and – measurable way of getting in front of your target audience. Analytics associated with paid advertising campaigns allow you to see what is working and what's not with the added benefit of being able to make real-time adjustments. You can even re-allocate more resources to one ad over another based on its performance – and you should do that.

Referral Relationships

Most of the business models for physical therapy practices rely on building relationships with other health professionals. If you recall, you researched prospective providers before choosing your location. Now is the time to begin your outreach to those potential referral sources. You will need to help them understand what services you provide and how you differ from other practices in the area offering similar services. You can even offer special incentives – such as a promise to get their patients in within a shorter time frame than a typical referral, or you include something free for every new patient – like a fall risk assessment, for instance.

Recognize that building these relationships takes time so you may need to visit referral sources every few weeks. Bring your business cards and an informational flyer or brochure that makes it easy for them to schedule their patients with you. Set aside time in your schedule regularly to network and foster these relationships, it is critical to your new business!



Join Community Events

You want to be an active participant in your community! Begin fostering a reputation for helpfulness and community outreach. Host speaking events, or sponsor something for a local school! If you offer pediatric sports rehabilitation, sponsoring a sports team at the local middle school and high school could be a great way to get your name out in the community for what you do.

Effectively Running a Practice

Now that you've set up your practice space and you have a marketing plan for how to build a book of business, your next focus needs to be on how to effectively run your physical therapy practice. You are ultimately preparing to maximize your growth and achieve your greatest potential as a private practice owner in the physical therapy industry.



Choosing Software

Since January of 2014, all physicians' offices and hospitals require an Electronic Medical Records (EMR) system. An EMR is where all patient documentation is stored and managed. It helps providers, patients and payers have access to clear electronic records at the touch of a button. The right EMR should provide you with:

- Compliance support for every reporting regulation.
- Security for your patient data.
- Digital Charting
- Order Entry
- Clinical Reporting
- Outcomes Reporting

You should also choose practice management software to help you in your daily operations. The

system that you choose will become the foundation on which the day-to-day tasks of running your practice rests. Be sure to select a system that is easy to use, can scale according to your practice growth, and is also affordable. This system should have:

- Financial and operational reporting
- Integrated Invoicing
- Payment processing
- Appointment calendar with automatic reminders
- Client Management system

Financial Administrative Tasks

While many start-up practice owners initially take on the financial management and accounting responsibilities of their new business, it is advisable to invest in a bookkeeper or accountant who has experience with small healthcare businesses. The financial advice they can offer will save you time and money in the long run. They will also be skilled in making financial projections, giving you a good idea of the financial health of your practice.

Ready, Set, Grow Your Practice!

Cultivate a growth mindset from the beginning. While it is exciting to get your first few patients in your doors and on the books, constantly look at ways to improve every aspect of your practice to encourage its growth. Check in to your business plan regularly and keep a pulse on the ideas you initially had for your business.



Tracking & Analysis KPIs

Tracking your business metrics let you improve results and meet important objectives within your practice. A healthy cash flow and an actionable way to achieve your business goals are to measure key performance indicators (KPI's) for your new physical therapy practice. Do you know what your rent should be versus your net sales? Or that only 15% of your referrals should come from any single group? These metrics are critical to the health of your business, and you need to be tracking them daily/weekly/monthly/yearly to have a comprehensive understanding of the health of your business.

We've created a suite of resources for physical therapy practice owners who want to learn and understand the metrics of a successful practice. You can find those on the right.



[CLICK HERE TO LEARN ABOUT THE REFERRAL TRACKING CAMPAIGN](#)

Cash-Based Services

Competition is increasing and patients are seeking options that will supplement their wellness. Cash-based products and services allow you to position your practice ahead of the curve and become a primary resource for your patients. There is so much value in being able to serve your patients and creating a positive patient experience. There are five different categories to consider:

Products as an Extension of Therapy – These products extend what is already being done in the patient's therapy program and are often thought of as a home program. This may come in the form of exercise equipment or as a product for modalities – such as a hot pack or ice pack.

1

Corrective Products – These require a bit more work to sell and are no 'on the shelf' but can help correct an issue a patient is having, like orthotics or a knee brace.

2

Modality Services – These services require some training and are not covered by insurance, like laser therapy and dry needling.

3

Ancillary Service Providers – These are products that fall into a 'recommended for you' category, highlighted to patients who might find them beneficial based upon needs that come to light during treatment. For example, hearing aids, nutrition, personal training, and massage therapy.

Remember not to add anything if it means overextending yourself and your practice. These offerings won't, and should not, replace your core therapy services, only enhance them.

If you do decide to start adding cash-based services, remember to test them first. Add one and see how it does, give it six months and go all in – evaluate at the end to see if it was worth the time, effort, and investment. If not, try something new. Cash-based services help to mitigate declining reimbursements and garner more referrals from providers.

Private practice ownership has incredible appeal, but it's not for everyone. The task of starting your own business can be daunting. But above all else, the most important thing to do when starting your physical therapy private practice is to have a clear plan for everything that you will need to get started. While this guide is a great starting point, if it feels overwhelming and you are looking for help simplifying the process of opening your physical therapy practice, check out our [guide to starting a physical therapy franchise with FYZICAL Therapy & Balance Centers](#).

[CLICK HERE TO READ LOVE YOUR LIFE – START YOUR OWN PT PRACTICE WITH FYZICAL](#)



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