

It's No Secret...
THERE'S
Money
in PODIATRY

A Podiatrists' Guide to Earning
More, Working Less and Enjoying
What You Do Each Day

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MOVING OUT OF YOUR COMFORT ZONE

Years ago, if someone had told me I'd be living in Cairns one day I would have laughed. Why would I leave the Gold Coast? It was my home and where I felt safe and comfortable...but here I am now in tropical North Queensland, and loving it.

My first podiatry business was on the Gold Coast, and it wasn't too successful. After four years I was making a living and that was about it. I had no business skills and my marketing consisted of placing an ad in the newspaper and phone directory, and putting up cheap signage. The thought of one day having a podiatry business that made hundreds of thousands of dollars profit each year never crossed my mind; back then I just wanted to pay the bills. Fortunately, after four years I recalled some advice given to me by Alan Crawford, Head of the Podiatry School at QUT: he said if he was going to set up a podiatry clinic he would move to a regional area. To be more specific, he said he would move to Cairns because it needed another Podiatrist, so I took his advice, sold my podiatry business on the Gold Coast and moved to Cairns in 1992.

My podiatry business in Cairns was a financial success from day one, even though my business knowledge had not changed, which goes to show that *any idiot can open a podiatry business and make good money if they open it in the right location – I was living proof*. So there's the contrast between staying in my comfort zone on the Gold Coast – where I made little money – and moving to Cairns, which was way outside my comfort zone, but I made good money right from the beginning.

Now don't get me wrong, I'm not saying that the Gold Coast was a terrible place to set up a podiatry business, because I know of other podiatrists that set up business after me and financially did quite well, but for me, at that particular point in my career, it was not a good place for me to be...*I was far too comfortable*, and I needed to move away so I could grow as a business person.

**"Experience tells you what to do;
confidence allows you to do it."**

Stan Smith

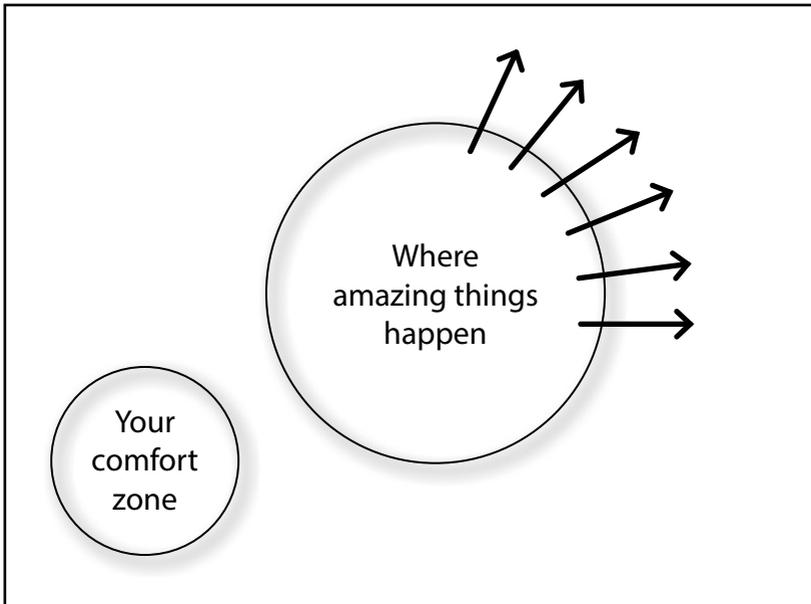
I know many Podiatrists who make just enough money to keep them in the profession, but not quite enough to really enjoy life, take their family on regular holidays or do the other things they really want to do. As BCF would say, *"That's not living"*. Experience is telling them to make changes, but their lack of confidence won't allow them to. Instead they will do nothing and over the next few decades, *yes decades*, they will make a few dollars – just enough to get by – and eventually retire. Often these Podiatrists become bitter and twisted towards their colleagues who have done well financially, and will often say they must be breaking the rules.

So what are *your plans*? Are you planning to stay where you grew up and where you live now, possibly in *your* comfort zone, or are you prepared to move and live somewhere else? Are you going

to open your podiatry business in an area that you're familiar with, or will you live on the edge and move outside your comfort zone? If you've been in business for a few years already and it's not performing as well as you'd like, then maybe you should be asking yourself the same questions?

Because it's only when you move out of your comfort zone that amazing things happen.

Moving out of your comfort zone though doesn't necessarily mean you have to relocate to another city as I did, it may simply mean you need to relocate your existing business to a better location.



"Confidence is contagious; so is lack of confidence."

Vince Lombardi

CHOOSING THE RIGHT LOCATION

As a general rule, *the better the location, the higher the rent*, therefore it's unlikely your first business will be on a main road, so the next best thing is to find a road that is very familiar to everyone. If you're new to the area, simply ask people to name three connecting roads that are popular. If you're told the same connecting road multiple times then that should be the first area you investigate, however your budget is still going to determine your exact location.

Short-term thinking

Never think that your first location is going to be your last location and that you cannot move. Your podiatry business can be relocated every few years if extra space is required, which is why I suggest taking a short-term lease initially – only two or three years – and also looking for a premises that requires very little fit out, because when you leave you cannot take the fit out with you.

The term of your lease will also be affected by any financing arrangements you have in place. If you take out a five-year loan with a finance company they will want the term of the lease to be at least five years, to match your repayments. However, if you have no finance you can do whatever you want.

These have been some of my moves over the years:

- My first podiatry business in Cairns was approximately 60 m² and I spent nothing on the fit out because it was already in place. *Perfect!*
- My current location, which was my fifth move over a 21-year period, is on the busiest road in Cairns, is 210 m², and I spent a lot on the fit out, however my wife and I own the building so the fit out is ours to keep, so once again, *perfect!*

- When I established Proarch Podiatry Mackay, I took out a two-year lease and the location was approximately 50 m². The fit out was minimal because it was small, and by keeping our overheads to a minimum we made a profit from the first month, which was...you guessed it...*perfect!*

It's rare, but I've seen Podiatrists go bankrupt because they had visions of grandeur and their first location was far too large for their initial needs, which meant they had to over-borrow. *That's not perfect, that's stupid!*

SO WHAT MAKES A GOOD LOCATION?

Be easy to find

There is nothing more annoying than driving up and down a street looking for a business, especially if you're running late. Make sure your podiatry business is located near a distinguishable landmark or business that you can leverage from. "We're located next to the business with the large red car on the roof," is far easier than saying, "We're located at 3939 Elm Street".

Have easy parking

The second most annoying thing after not being able to find a business is finding it and then not being able to find a car park within walking distance. A patient may drive around in circles looking for a car park the first time, but they won't continue to do this if there are other options available to them – meaning a Podiatrist with better parking.

Have good signage

Regardless of your location, there needs to be an area where you can place some good signage, and if it can be illuminated at night

that's even better. My business on the Gold Coast had very poor signage opportunities, which probably contributed to its poor performance. In addition to this, it was positioned partly in a garden bed, which meant every three months I had to trim a few hedges, otherwise it could not be seen.

Have a good tenant mix

The tenant mix can be a location winner or a location killer. If you're looking at a premises in a small complex with mixed tenancies, consider who your neighbours are going to be. Having other health professionals or service businesses can be a positive, however being located between a tattoo parlour and a drug rehab centre may not be. You cannot guarantee who your neighbours will be in the future, but the current tenant mix is a good indication.

Stay at eye level

Your location should also take into account the age and agility of your future patients. Will your business be located on the ground floor or will it be on the first floor? Being on the ground floor makes for easier access and is much easier to find and see from the street. If you're considering the first floor of a building, is there an elevator, or only steps?

I remember a friend who had a clinic for approximately 10 years, and over this time he had developed a considerable number of elderly patients. This was never his intention, so without thinking it through completely, he relocated his clinic to the first floor of the same building, meaning patients had to walk up 25 steps to reach his front entrance. His goal was to reduce the number of older patients being able to reach his clinic, which he achieved, however his overall patient numbers also dropped significantly. He failed to consider the following when relocating upstairs:

- He lost his eye-catching street-level visibility, meaning people walking past didn't know he was there.
- He lost his signage positioning because it went to the new tenants who moved into his old position.
- People with painful feet don't want to walk up 25 steps.

But the biggest killer, which he never considered, was a smart Podiatrist noticed the relocation upstairs, so they opened across the road, at street level, directly opposite his old location. They did very well. This new Podiatrist was in a far better position and they picked up all the walking-by foot traffic, and in addition to this they immediately attracted all of his elderly patients that could not walk up 25 steps. It took more than two years for him to recover, and eventually he moved his business back to street level.

DON'T BE AFRAID TO TAKE ON THE BIG CLINICS

Most Podiatrists would avoid opening their business in a town or suburb where a large podiatry business already exists, especially if it employs multiple Podiatrists, however I think it's something worth considering. If one podiatry business can employ multiple Podiatrists, doesn't this tell you there's a lot of podiatry work available in that particular area? Before taking on a large clinic though you need to do your homework. You can't just open next door and attack them head on, instead you need to study them:

- What are their strengths and weaknesses?
- What are they known for?
- What is their current marketing strategy?

- Where do they advertise?
- What services do they offer?

Once you've gathered this information, only then should you consider opening in opposition.

When I helped Hayley Paterson open her podiatry business in Townsville this is what she faced:

- There were four well-established Podiatry businesses.
- Two had been established for well over 20 years.
- Two owners had previously worked as tutors at the Podiatry School.
- All four businesses had reputable owners.
- One owner was on the Queensland Podiatry Board.
- Another owner was the President of the Queensland Podiatry Association.
- Another was on the Podiatry Council.
- One was a Fellow of the Australasian Academy of Podiatric Sports Medicine.
- Two clinics employed multiple Podiatrists.
- All had very professional-looking businesses.
- Both Townsville national sporting teams (rugby league and basketball) were already linked with one clinic.
- The Army Base was closely linked to another clinic.

Based on the above information you would have to be brave to open another podiatry business in Townsville, but that is exactly

what Hayley did, and with some assistance she has gone on to create a very profitable business.

Was Hayley a naturally gifted businessperson? I would have to say no, because when Hayley worked with me in Cairns she was a new graduate and had no business knowledge, however she was willing to learn. She was also prepared to put in the work required to have a successful podiatry business and she was very conservative how she spent her money, and now she deserves all the accolades that come her way. So never be afraid to take on the big clinics; in fact, use it as motivation.

It's No Secret, There's Money In Podiatry, however...you need to venture outside of your comfort zone.

DO YOU REALLY NEED SATELLITE CLINICS?

Many Podiatrists starting out in business want to look and feel much larger than they really are, and to accomplish this they want to work from three or four locations on different days of the week. Is starting your business this way a good idea or bad idea? Well, this depends on your long-term goals and the type of podiatry business you want to have one day, however before you consider opening a satellite practice I think you need to understand what a satellite practice is...and what it is not.

By definition, *a satellite is an outpost or an object that orbits around or is dependent upon a much larger stationary object.* This is where some Podiatrists get the whole concept of satellite clinics wrong: they never actually have one larger, stationary podiatry business with satellite clinics orbiting. Instead, they have multiple clinics that they work at on different days of the week, therefore by definition they are not satellite practices at all; what they have are multiple part-time podiatry clinics separated by distance.

Satellite practices can be a good business move, especially if an area is not being serviced by another podiatry business and you're positive there is huge potential. However, before committing yourself to a satellite practice you should consider:

- the amount of time and effort required to set it up correctly
- the costs involved in setting up a professional satellite location
- the amount of time you'll be away from your main practice, where you are already paying rent – this is especially important if you are a sole practitioner
- travel time, both there and back.

If your main reason for setting up a satellite practice is that the main practice is not busy enough, I would suggest you're doing it for the wrong reason and you need to put more time and effort into building your main practice. Calculating your cost-to-benefit ratio should help you decide if a satellite practice is a great business decision or not.

I have had many satellite podiatry clinics over the years, some very profitable and others not so good, and at the time of writing this particular book I have none. Instead I have one very profitable, large, stationary podiatry clinic and shoe store which is very successful and makes great profits, and more importantly gives me a lot of time with my family. This does not mean I will not consider opening another satellite clinic in the future, however knowing what I know now I would do it differently.

If you're seriously thinking about opening a satellite clinic, in addition to the above considerations, also give some thought to:

- The location: will you have your own premises or will it be located within another business, such as a doctors or physiotherapy clinic?

- If it's located within another business, do you have exclusive use of the room so supplies and equipment can be left on site, or are you required to pack and unpack every time you visit?
- What type of examination bench will you be working from? This is especially important for your own posture and the safety of your patients.
- Is there adequate lighting?
- Who is looking after and servicing the main business while the satellite clinic is being serviced? Have you got other staff?
- How much is it going to cost you to establish a professional satellite clinic?

There are really only three reasons for establishing a satellite practice:

Reason 1: You want to reach patients who would otherwise not use your services because of distance.

Reason 2: To create additional work for a new Podiatrist commencing employment.

Reason 3: To make more money.

If there is sufficient evidence that you need to open a satellite practice then you should do it...*but* do it professionally or not at all.

*After reading this chapter, what ideas are going through your head? Write them down **right now**.*
