Opening Multiple Chiropractic Practices?

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You have been in practice for many years. You have been successful in building and maintaining your practice. The professional goals you established upon graduation have been far exceeded. Now you have ten, fifteen or twenty years before you complete your career. What are your options to grow personally and professionally?

Turning one practice into multiple practices would define growth by many mid-career Chiropractors. To be able to serve more of the community and in turn increase your passive income, lessen doctor/patient time and increase practice equity would further expand the definition of your success.

As a co-owner of six Chiropractic practices my experiences can clarify, if multiple practice expansion is a viable option for you to reach a higher professional satisfaction. If asked, most Chiropractors would say they would love to own multiple practices and reap the rewards, but most Chiropractors that attempt expansion fail.

A common business plan is to open a second office and work in it on your days off. Build a small patient base and then an associate can take over the existing patient base. What invariably occurs is the existing practice decreases in profitability, a small practice is built at the satellite practice, overhead costs almost double, and the doctor is working an additional two days, in addition to the regular work week, with zero financial ability to hire an associate. The doctor now finds him or herself bleeding until they hemorrhage. The reality is every hour they spend at the satellite office they are loosing money and enthusiasm.

This failed plan plays over and over. I have benefited by purchasing many of my satellite practices from doctors at the hemorrhage stage. The doctors all felt that selling their practices at an undervalued price is better than continuing to lose money and energy. For them, it was to sell or close the office completely.

The fundamental mistake these doctors have made is they have worked in their practice, not on their practice. This statement by Michael Gerber in the E-Myth must be understood completely before attempting any expansion.

Doctors tell me all of the time that they are working harder then they ever have before, spending time traveling from one practice to another, training new staff,
and seeing more people. They are not accomplishing their goal of multiple practices; they are just doing more of what they’re already doing with a lot more overhead. They are working in their practice.

The Chiropractor whose goal is multiple practices must work less as a Chiropractor and more as a visionary, administrator and motivator of staff. A transformation must occur from the practice of Chiropractic to the business of Chiropractic. A shift in thought from “This is what I do, I will do more of it myself” to “I must delegate responsibilities to grow” is a necessity for growth. Your interest will increase in other related areas such as computer technology for higher efficiency, human resources for quality hiring and training, and improvements in basic business modus operandi. Your responsibilities will include investigating the best purchasing opportunity for printing, phone, x-ray sales and service, malpractice and business liability insurance and durable Chiropractic supplies. The doctor that puts their energy into implementing specific systems that can evaluate productivity and efficiency within their practice is working on their practice.

There are three interdependent traits I have found that define success in any project but definitely in multiple office expansion; vision, motivation and system implementation. The vision you create will be the motivating force that develops quality systems that can be highly executed.

You, the Chiropractor must be the visionary; the leader that has a burning desire to climb this mountain. Your employees must understand, agree and follow this vision. Ideally, the Chiropractor, staff and patients should all be aligned in the mission of the practices.

This vision must encompass satisfaction for all involved. Each person working with you must have a communal as well as a personal interest in reaching the goal. By serving the community, the practice, and oneself professionally and financially, solidifies the entire organization with the vision.

No one person can execute all of the needed tasks to build and sustain multiple practices; it is a true team effort. To acknowledge this statement exemplifies the need to motivate your team. Not all employees are motivated by the same compensation or by the same management style. My experience has found that evolving into a well defined corporate culture enables the leader to anticipate the needs of the team. High employee diversity leads to an increased difficulty to motivate and manage. Similar personalities are motivated with similar and predictable ethics, expectations and rewards.
As the organization grows the talent it takes to manage and motivate must increase equally. My basic theory to successfully manage staff is to clearly define what is expected from the employee, have them agree to that level of competency and then motivate and manage them to accomplish that expected level.

“Success is in the system” and, “the system is in the solution” are common phrases in my offices. We live by them and grow by them. The most famous illustration of the concept is McDonalds. With a personnel turnover of three hundred percent they rely on systems to accomplish a predictable standard of quality and service. Once the system had been established replicating the service to over 25,000 worldwide locations was history.

In many one doctor multiple staff practices the Chiropractor has the least knowledge on the systems within their practice; the office manager runs “the show”. This doctor is reliant on that person to the point of being held hostage. The doctor that peels away each major task within their practice and develops a system to complete that task by others will be able to grow into multiple practices. That doctor must first master the task, document the process or system and then put it in stone for all to use. Each system must have a component that evaluates and monitors the effectiveness of that specific system for constant improvement. This allows the doctor to delegate with the ability to monitor. The result of this process is growth; growth by organization, not by individual.

The most difficult challenge is to commit to multiple practices, financially and emotionally. Truly commit, not go into the plan by stating, “I will open a second office and see how I do”. Once committed you become the architect, designing the business plan with your talents. Drawing from your past experiences you will transition concept into reality.

Personally, growing from one practice to six has been one of my most challenging and satisfying professional experiences. I can relate it to mastering a video game. In a video game, at first each move you make you hit a landmine that brings you close to death. As you begin to understand this new environment you develop a plan or vision to win. It soon becomes evident that a motivated workforce with a plan or system will conquer your opponent. Further repetition of the needed tasks increases your ability to perform at a level of excellence. With all of these forces behind you to gain intellectual strength, political influence and financial independence, you crush the opposition. Unfortunately, life doesn’t imitate video games exactly.
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At present, I co-own and operate six Chiropractic practices, www.FamilyChiropracticCenters.info and employ eight Chiropractic associates. In my fourteen years as a Chiropractor I have completed all aspects of originating, building and selling of Chiropractic practices. I owned United States Practice Brokerage, a Chiropractic practice brokerage firm which completed many successful buy/sell transactions. My undergraduate education includes a BS degree from Boston University with a major in marketing prior to attending Life Chiropractic College,

I have been published twice in Chiropractic professional publications; http://www.chiroweb.com/archives/18/26/10.html, http://www.chiroweb.com/archives/19/26/05.html Each article contributes to the profession in areas of practice buy/sell and the importance of Chiropractic contracts.

I consult Chiropractors in the areas of multi-practice expansion, buy/sell process, practice evaluation, associate contracts, and shareholder agreements. In addition I advise on a wide variety of legal, financial and strategic issues. I can be contacted by phone, (800) 908-3040 or email Chirodave@aol.com.