



PRIVATE PRACTICE 2011

WHAT THE FUTURE HOLDS....

2011 Private Practice Facts and Predictions

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Dear Success Minded Private Practice Owner,

This report is your glimpse into the future of our profession, and will allow you to brace yourself for the new trends that lie ahead in 2011.

You are about to discover the trends that will affect the private practice landscape in the next 12 months, and leverage them to your advantage before any of your competitors.

In case you don't know about me (yet), I'm the immigrant from India who showed up at JFK airport in New York in 2002 with little more than a suitcase, \$100 in my pocket, a roommate in Hackensack, NJ (that I found on craigslist), a job as a fitness director for a small wellness training center affiliated with some orthopedic surgeons and the ability to withstand sub zero temperatures to get to work in a bus (could not afford a car), while making \$750 every 2 weeks..... all this before I even got my PT license in New York and New Jersey.

Fast forward a few years, and I'm also the guy that set up a successful private practice and cash paying fitness training business, a 'group exercise therapy' wellness business and a business consultant to hundreds of physical therapy private practices throughout the country.

Some call me a 'hidden genius' behind some of the biggest names in private practice – most of whom generate millions of dollars each year.

My private practice mastermind clients routinely pay me \$10,000 to \$12,000 to join my elite level mastermind and coaching programs that propel clients from six figures to seven figures a year and beyond.

I also own or co-own three businesses that generate multiple six figure revenues. Maybe you've heard of a few of my businesses: Therapy Newsletter, Referral Ignition, Private Practice Summit and Group Physical Therapy.

I do all this in addition to writing articles for ADVANCE, IMPACT and PT magazine and my #1 ranked blog on google for "physical therapy marketing" nitin360.com.



The reason I am telling you all this is to impress upon you that I've been through everything – the most dramatic failures and the craziest of highs at the ripe old age of 32. The one thing these experiences have taught me is the ability to see trends in the business of private practice before they happen, 'read between the lines' and uncover 'stealth mechanisms' to grow your private practice with cutting edge information that other consultants will not bother to reveal to you, and lack the courage to present to you.

My goal, at the end of my career (at the end of this report?) is to give you the strategies to create a lifestyle of joy, prosperity and happiness with more income, freedom and the time to spend more quality time with the ones you love while reducing the amount of time you spend working like a machine in your clinic.

If that sounds good to you, then read on.

Now that you know a little bit more about me and why it makes sense to pay attention to this report, here are my predictions for 2011 and what lies in store for you and the state of private practice.

Prediction 1

THE USE OF LIFETIME PATIENT VALUE (LVP) AS A DRIVER FOR PROFITABILITY

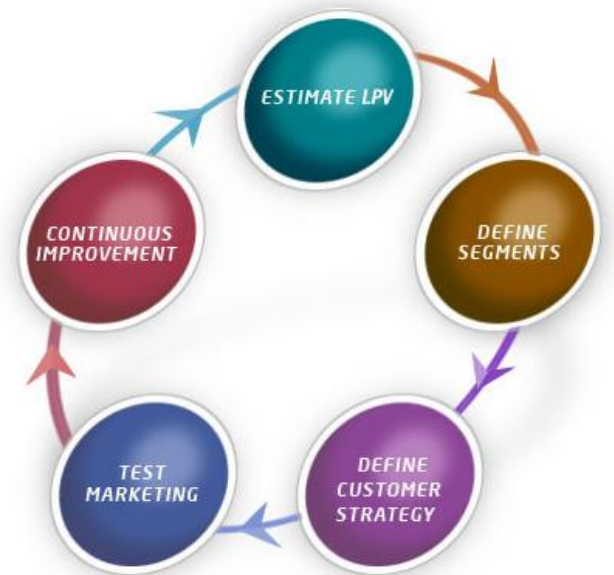
When we see a patient as private practice owners, we rarely think beyond the \$70 to \$100 we generate in revenue for that particular patient visit.

The truth is that the actual income (AI) generated from this patient is the average income for that visit multiplied by the total number of visits.

So if a patient with a per visit revenue of \$80 is seen 10 times on average, the average income for that patient is 80 times 10, which is \$800. This is the average income (AI) for that patient.

What I tell my mastermind clients is that the lifetime value of the patient (LVP) is 3 times the AI of that particular patient, since the patient provides a link to their own doctor (a new referral source), can refer family and friends to you (a happy patient is a PRIME referral source) and most importantly, the patient is a candidate for post rehab programs, group physical therapy programs and fitness/wellness programs post discharge. In other words, this patient is worth \$2400 for your practice during the course of their relationship with you.

Understanding the lifetime value of your patient and creating a plan to extract that value (by over delivering clinically and exceeding expectations with outstanding customer service) will be the driving force for your practice in 2011.



Prediction 2

THE DAWN OF NICHE DEFINITION AND SPECIALIZATION

The one-size-fits-all approach is dead. A private practice that tries to be everything to everybody will get lost in the clutter. **It's important to know what your 'ideal patient' profile is - the age, gender, preferences and other characteristics of a typical patient in your practice.** The hallmark of successful businesses is that they specialize and go vertical in a niche, before generalizing and going horizontal.

Think about it. Amazon.com became the world's number one online bookstore before they started selling electronics and shoes; Microsoft became the premier supplier of operating systems for PCs before they ventured into office software, Xbox and games. Google became the world's number one search engine before they ventured into pay per click advertising and acquisitions like youtube.com

As private practice owners, we should be segmenting and targeting, not broadcasting and diluting our marketing message. In the new economy, consumers are growing more and more wary of businesses that function just like everyone else. The sophisticated consumer will demand specialization, and reward the private practices that take the time and effort to set themselves apart. This 'vanilla approach' from other private practices (and corporate clinics) is a systemic weakness and a deep vulnerability in your competitors that you can exploit in 2011.

The truth is, there are too many private practices, and too many choices for consumers. There is minimal differentiation between different practices, and the profession of physical therapy is at a state of near implosion. As clinicians, we sometimes sacrifice our own identity in an attempt to 'conform' and fit in. A more patient-centric approach allows you to serve your 'niche' better, identify your 'ideal patient' precisely and find new avenues (local businesses, as you will learn in the next prediction) to become referral sources for your clinic.



Prediction 3

LOCAL BUSINESS TSUNAMI - COMMUNITY INVOLVEMENT WILL GROW YOUR PRACTICE

As private practices, we need to look beyond traditional referral sources like patients and doctors. Local businesses (those located within a 5 mile radius of your clinic) are valuable allies and strategic partners for your practice. In particular, local businesses with large lists of clients are (strategically) better allies than new businesses that do lack a presence (and goodwill) within your community. Make sure you identify, and forge mutually beneficial referral relationships with providers you trust and have used in the past. Otherwise, negative experiences that your customers have with other businesses that you recommend will creep back to you and affect your reputation.

With a combination of a well planned endorsement strategy (combined with an offer fuelled by scarcity and urgency), you should be able to drive more patients and dramatically improve awareness about your practice and its services.

Each local business has its own set of clients and customer relationships which can be leveraged in your favor with endorsements. Once you can identify local businesses that serve your ideal patient, you want to start building mutually beneficial referral relationships with them. You can do the same for other businesses. The big benefit with local endorsements is your ability to 'piggyback' on the reputation of other businesses, establish instant credibility with residents in your community, reach a new patient population and minimize your new patient acquisition costs.



I discuss this in detail, and provide done-for-you scripts to ignite referrals from local businesses in your community in "community ignition", one of the 4 modules in my sold-out referral generation done-for-you home study program called "Referral Ignition". With this program, you are essentially buying speed and success. If you are serious about growing your practice, you should be investing in your own marketing education.

Prediction 4

PATIENT REACTIVATION WILL BE THE NEW "WEALTH ATTRACTION" MANTRA

Getting new patients is not always about getting more doctors to refer, since that reinforces the old-school 'work more to get more patients' limited belief that we are conditioned to accept. This reinforces the notion that new patients come through extreme difficulty and constantly feeding doctor's offices and schmoozing physicians, hoping that they will bless you with referral(s) one day.

If you think like this, you are creating a subconscious barrier to abundant wealth. Your expectations will be automatically downgraded. If, with a stroke of luck, you are able to generate a lot of referrals, a feeling of guilt sets in, which prevents you from reaching new goals and exploding revenue potential in your practice.

Always know, there are plenty of patients to go around (unlimited, in fact), when you master the art of reactivation and referral generation from existing patients. Until you believe this, your ability to generate new patients will be slow, deliberate, painstaking, weak and pessimistic. You will be modulating your wealth attraction potential and limiting your ability to achieve unlimited wealth and freedom in your practice.

Once you can master the art of internal referrals, you will have more patients than you ever want, with far greater ease, and in half the time it takes with traditional referrals. There are more patients to be had than you can possibly imagine, once you are able to get your existing patients to refer their friends and family. Word of mouth referrals are the fastest way to grow a practice.

All my mastermind coaching clients understand the 'wealth attraction mindset' and are generating more income this year than they were last year. In fact, they will make more money in 2011 than they did in 2010, and that's because they are unaffected by the self-imposed boundaries of a struggling desert-like economy, working with patients who refuse to pay \$20 co-pay and waiting weeks to be paid a pittance by insurance companies.



They create their own rules and have an abundance of patients thanks to the referral generation mechanisms I teach, and are able to cherry pick the highest paying patients and create their own oases in the middle of the desert.

Prediction 5

THE 'PATIENT EXPERIENCE' DRIVEN ERA IN PRIVATE PRACTICE

The physical therapy practice in 2011 and beyond will not only be a 'fun' place to work for staff, but will also see staff involved in activities that grow the business and aid in marketing and referral generation. The staff will go above and beyond, more than you can ever imagine. **Patients will want to come to the practice because they like the staff and enjoy the experience of interacting with the business.**

Let me take the example of a company called zappos.com, founded in 1999. Zappos is an online retailer specializing in shoes.



In addition to shoes they sell handbags, clothing, eyewear, watches and accessories and was bought over by amazon.com for over \$900 million in July 2009. What a lot of people do not know is that in 2002, while on the brink of bankruptcy, one of its founders Tony Hsieh said this about zappos "We've already been through a lot over the past 4 years, but the road ahead is as exciting as ever. There will be a lot of changes ahead as we grow, but one thing will always be constant: our focus on constantly improving the customer experience."

The private practice that outperforms the competition will provide a better patient experience - from the initial phone call to the interaction with the receptionist, the experience of treatment and the post-discharge communication.

Prediction 6

THE DEATH OF TRADITIONAL, ONE-ON-ONE PHYSICAL THERAPY

It's not our fault that we have been conditioned to trade 'hours for dollars' and restrict our income to the amount of money generated with that single patient visit. The only other way that private practice owners know to increase revenue is to hire more therapists and leverage their time to increase revenue. This brings a fair share of headaches about staff hunting, interviewing, dealing with 'entitlement philosophy' new grads, benefits and staff turnover issues.

So my question is - **why not see MORE patients per hour, in a 'group exercise' setting, and charge cash (usually less than the value of the co-pay) from each client, bill their credit card for 'recurring monthly' memberships and increase your revenue that way?**

There was no systematic way of doing this until recently. Physical therapists would copy yoga studios and charge \$10-\$15 a class (some charging even less), struggle to justify meager fees (competing on price and not positioning is part of the problem), have no idea how to deal with no-shows, cancellations and running around trying to collect payments from non-compliant clients.

..... all this changed with the introduction of the Group Physical Therapy program.

Featured on the cover of IMPACT magazine in November 2010, the GPT model has now been adopted by physical therapists coast to coast, with GPT programs throughout NY, NJ and CA. Imagine having your own done-for-you franchise (like Starbucks), get a done-for-you website, plug and play marketing systems, unlimited phone and email support to quickly and easily open a high income producing, cash-paying physical therapy practice.

In 2011, the GPT model will become a recognized global brand that helps bring low cost, affordable wellness solutions for clients while increasing income and leveraging time for physical therapists. GPT is a turnkey system where you, the private practice owner can quickly launch your own territory and follow our paint by numbers blueprint to open up a thriving cash paying practice to be on pace for a six figure income within 8 to 12 weeks.



Group Physical Therapy ◀

Turbocharge Your Health
Group Physical Therapy

This business model will continue to grow in locations and recognition faster than any other business model out there for physical therapists. It provides the following benefits:

- ✔ the ability to leverage time (work with multiple clients at one time)
- ✔ the social environment and accountability inherent in a group atmosphere
- ✔ the potential to reach a new, untapped patient population
- ✔ the chance to rejuvenate your image and reactivate old patients, reconnect with doctors (something new to say to them) and create a 'buzz' in the community
- ✔ the availability of a low cost post rehab program for the discharged patient (each client usually pays the same or less than their copay to continue to participate in a cash paying, post rehab group exercise class)
- ✔ strong viral growth possibilities; such programs often grow with little to no
- ✔ marketing since the participants bring in friends and family
- ✔ delegation possibility - the physical therapist can hire a fitness professional or exercise physiologist to run this class and offer multiple programs

So consider this an invitation to participate in my upcoming "Referral Ignition" and "Group Physical Therapy Programs" which will only be open for a limited time in January 2011, and take advantage of the big opportunity to take your private practice to the next level. I hope you get on board.

Please do me a favor and after reading this report, [click here to back to the original blog post](#) and leave a comment and let me know what you think.

Here's to an outstanding 2011 filled with opportunity,

A handwritten signature in black ink that reads "Nitin K.C." with a horizontal line underneath.

Nitin Chhoda PT, DPT

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