

In Physical Therapy, Size DOES Matter.

Is your practice too big or too small? There is an easy way to find out.

Years ago, you walked into a space and decided for one reason or another: this is the one! After some negotiations, you signed a lease or maybe even invested in real estate.

Now that you're settled in, how do you know if you're maximizing efficiency of your space?

It's as easy as 1, 2, 3

To know the answer to this question, you need to calculate your revenue generated per square foot.

Step 1: Calculate revenue per sq. ft

As referred above, you should be generating \$550 per square foot of your building. [Click here](#) to find out how this number is determined and why it works for EVERY PT practice.

Take your total annual collected revenue and divide by your total square footage. Include all square footage from your lobby to your treatment rooms.

Example:

$$\frac{\$780,000}{3000 \text{ Sq.Ft}} = \$260 \text{ in Revenue per Sq.Ft.}$$

If your space is too small, you are limiting your revenue potential. On the flip side, if it's too big, you may be paying too much in rent for the revenue you're generating – leaving wasted square footage and shrunken profit margins.

If you're like many private practice physical therapy owners, you may dream of owning two, five or even 10+ locations one day. You could be well on your way to accomplishing this goal, however, it's critical to maximize your existing facility before taking on more space (and overhead).

To see if you have maximized the opportunity in your practice, answer these questions:



1. **Are you generating at least \$550 per sq ft?**
2. **Do you know what to do if you're not meeting this number?**

If you can't answer "Yes" to the above, you have a "leaky bucket."

When you have a bucket with holes in it, what happens as you fill it with more water? The water leaks out. Your business operates the same way. By answering "No" to the question above, your business has some holes in it. No matter how much you pour into your business, money and opportunity will continue to leak out those holes.

It doesn't make sense to operate MULTIPLE "leaky-bucket" locations. Once you eliminate inefficiencies in your current facility, only then should you set your sights on bigger things.



Are you below \$550 revenue/sq. ft?

Here's what you need to do...

1. Reduce Your Inefficiencies
 - Do you have too many cancellations/no-shows?
 - Are you letting copays and deductibles go unpaid?
 - Are your referrals slipping through the cracks before they reach your schedule?
2. Add Services and Retail Products
 - Add specialty services like balance therapy, pelvic health or fitness classes to appeal to more consumers in your area
 - Open a retail store in your practice and offer health and wellness products your patients want and need to increase cash sales

You don't have to go at it alone...

[Schedule a call today with world-class business experts.](#)

Are you at or above \$550 revenue/sq ft?

Congrats! You're generating the minimally acceptable revenue metrics!

Now that you know you're at capacity and generating the acceptable revenue per sq ft, you should look into expanding your current space (i.e. acquiring the space next door) or opening a second location in a new market.

However, expanding will take time and dedication you don't have if you're treating all day. Now may be a good time for you to step into a management role, and free up more of your time to focus on real estate opportunities or even acquisition.

This won't work, unfortunately, if your business doesn't run on systems. You need to learn how to run your business on autopilot, so you have the freedom and confidence to grow your business.

[Click here](#) to gain access to the systems and procedures that will give your more freedom of time.

There are thousands of private practice owners just like you.



Most private practice owners fall into the red column on the left when it comes to revenue per square foot and capacity – or they don't even know where they fall! The good news is, at this point, if you calculated these numbers, you're ahead of many just by realizing your situation!

Now, you can make the changes necessary to reach your goals and increase revenues (in other words, move your practice into the green column on the right).

The [bad] news is, there are so many more numbers you need to be consistently tracking in your business to guarantee you're maximizing efficiency and not leaving any "leaky" holes in your business.

- ***Do you know what your referral conversion rate is?***
- ***Do you know your revenue generated per full-time employee?***
- ***Do you know your cancelation/no-show rate?***
- ***Do you know how much your operating expenses are?***

If you can't answer "Yes" to all these questions, that's a major problem that shouldn't be ignored if you want to take your business to the next level.

Business metrics and financial numbers can be *extremely* intimidating if you don't have business expertise. Luckily, you don't have to figure it out on your own and reinvent the wheel. FYZICAL offers world-class business and management training through FYZICAL College.

FYZICAL College is an online resource FYZICAL members can access at any time to find tips, training and tools to run a successful practice. There's no challenge too big or too small that can't be solved with a search into FYZICAL College. Not to mention, an entire support team is waiting by the phone to walk you through any challenges you face and give you the training you need to run your business like a pro.

SCHEDULE A CALL WITH A FYZICAL ADVISOR TODAY

To learn how to gain access to top-notch business tools and knowledge.