

# Choosing an Office Location

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By John V. Guiliana, DPM, MS

### ***I am in my last year of residency and I would like to start my own practice. What due diligence should I perform?***

Choosing an office location is a critical step towards the success of your practice. The process should begin 9-12 months before your anticipated start-up date and begins with some demographic research.

You should try to identify two or three geographical areas that are appealing to you to live, raise a family, and integrate into the community. Then look at the population figures to see if there is a need for the podiatric services that you provide. Don't assume that a demographic analysis is a sizable project only to be undertaken by large corporations. Inexpensive, limited studies can be extremely valuable in helping select the ideal location.

Hospitals may be a perfect starting point to get you connected to the community. The marketing and planning board of most hospitals may have already conducted a demographic analysis and be willing to share it with you. They also can give you a list of the payers that they contract with so that you'll get a better understanding of the payer mix. The local newspaper's advertising department may also have population figures. The chamber of commerce and local library also have information about the community and its schools, services, growth, and economic profile.

The state's podiatric medical society can tell you how many physicians are working in a community, and may have conducted a physician needs assessment. Head counts and physician-to-population ratios need to be examined in the proper light, however. You need to determine where the medical hubs are, as traffic patterns have an enormous influence on a practice. If you were to look at the physician/patient ratio in some communities, you would assume that the town has too many physicians—but those practices may be thriving due to easy access by auto and public transportation which draws patients from many surrounding communities."

### **Some important factors to consider:**

- **Age distribution of patients.** Simple population counts fail to identify the people who are most likely to use your services. For a general podiatrist, the number of senior citizens in a community may be important. For a surgically or sports medicine oriented practitioner, a younger population may be more appealing. Observe what people are doing for recreation in the community, as this will also be an indicator of the types of patients that will seek your services.
- **Age of physicians in the community.** If 75 percent of the physicians in the prospective community are over age 50, you may be well positioned to pick up patients as the established physicians retire. Also, it would be helpful to understand the overall relationship that podiatrists have with the MD community. This plays into potential referral sources and being able to obtain surgical privileges at area hospitals.
- **Your attractiveness to insurance carriers.** Speak to the medical directors or representatives of the five largest plans that cover the area. They may tell you that there's a need for another physician in your specialty, and as long as you're board certified, you won't have a problem getting on insurance panels. Or, even more disappointing, they might tell you that they have all the physicians they need. Ask

each insurance representative to provide you with the number of lives that are covered in your prospective community.

- **A competitive analysis.** Research the area podiatrists. Find out about their training and the type of practices that they have. Despite a saturated market, there is always room for an untapped niche. Niche areas that may be underserved include; podopediatrics, wound care and neuromuscularly impaired patients to name a few. If a niche practice skill which is lacking in your community matches up well with your interests, you will have a good fit in that location. Look at the Yellow Page advertising and other media to identify level and intensity of competition. This may help you assess what you are up against from a marketing perspective when you open your practice.
- **The community itself.** Does the community show signs of growth or recession? The local planning board can provide you with approved building permits and housing starts. Schools are an excellent resource to determine future growth. They always look ahead three or four years to make certain that the schools can accommodate incoming classes. Do people travel a significant distance to their jobs? Residents of “bedroom communities” often obtain their medical services from the community that their job is located in. Finally, don't set up shop in a community that doesn't appeal to your spouse. Hospital recruiters have a saying that the three most important things to remember when attracting a physician are: “Recruit the spouse, recruit the spouse, and recruit the spouse”.

One final suggestion: As a new practitioner taking the challenge of a practice start up, I recommend that you become a member of the American Academy of Podiatric Practice Management. Their seminars, teleconferences and resources will be extremely valuable to you. In addition, you will be assigned an experienced mentor who will guide you through the many important decisions that you will need to make. You can find them at [www.aappm.com](http://www.aappm.com).

*Dr. Guiliana is a nationally recognized speaker and author on topics pertaining to medical practice management. He is a Fellow and Trustee of the American Academy of Podiatric Practice Management and holds a Master's degree in Healthcare Management. He practices in Hackettstown, New Jersey and may be reached at 1-866-TEAMSOS (866-832-6767).*