

THE AESTHETIC GUIDE



Top Mistakes to Avoid When Building A New Practice

Building out a new office space is a major undertaking for any practice. When designing a new space, you want one that is welcoming, undeniably “you”, and practical to meet your professional needs. Without a good plan, mistakes will happen, and costs may quickly spiral out of control. So, to help you, we have put together a list of common mistakes to avoid when building your new practice.

Mara Shorr, Jay Shorr and Robert C. Deters | Dec 30, 2020

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1. Failing to Plan is Planning to Fail

Create a good plan and stick to it. Do not spend a dime or swing a hammer before creating a solid plan. This plan should include a detailed budget, a realistic timeline and any other goals you have for the space. During the design phase, try to predict logistical problems before they occur. Something that looks good in a blueprint, may not be practical in real life. Don't wait until the money is spent and the paint is dry to find out that something doesn't work. And, make sure you are maximizing every square foot.

2. Buying or Leasing the Wrong Size Space

Be wary of the amount of the space you decide on. Often practices will underestimate the cost of tenant improvements. Each practice is unique, and your individual needs will have a major influence on the overall cost. You also need to consider the state of the physical building. Is it a pre-existing office? Does the layout make sense? Will you need plumbing or electrical? These are all questions you should ask yourself when creating your budget. Keep in mind it is often what you cannot see about a space that ends up costing the most. On average, a medical office costs between \$75-\$125 per square foot, but depending on what you need, it can be double that.

Most importantly, make sure it is the size that you need. Don't invest in extra space if you don't need it. Any additional space should have a well thought out plan for expansion. When will you realistically grow into it? Will the space provide additional revenue or is it for administration? Don't get stuck somewhere that is too small, but be thoughtful about your growth!

3. Undertaking the Project by Yourself

Don't go it alone! Unless you're moonlighting as a general contractor or happen to flip commercial properties as a hobby, surround yourself with a good team. Trying to finish the project on your own

will be exponentially more difficult, and potentially more expensive. There are a lot of moving parts to any construction project and smooth interaction prevents headaches and costly delays. Work with your general contractor and architect to make sure everyone is on the same page. Make sure you are meeting with them regularly and you're keeping an eye on expenses.

4. Getting a Personal Guarantee

If possible, try to avoid a personal guarantee when negotiating your lease. Your landlord will probably be the biggest advocate for having one of these agreements in place, and why wouldn't they? They get to sleep soundly knowing they will still get paid regardless of whether or not you default on your rental agreement or your business goes bust. You, on the other hand, get no such guarantees. A personal guarantee puts your personal assets at risk if you default on your lease.

If your landlord is persistent about having one of these in place, try to negotiate something for yourself. Often the landlord will make concessions, like lower rent or provide a tenant improvement allowance. Also, if you are sharing the space with other people, make sure everyone has equal responsibility.

5. Buying Expensive Finishes

It is very important to keep a close eye on the cost of your building materials. Don't be afraid to ask your architect or general contractor for lower-cost alternatives should things start getting out of hand. While in any aesthetic practice, you want to have the most gorgeous, top of the line materials, this doesn't often make sense from a budgetary standpoint.

Remember the goal of any buildout is to make the most of the patient experience. While granite countertops and hardwood floors may look spectacular, your patients prioritize other things over whether or not they are standing on wood floors made from some exotic tree from the rainforest. Seek out alternate materials; there are plenty of options that are just as nice.

6. Forgetting the Traffic Pattern

The best office layout is to create a good flow of patients that avoid any potential traffic jams. Ideally, you want to have a clear path from the waiting room to the reception area to the consultation room,

to the exam room, and then back to the reception area. A circular flow prevents congestion and makes the office much more efficient.

7. Neglecting the Patient Lobby/Reception Area

Don't skimp on your reception/lobby area; this is a key factor in your patients' experience. This gives patients a first impression of your practice. Make sure your reception area is a warm and inviting space. Consider the flow of patients in the office, and make sure there is some separation between the front desk. You don't want patients in the waiting room hearing all of your conversations!

Often times it serves a dual role as a retail area so make sure you can effectively display your products. Remember, your waiting area reflects your practice; you're in aesthetic medicine, make sure your waiting area is aesthetically pleasing!

8. No Storage

Make sure your practice has ample room for medications, office supplies, equipment and everything else you need to run your practice. Many items specific to a medical office require secure storage so make sure your buildout accounts for this. Putting storage in last minute makes your office look haphazard and disorganized. More often than not, valuable space is designated for storage because it is the only space left. That big catch-all closet at the end of the hall could be a treatment room!

Don't forget about administration! Chances are you will need a few large file cabinets, and it seems like they double in size when placed in your office. Make sure you have enough space to secure your documents in a HIPPA compliant manner. Your storage space should be easily accessible to providers yet out of sight for the patients.

About the Authors

Mara Shorr, BS, CAC

Ms. Shorr serves as a partner and the vice president of marketing and business development for Shorr Solutions, assisting medical practices with the operational, financial and administrative health



of their business. She is a Certified Aesthetic Consultant (CAC) and program advisor, utilizing knowledge and experience to help clients achieve their potential. A national speaker and writer, she can be contacted at marashorr@shorr solutions.com.



Jay A. Shorr BA, MBM-C, CAC

Mr. Shorr is the founder and managing partner of Shorr Solutions. He is also a professional motivational speaker, an advisor to the CAC program and a certified medical business manager from Florida Atlantic University. He can be reached at jayshorr@shorr solutions.com.



Robert C. Deters BS, CAC

Mr. Deters is the business development manager at Shorr Solutions. Having previously worked as an administrator at a large family practice outside of Boston, Mass., he has first-hand experience on running a busy physician-owned medical spa. This unique perspective makes him an invaluable asset to all of Shorr Solutions' clients.

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