

# The Grave Dangers of Prematurely Adding Additional Ops or Offices:

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7-9-24 Hello! In both marketing & management, it pays to spend the smallest amount of money to generate the greatest amount of sales. However, too many of our otherwise brilliant clients **prematurely** add additional offices or operatories before their existing office(s) are maximized! The trick is to **maximize sales...versus** the fixed overhead **costs** of the original office facility first...before adding the second office or more ops. **Why pay for an additional office if you don't need to?**

The first office must be on a **steady & predictable growth trajectory** of arriving at its TRUE physical capacity...before planning an additional office. MOST of our outstanding client offices have grown to have patients in the chair 85+ hrs a week **before** adding offices. Using the one office, five-chair, three-shift example, these offices have grown to VERY PROFITABLY produce \$4-5 million a year with EACH Doctor & 2x Hygienist (assisted) team producing around \$150,000 per month.

## GOAL: First Approach \$1 Million a Year...Per Chair!

- ~ Must Produce Around \$1 Million Per Chair/Year & Open 100+ Hrs/Week BEFORE Adding 2<sup>nd</sup> Office.
- ~ HUGE OVERHEAD! Prestige & Ego Driven Additional Office "Mistakes" Cause MANY Practice Failures!
- ~ A 5 Operatory Office...Open 30 Hours/Week... Open 90 Hours/Week is the SAME as a 15 Op Office(s)
- ~ Far More Profit: Fixed Overhead (Office & Equipment) Stays the Same...While Production/Sales Triples!
- ~ There Are 168 Hrs in a Week. Patients Have Proven to Come In 85+ Hours per Week! Open the Flow!
- ~ Too Many Client Offices Are Closed to Patients 140+ Hours per Week...While Still Paying Rent/Etc.!
- ~ More Wealthy Working Will "Flow" in for Added Appointment Hours Before/After Work & Weekends!
- ~ Rather Than Add Offices, Always First Explore Ways to Add More Ops Under Your Same, Existing Roof!
- ~ It Pays to FIRST Perfect Your Managerial Systems Under Your Existing Roof...THEN Replicate Them!

Beyond profitability issues...**stress & survivability** are also factors here! The **worst possible scenario** is the single doctor (*we still run across this!*) who has two+ offices. Even if the same staff moves from location to location, the doctor still runs around like a maniac, with **double the office facility costs!** **This is not healthy...or fun!** Compounding the problem, phone forwarding systems are rarely adequate. Office-related overhead is doubled...so profitability (if there is any) is decimated!

"Profitability" is production...minus the cost to produce it! Office rent/mortgage is a major factor in most practices' overhead structure. However, understand that your rent/mortgage, office improvements, chairs, equipment & computers **in effect become CHEAPER** as a percentage the more that they are used per week, month or year!

The more hours & gross sales that are generated under the same “fixed” overhead roof, the better!  
The “variable” overhead of **properly-added** & **optimally-managed** doctors, hygienists & staff are usually MORE profitable in proportion to the personnel added! jc