

5 Things You Need to Know For Private Practice Growth in 2023

It has been an interesting couple of years in the private practice world. Navigating through the pandemic and the constantly changing environment has seemingly changed the game for the industry at large. And despite life being back to “normal” for most of us, a lot of uncertainties remain, with new sets of issues arising just as we find our feet managing the current set.

As private practice business coaches, we at Kong & Way have been fortunate to support our clients in real-time as everything as we knew it changed, starting with the sheer demand for mental health support and the internal management of the team and admin processes to support it.

We've learnt some valuable lessons about building an adaptive and sustainable private practice, and would love to share some insight with AAPi members who are gearing up their private practice for 2023. If managed right, we believe it's possible to not only stay resilient against further economic and social challenges in the new year, but grow.

Here are 5 things you should consider in your 2023 private practice plan.

#1 Thriving against rising inflation

It is most likely that Australians will have to bear continuing inflationary pressures into next year. While it is expected that the rate of inflation will slow down [in the new year](#) after reaching a peak in December 2022 (source: [RBA Forecast Table Nov 2022](#)), nothing is certain. The priority for private practice owners is on building strategies to protect against the impacts of inflation so that when things settle again you're ready to hit the ground running.

Rising cost of living impacts private practice in a couple of significant ways. The cost to operate a practice increases. At the same time, people have less money available to spend. But there are some things you can do to help manage the impact.

The first thing to be on top of is your actual cash flow position. This means taking the time to work out exactly when money is coming in and going out of your bank account and being able to forecast that as accurately as possible. Most businesses have tough months, many have negative cash flow months, and knowing when those months are coming in advance helps you prepare for them.

It also helps you to create a list of expenses that could be better managed or negotiated down. You may be able to negotiate your lease cost, or refinance your commercial mortgage if you have one. Perhaps you can negotiate car lease terms, phone contracts or other utilities or services you engage with.

Talk to us or your business coach about how to negotiate with your landlord or suppliers.

#2 Post-pandemic plan

While it's clear the pandemic is not over, COVID operating restrictions have been eased or removed in most places now. Private practice has for the most part returned to something approaching normal. That said, the post-pandemic era has changed the landscape a bit for private practice owners. Having a post-pandemic plan for your practice is important if you're going to maintain a safe environment while also being able to capitalise on growth opportunities.

Continuing Telehealth

With extended access to telehealth into the foreseeable future, there is the opportunity to reach more people in need and bring on additional practitioners, without necessarily requiring additional physical rooms. Telehealth delivery can significantly increase your profit per practitioner by holding overheads steady and growing revenue.

Policies and Procedures

Throughout the pandemic private practice owners found themselves having to constantly update and communicate their policies and procedures in line with new government measures. Some lessons we learnt from this are:

1. The importance of having clear policies
2. Streamlining internal policy governance and documentation processes, and;
3. Having a secure and consistent way of communicating to your clients

These lessons continue to be relevant in the post-pandemic era where government messaging is still unclear and so much is left to the discretion of the practice owner. Now would be a great time to consider and reevaluate your safety procedures and make sure they're clearly communicated. It would also be advised to schedule a review of these policies in advance.

Back to Basics

It is also a good idea to work on a “back to basics” plan for referral growth in 2023. Before the pandemic one of the most common problems for private practice was having enough referrals to sustain practice growth. In a post-pandemic world where volumes are dropping off, reinvigorating referral relationships is going to help build the referral numbers.

This means revisiting your local area marketing strategies, going through your GP list and exploring EAP strategies amongst other things.

#3 Your agility plan

There is uncertainty around whether the federal government is going to extend the additional MHCP sessions into 2023. It is responsible for practices to have an agile plan for maintaining or growing the number of client referrals. AAPi are working hard to advocate for the extra sessions and we’re all hopeful of a positive outcome. But things don’t always go to plan, meaning it is important to build an agile and responsive strategy that can help you to thrive under not-so-perfect circumstances.

Diversifying Revenue Streams

One of the focuses of your private practice agility plan might be exploring other revenue streams. Things like building up your own direct EAP offer, offering online courses, considering multi-disciplinary service offers, expanding your telehealth offer are possible ways of diversifying your revenue stream and reaching more people in need.

Not all ideas are suitable for every practice, though. We recommend starting by identifying your target audiences, conducting competitive analyses and reviewing your cash flow to determine revenue streams that align with your values and skill sets, and that make practical sense. Working with your business coach will help determine an approach that works best for your practice.

#4 Changing landscape of recruitment

It's almost impossible to have a discussion about growing a private psychology practice without mentioning recruitment. Deciding on a contractor or employee model, reaching practitioners that are the right fit for you; the list of stressful recruitment topics for practice owners goes on. Ultimately, we believe that at the core of recruitment is one key principle; you have to attract practitioners that are a good fit for you and your practice.

Always Be "Recruiting"

Most private practice businesses approach recruitment as an action to fill a need. When you have a practitioner leaving or you see your appointment volumes rising, you start looking for someone to either replace the departing practitioner or help share the increasing load. The problem with this is that it is a reactionary approach and takes time to find a solution. Taking an "always recruiting" approach gives you a significant time advantage.

The key to successful recruitment practice is to be working on recruitment all the time. Does this mean you should be running a job ad constantly? Not necessarily. The recruitment process for a private practice also involves finding ways to showcase your values, what your practice location is like, and other team members that are part of your practice. This means applying constant and consistent effort to making your practice visible through your website, social media presence, and group forum activity. Building and nurturing your connection networks is also a key contributor to successful recruiting. The more consistent you are in your approach to these things the more you appeal to practitioners as an employer of choice.

Recruitment in the psychology space is not easy, but there are ways to help limit the frustrations associated with it. Many of our clients have adopted an "always recruiting" approach and find it a better way to go. Thinking outside the box on recruitment can also be beneficial. Building multi-disciplinary services, providing a career pathway for registrars and early career practitioners are some things to consider.

#5 Efficiency planning

Streamlining the efficiency of your practice operations does take some planning. But the time saved through the efficiency gain allows you to focus on your core role of building your practice. Taking the time to work out what tasks and projects you could delegate or outsource can significantly reduce the load on your time as a practice owner.

Outsourcing isn't a new concept to most private practice owners. Using a virtual or offsite phone and administration service is fairly common for practices within certain revenue bands. If you're

already using a service like this, it's worth exploring whether or not you are getting the most out of it. Are there admin tasks your virtual service could perform for you that they don't currently?

A lot of allied health specific virtual reception and admin services have been working at capacity and have been closed to new customers. If you've found yourself unable to onboard a virtual team, it may be worth looking outside allied health. We recommend first making a list of all the "working IN the business" activities currently on your workload. Then, pick out the tasks that can be done by someone else and talk to the service providers to determine whether they can meet your needs.

Delegation works essentially the same way. If you have resources inside your practice, can you delegate additional tasks to them so you can reclaim some of your time for working ON your business?

Working with your business coach as an objective set of eyes can help you identify and implement efficiency improvements across your practice.

About K&W

At K&W we work exclusively with allied health private practice owners to guide and coach you in sustainable practice growth strategies. For AAPi members we offer a free 45 minute introductory meeting as well as a 15% discount for ongoing work. If you'd like to talk to us about how we can help you and your practice, head over to [Kong & Way](#) and lock in a time that works for you.

Resources

We're providing some free resources to help you in your future planning needs. You can download the Cash Flow Template and the One Page Private Practice Growth Plan Template by visiting the [Kong & Way](#).