

Excerpted from *Considerations for Designing and Opening a Private Mental Health Practice*. (2009) by Warren Corson III PhD, NCC, LPC

Getting Referrals/Basic Marketing:

Many practitioners view psychotherapy as a basic human service; while this is true, it, like medicine, is also a business and as such, there is a need to find a sufficient customer (client) base in order to maintain and grow a practice. There is no way to guarantee a large successful practice but there are many things that can be done in order to increase the chances of success. An established practice normally will have no issues maintaining a client base whereas a new practice may find it difficult to attract new clients.

Some effective methods to help establish and maintain a practice follow:

Word of mouth: As a practice gains clients; word of mouth from these clients, provided that they are happy with the services, can be one of the best ways to attract new clients. This author has gained as many as ten or more new clients based off of word of mouth from a single client. It should be noted however that word of mouth that is negative can also take away potential clients as well.

Professional associations and publications: Many professional associations and publications offer referral lists for those seeking a therapist in their area. Fees to be listed on these lists vary as do the number of potential referrals generated from these lists. It is advisable to discuss with other practitioners in your area to learn what has worked for them. It may save a lot of time and money.

Advertisements: Ads in local papers may help generate some attention to a new practice. These however can often be costly and reviews on their efficacy have been mixed.

Provider lists: Based on price alone (free for providers of insurance plans) this is definitely a solid place to secure referrals. These lists are maintained by the individual insurance companies and made available to members through publications, on line websites and through calls to the insurance company. Members of insurance plans that are accepted by your practice can request names and numbers of practitioners in their area that accept their plans.

Yellow pages: Commercial customers may elect to place an ad in the yellow pages to help increase business over simply electing a plain text listing. The success of these ads will depend to some degree on placement and the design of the ad. While fewer people are using print phone books for searches, online yellow page listings can be a great way to attract new clients.

Internet searches: Practices with a web presence may find an increase in new clients depending on the ease of being located through internet searches. More and more individuals are using such searches to find services, and trends suggest that this will increase for years to come. Websites need not be very expensive or overly fancy to be effective.

Other professionals: One of the more effective ways to establish referrals is through working relationships with other professionals in the area. General practitioners, psychiatrists and related professionals are often in need of high quality referral sources. Networking in the area of the practice can help build the practitioner's referral lists as well as to keep a free source of continuing referrals as well.

Online maps etc.: with the increased presence of the World Wide Web, practitioners can now find more and more avenues for free advertisements. Sites such as "Google maps" offer businesses free ads that are easily accessible by web users seeking services in their areas.

A brief discussion on the type of marketing available for private practitioners will be discussed.

Website: The World Wide Web is one of the fastest growing areas of marketing potential that exists today. As few as ten years ago only the largest and most profitable companies were exploring this area of marketing. In the nineties websites were often crude by today's standards but companies found that they were able to attract business and establish themselves in an upcoming media. Web design was in its infancy and finding individuals who could design, build and maintain a website was often difficult and very expensive. With the ever growing popularity of the internet and the profit potential for design companies to develop easy to program and build web site tools, websites can often now be developed and maintained by novice designers. Now, not only do the large corporations own and maintain websites, but so do medium and small businesses as well. Personal websites are also common place.

Today's small practice can establish itself on the web for only a few hundred dollars, provided they are willing to use sweat equity into the project. Companies such as Network Solutions (www.networksolutions.com), offer web hosting packages that include the costs of registering a domain name (the web address for your business), Webhosting (space on an internet server where your website is housed), as well as access to customer support services and use of computer programs that help you build and maintain your website. These packages can vary between companies and based upon the size of the website you desire as well as bandwidth (the amount of activity (i.e. visitors) your website can process at a time, but many packages can be purchased for around two hundred dollars per year. Practices can also purchase ads for their website as well as preferred placement on search engines for monthly fees. The typical practice will likely not need this service as they will not need the volume of visitors in order to sustain or build their client base.

Websites should be user friendly, not overly complicated and provide visitors with an easy to read source of information pertaining to the services and practitioners employed. Add-ons to the site that could help alleviate some of the work of office staff would be the ability to have directions to the practice listed (MapQuest offers free plug ins that allow the client to enter their address and then get free directions from their location to the office), or to offer easy payment via debit or credit cards.

When selecting a web address, much thought and effort should be employed to balance developing a web address that is easy to spell and remember while still identifying the practice. This author originally developed a web address for Community Counseling of Central CT Inc. that tested well with employees and associates, but lacked the ability to be easily remembered and subsequently failed in the eyes of clients and with referral sources who could not remember the address in order to pass this information on through word of mouth. It was felt that www.cccofcentralct.org would be relatively easy to remember and sounded professional unfortunately it proved complicated for many clients who either added extra c's to an address that utilized many of these letters and was thus not effective. Here listening to a practitioner's client base can be one of the best assets a practitioner can have. The author noted that many clients who did not know one another were calling him "Doc Warren," they reported that that name just fit him and the practice. During a session a client was verbalizing her frustration over not being able to get the web address correct and stated "your Doc Warren, why can't I just type that in and get your site." www.docwarren.org was launched shortly after and has proved to be an effective marketing tool. It should be noted that both addresses are utilized, one for marketing and the other, the original address, is used for official publications (though both addresses go to the same physical site).

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Magnets/Pens/Mugs-/Apparel: Other low cost method to market and gain referrals is through the use of such items as magnets, pens, coffee mugs or apparel. Magnets often come in the form of business card size and may be a replica of the business card that is used by the practice. While more expensive than a regular business card, magnets are often stored in visible locations such as refrigerators, file cabinets or similar locations. This increased visibility may lead to contacts that would not otherwise have been made.

Pens can be a highly visual means of advertising provided they are distributed effectively. Pens should be comfortable and preferably of one piece design as pens with separate caps are often discarded once the caps are lost. One common mistake practices make is to buy the cheapest quality pen available in order to lower expenses. This is not always the best choice as cheaper pens usually have much lower quality than that of moderately priced pens and will likely have a much shorter service life. Here a balance of price and quality should be found as a comfortable pen may have a service life of a year or more compared to a lower quality pen that will often be used a few times and discarded.

Practices sometimes turn to larger items for marketing. It is wise to remember the image that the practice is trying to establish and to keep such marketing tools as professional as practical. While contractors have found great success with tee shirts, hats and sweat shirts, clinical practices rarely utilize these items unless they are part of a special event. Coffee mugs can be a great way to market your practice and can be offered to referral sources along with pens, magnets, brochures or other marketing items. Calendars can also be utilized as they offer a yearlong source of advertising though many clients may be hesitant to advertise the services of a mental health professional at home or at work where they would likely be questioned about any association.

Marketing items can be found locally through most printing or office supply stores but can often be found cheaper on the internet. A search for marketing items will result in pages of resources, two of the most popular being Vista Print (www.vistaprint.com) and National Pen Company (www.pens.com). Internet based companies often have a large selection of items but lack some of the quality and options that can be found in local companies, though due to the ability to customize your order costs may be higher.

Brochures:

Brochures can be a simple and relatively straightforward way to market a practice. Brochures can be expensive at times while they can also be very cheap depending on the approach. Traditionally many practices have hired professionals to design, edit and print brochures. This approach while arguably the most professional looking has drawbacks. In addition to high costs, this process also can be very rigid in that revisions will often times come infrequently and the amount of brochures on hand can pose storage issues as well. Printers often have minimum printing amounts that can result in many cases of brochures being printed at a time. In addition, should a program brochure need to be changed, there will be a considerable amount of waste to contend with. Because of this, many smaller practices have adopted to on demand printing.

On demand printing can come in many forms. The most common being that the brochure will be designed and written in house by a staff member or consultant. It will be typed into a word document and either printed in house on a laser printer or will be brought to the local copy center and copied there as needed. Most office printers will not print double sided but this is addressed through running it through the printer twice. It should be noted that when copying

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from an original that some copy quality will be lost especially if photographs or shading is utilized. For this reason it is usually better to print straight from the file. Many copy centers now have this capability.

Some practices will spend a great deal of money hiring a designer to develop a logo for the brochure and other publications. This practice is strictly optional and some would argue is an unnecessary expense. Some practice that desire to have a logo will simply design one in house or advertize a logo design contest that offers a small prize to the winner.

Table 2

Brochures
<ul style="list-style-type: none">• Use templates-Ready-made templates can serve as a good base that can be customized for the practice.• Make it simple and easy to read• Print in house-On demand allows for rapid changes, lower costs and less storage needs.• Be informative-Make sure it covers everything you would want it to cover if you were the consumer but do not get too wordy• Look at other brochures-Find elements you like and incorporate them into your design• Capture what makes your office unique-Why should they see you instead of the other practitioners in the area? What makes your office better or more comfortable than the others?

Opening a Practice on a “Shoe String Budget”

One of the more common questions posed on discussion boards and raised during presentations based on opening a private practice is “how can I open a practice with very little start up costs?” While there is no way to answer or explore every possibility in this section, some of the more common ideas are presented here as well as a case study.

When establishing a practice with minimal capital, it is wise to explore the needs of the practice and to rate needs in order of importance. A practice is well served by spending financial resources on the most crucial items and delaying purchases of other items until the practice is able to afford them.. For example, delay the purchase of a professional fax or copy machine and instead purchase a home style copy or fax machine until the practice could afford a professional model. A laser copier/ fax machine will save money over the long term as the cost for operating the units and the cost of printing is less expensive than the ink jet types though the start up costs are much higher. In addition to fees due to government agencies, rent, and salaries, offices will need a physical space, a phone and in most cases internet access as well as furniture. There is no way to avoid fees to government agencies or the cost of phones or internet but there are many other ways to reduce start up costs.

Furniture for the office can often be purchased at used office furniture companies for pennies on the dollar. Most of these companies offer flat rates for delivery, meaning that you pay the same amount for one piece as you would for a truckload of pieces provided they are purchased and delivered at the same time. Developing a list of pieces needed prior to purchasing

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can help lower costs not only in delivery but also in time saved in the purchase process. This will lower labor costs and increase the chance of larger discounts for volume purchases. In some incidents, rented offices will come with furniture and fixtures that were left by the prior tenants. These items may serve the practice well, or at least until new items can be afforded.

Money can be saved in office space by shopping around and looking for low cost space. One common mistake by new practitioners is that they sometimes sign leases with one of the first opportunities they find as opposed to doing an in-depth analysis of the available offices in the area. Some practices will save money by leasing office space “as is” and remodeling the area to suit their needs rather than having the owner remodel it for their use. Other options are to rent space from an existing practice until finances allow for the practice to expand and branch out on its own. See “selecting a space” above.

Case Study-Community Counseling of Central Connecticut, Inc.

Community Counseling of Central Connecticut Inc. (CCC) was founded in 2005 by this author. It had a very modest start-up budget of \$7,000.00 that came in the form of a personal loan that the author took out in his name. The mission of CCC was to provide as many free or low cost sessions to those in need as possible, while being able to maintain itself and grow. Because of its mission CCC applied to the IRS and registered with the secretary of state as a 501 © (3) not-for-profit. This process can take many months depending on the quality of the application submitted and the wait time the IRS has before it can review the documents. In the case of CCC, it took nine months before the documents were reviewed; they were approved on the first review.

While still in the planning stages, CCC looked at other agencies in town to help determine the competition that it would face as well as to learn the needs of the locale.. Interviews with local people uncovered what CCC determined was a potential niche. Many people were not happy that the leading agency in town was a huge building complex. They reported they felt intimidated by the size of the building and by the corporate feel of the services provided. CCC would never attempt to out market or head-to-head compete with an agency that had a yearly budget in the hundreds of millions. Instead of taking on the competition, which would have been in vain, CCC’s director sought to focus on what the competition could not offer due to the size of its corporation: personal service, a home like office, an anti-corporate feel. Searches for office space in traditional office settings were replaced for ones that had a home like feel and quality. CCC settled into an office that was a home in a non-commercial area; the nearest business being between one half to one mile away. The home was then converted into office space. The reception area had no sliding window separating the receptionist from the client, the offices were furnished not in industrial furniture but in chairs, couches and other pieces that can be found in nicer homes, and office equipment was present as needed but blended into the office space.

CCC, having no budget for advertising started a word of mouth campaign. It used its weaknesses as its strengths. Instead of being a small company with an uncertain future and no real finances, it was marketed as a small office that provided services, with a personal touch. Instead of being too small to be able to afford to advertise, CCC billed itself as an independent office that had chosen not to be listed in the phone book or to advertise in order to remain true to its mission of providing personalized service. The smaller office, the environment and the hand-selected people who work in the office helped to build a market in the town and soon without advertising or even being in the phone book, CCC was nearly at full capacity.

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Instead of expensive ads, CCC utilized less expensive sources for advertisements. It gave out pens to clients and to potential referral sources (one piece pens without a cap are most effective as the two piece pens, while less costly, tend to be thrown away as soon as the cap is lost), it developed a simple but effective brochure that was printed in house (and thus easily adaptable to reflect changes in the agency) and made it available to anyone with an interest. It also had business card magnets as well as other items that were cost effective to purchase but of enough quality to likely stay in use for some time.

Marketing was largely word of mouth and as referral sources were identified there were subtle changes in the way CCC supplied these sources with information. Utilizing a rapid response model, CCC supplied area referral sites with materials within hours or at most a day or two after the request. Instead of the usual methods of supplying these sites with minimal materials, CCC would supply these sites with a box of 250 business cards, brochures, pens, magnets etc. The rationale is that these supplies were relatively cheap and that referral sites are notorious for running out of materials and not calling to request more. CCC also established and maintains a website that has helped attract clients..

When CCC opened for business it lacked some vital equipment such as a fax machine but it had secured the basic needs of the office through used equipment and office furniture retailers. As the business began to grow, profits were put back into the business to help furnish it. CCC's director has maintained a very fiscally conservative approach and has been able to grow and prosper without ever opening any additional lines of credit other than the first loan that helped open its doors.