The Ultimate Guide: *Starting a Successful Healthcare Startup With 3 Key Steps.*

So, you want to start your own healthcare practice, but not sure how to begin? Learn what it takes to get started here.

Creating a successful healthcare startup is challenging but not impossible. We've seen an explosion of healthcare startups in the last decade and, based on the latest census and demographic trends, there's no signs of startups slowing down.

Starting a practice from scratch is a challenging but worthwhile endeavor. First, the population is growing, the urban sprawl continues to expand, we're living longer, and frankly, we're not the healthiest people on the planet, so we need you! We need doctors and dentists, etc. to open new offices and clinics. It's a vital part of the healthcare system and benefits millions who may not otherwise have access to the healthcare they need.

Like anything, because it's hard, it's also the most rewarding. But hard doesn't have to mean risky. The key lies in your passion for healthcare and understanding the first 3 steps to starting your own practice.

This guide will walk you through those key steps so you may start your own healthcare startup from the ground up. Flu shot

Step 1. Finding the Right Time to Launch Your Healthcare Startup

When you're planning your healthcare startup, timing is everything. Well, it's not everything, but it certainly feels like it is. For those that have children, remember when you initially were waiting for the "right" time? And then you realize there's never a right time? Timing is about being smart, being prudent, and being judicious. In this context timing is likely the difference between the practice getting off to a slow start, struggling to get early momentum instead of a fast start, building on those early successes and putting the practice on an upward trajectory.

So, when should you start the new practice? It's an important question and it usually centers around money and your financial situation or other personal or professional life events that may demand much of your time or energy. Here are some questions to consider regarding timing:

- Do you have a good team around you, such as CPA, attorney, real estate professional, financial advisor, practice management consultant, etc?
- Anything in your personal financial situation that's causing you high stress? Student loans, consumer debts, or tax liabilities? Low FICO score or other credit related issues? Slowing a growing lifestyle, such as a new home, cars, family?
- Any family dynamics that require your full attention at this time? Illness? Relationship with spouse or significant other, kids, etc.?
- Is your spouse or significant other on board? Do you have their full support?
- Any pending legal issues, such as state board investigations or reviews, litigation, etc.?
- Do you have adequate cash reserves?
- If the economy changed for the worse, would it materially affect your situation and your plans?
- Are you clear about what's truly motivating you to start your own practice? Are you fulfilling a vision? Are you being "pulled" towards ownership, or being "pushed"?
- Are you emotionally ready to take on the responsibility of ownership? Make decisions, deal with problems? Be responsible for others, i.e. staff, associates, etc.?
- Are you ready to get outside your comfort zone?

Everyone's "bandwidth" for handling life's challenges is different and unique to them, but if you can answer these questions favorably, even though you still feel nervous or even scared about taking the first step, then you're ready to begin the journey!

Step 2. Assessing Your Product Idea and Determining Your Target Audience

In many respects, a healthcare startup is just like any other [new business](). You must first ensure your product or service is viable in the marketplace. You want to find the sweet spot between products and services that patients need and if, and how much, patients will pay for those products and services.. Of course, assessing what patients need and how much they'll pay for it doesn't mean that money or profit is the most important concern. It's simply acknowledging that, at a minimum, in order to fulfill the practice mission the practice must make enough money to keep the doors open.

Therefore, the first step is to conduct market research. This will help you understand your target audience and the problems they face regarding healthcare. You want to find a specific niche that your product and services can fill.

Your market research should evaluate three things. They are (i) the current or projected need for specific healthcare services (demand), such as dermatology, pediatrics, orthodontia, etc.; (ii) how much of the demand is being met by current providers (supply); and (iii) is the difference between supply and demand (the gap) or projected gap sufficient to meet the needs of the new startup office. Sometimes a meaningful follow up question to number (iii) is "where are people currently going to meet their healthcare needs when the market lacks adequate providers?" With services that are highly competitive for market share, as is typically the case with dentistry, pediatrics, dermatology, and many others, analyzing market potential takes a greater understanding of the data and key socio-economic indicators in order to see into the future. Those that are better at understanding the market data and using that data to draw conclusions can enter the market sooner offering some distinct advantages over their competitors.

You want to consider the following questions as you conduct your market research:

- What are the most significant healthcare challenges your target group faces?
- How much of their income is spent on their healthcare needs each year?
- Who are the current healthcare providers?
- Is it difficult for patients to get in quickly or do they have to travel long distances to see their doctor?
- What is the future growth of the market area? Will the needs of the market continue to grow?

Step 3. Knowing Your Value Proposition, Brand, and Competitive Advantage

Your healthcare startup needs to stand out from the crowd. Therefore, you need to drive your value proposition, brand, and competitive advantage.

What is your practice value proposition? What is the promise you're making to every patient when they choose to use your services? Maybe it's expert care at fair prices? Or the doctor will always spend quality time with the patient? It's the very thing patients will come to love about your practice and will sing your praises when they write their reviews.

What is your brand? Brand is about a patient's experience when interacting with your practice in any way and on any platform. It's creating a complete and immersive experience in order to leave the patient with a unique and lasting impression. Branding has become a major part of any successful business and encompasses all aspects of a practice, including in person office visits (parking, how they check in, how long they wait to be seen, amenities, etc.), all digital platforms (website, social media, podcasts, videos, etc.), education, scheduling and confirming appointments, doctor reviews, understanding their bill and making payments, getting lab results, and much more.

What is your competitive advantage? What are the practice attributes or resources that allow the practice to excel when compared to its peers? What leverage does the practice have over its competitors? It's often something patients would be disadvantaged if they chose an alternate provider. In today's market it's often related to:

- Services or procedures not offered at other clinics
- State of the art technology used for diagnostics and treatment
- Doctor expertise and experience (individual doctor or group practice)
- Ability to offer same services for less cost
- Offering flexible payment programs

What is the next step?

The next key step, once you've successfully worked through the 3 steps described above, is to work on a plan to determine the costs of the project and determine where to start your practice. Please read our article titled 10 Things Doctors Need to Know About Healthcare Real Estate.

Healthcare Startup Guide

If you're still needing answers on how to start a healthcare practice Contact RCA Global Partners and we'll help you create and develop a successful plan.