

Crisis-Proof Your Practice

HOW TO SURVIVE AND THRIVE IN AN UNCERTAIN ECONOMY

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A Message From Lynn



“Thank you for your interest in *Crisis-Proof Your Practice*. To order your copy of this book from my publisher, visit my website at privatepracticesuccess.com

There’s more at the website! Sign up for my free monthly newsletter, read free articles and more. If you are ready to take your practice (or your life) to the next level, let’s talk! I offer individual coaching for you by phone or in person. Just visit [www.privatepracticesuccess.com!](http://www.privatepracticesuccess.com)”

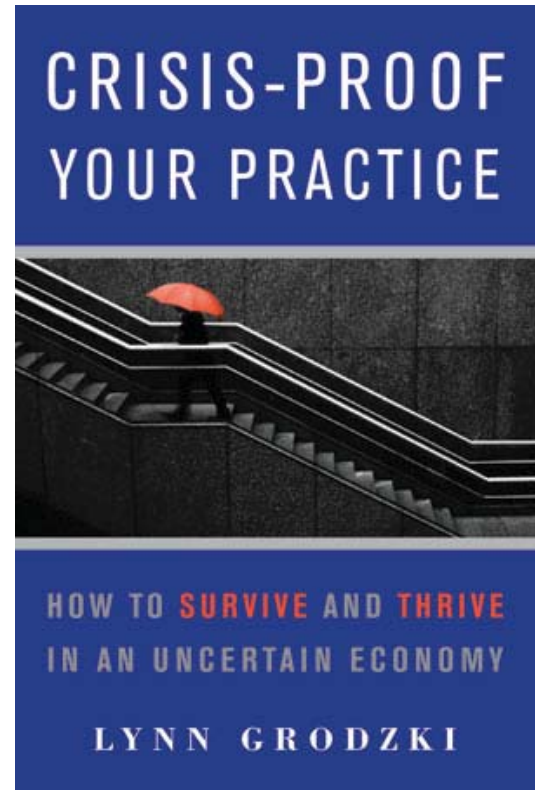
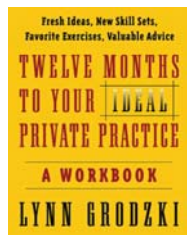
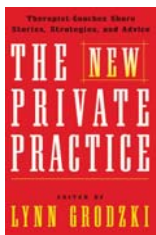
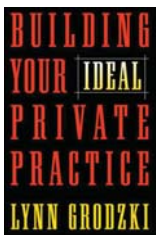
About The Book

For the past decade—since the publication of her groundbreaking book *Building Your Ideal Private Practice*—Lynn Grodzki has been at the forefront of the movement to educate clinicians about the business of private practice, helping them at once to both love what they do and be as profitable as possible.

Here, just at the right time, is Grodzki’s latest addition to her work on the business side of therapy. With the same straightforward talk, good sense, and in-depth business knowledge that you have come to expect from her, Lynn Grodzki tackles the economic issues of the day and how they affect those of you in private practice.

Crisis-Proof Your Practice offers a practical 4-point plan for assessing the health of your private practice, targeting the areas that need the most help, and moving forward with confidence to evolve with the times and even grow a practice despite economic uncertainty. Whether you are a seasoned clinician or new to the business, this is one book you cannot afford to be without.

Other Private Practice Success Books by Lynn



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Reader Feedback

“If you read only one practice-building book this year, this is the one! Lynn Grodzki, psychotherapist and extraordinary practice-building coach, outlines her successful 4-step process for crisis-proofing your practice. With the laser focus of a seasoned business professional, the empathy of a compassionate therapist, and the light touch of a great coach, Grodzki shows you exactly what to do to keep your practice thriving in any economy.”

Casey Truffo

author of *Be a Wealthy Therapist*

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Chapter 1: From Surviving to Thriving

Economist Paul Romer once said that a crisis is a terrible thing to waste. Any crisis, global or personal, becomes a defining moment in time. It is fraught with difficult challenges but also filled with a remarkable opportunity for making major, important changes. As I write this book, much of the world is facing a deep economic recession. My clients -- therapists of all types, healers, coaches, consultants, and many other service-oriented professionals in private practice – are justifiably worried. They ask: How can I manage the problems that this crisis is causing within my small business? With so much to do, what should I attend to first? I may be OK today, but what about tomorrow? And the most determined wonder: Is it possible to not just survive a crisis, but to thrive?

This economic crisis is global, but during the course of your business ownership you may also face a crisis of a more micro or personal nature. Illness, an unexpected need to relocate, a professional setback, the break-up of a partnership, or a change in the need for your specific services can bring your practice to the brink and leave you feeling scared. In times of fear, we tend to contract our awareness and develop a kind of tunnel vision, seeing just a small slice of the big picture. Flooded with our own feelings, overwhelmed by the needs of our small business, and trying to work with the ongoing needs of our clients, it's hard to regard a crisis as any kind of gift.

But buried within every crisis, often veiled by the multiple daily worries and tasks, is a hidden jewel: the rare opportunity to stop and see your private practice and yourself with new eyes. With the proper framework you can use a crisis, any crisis, as a jumping off point to re-examine your business, shift its direction, and make it more purposeful and more profitable. Many small businesses get better at what they do only during bad times. Many business owners only take action when their back is against the wall, and their old way of working stops working.

Therapists I coach find that the challenges created by the current recession, while anxiety-producing, are also highly illuminating. (For purposes of brevity, I will often use the generic term of *therapist* in this book to refer to readers, although I know that many of you are working in other helping or service-oriented professions. Please adapt or adjust this term and any references to one profession versus another in the case examples I offer, so that the information fits your professional situation.) In a crisis, everything good, bad, or indifferent about your private practice and yourself as a business owner is exposed for evaluation.

A crisis is like a low tide at the ocean. When the ocean recedes you can walk far out on the sand and see all manner of debris littering the ocean floor; but you also spot the occasional treasure – a pristine, glimmering shell buried in the sand. Today's crisis, the recession, has stripped away the surface gleam of business and society. We now see all the weak links and vulnerabilities. But if you know where and how to look, you can also see potential. There are countless prospects for new business within all healing and helping professions.

You can approach a crisis with trepidation, standing on the shore and nervously looking out, horrified at the debris and confusion. Or you can learn to be a beachcomber, walking amongst the litter, scouring the sand for shells, scanning the horizon so that you don't overlook prospects for business development. Through the pages of this book, I will help you to unearth the business opportunities right in front of you. Dig deep enough, and you may discover your own latent entrepreneurial capacity to increase your profitability, resilience, and leadership. All of these half-buried treasures are laid bare by a crisis; they are yours for the taking. Ignoring them is, as Romer says, a waste.

Time is a factor in a crisis. You need to move quickly. I know that some believe, as Nietzsche said, that which does not kill us makes us stronger, but I am a realist: Everyone has a breaking point, as does every small business. In this book I will work with you in two ways, to show you what to do, effectively and quickly, to save your practice, but also to suggest how to be, so you can stay resourceful and calm. As with my earlier books, I will be speaking to you as though we were in a private conversation, with me as your personal business coach. I will offer examples and ideas gleaned from years of coaching thousands of your colleagues. I will combine a healthy dose of tough love with compassion and optimism. My hope is that this will be the right book for you at a critical time, but also a book to keep on your bookshelf and refer to when needed.

For those readers who have picked up this book but are not faced with a current crisis, reading this for prevention is a wise move. Knowing how to avoid risk and act more strategically helps you stay successful over time. Think of this book as a fire drill – without the danger of smoke and heat at your back, I will show you how to take steps and make changes that can reduce concerns about your future. Regardless of your current situation, I offer you what I believe every small business owner needs: a crisis-proofing plan that can light your way in times of darkness or help you to avert disaster altogether.

Triage

I am a psychotherapist in a solo private practice that I have operated successfully, free of managed care, for over 20 years. Before that I worked for 7 years in the family business, as General Manager of a multi-million dollar scrap metal business and also started a few small businesses of my own. In a move to marry my fascination about business with my love of helping people change, a decade ago I began working as a business coach and consultant with an international clientele.

From this combined experience in my own private practice, my experience spent coaching others, and understanding the world of small business ownership, I know that in a crisis your job, as the owner of the practice, is similar to a surgeon on a battlefield: you must do triage. You need to do assess the damage, stop the bleeding, stem the worst of the pain, and start treatment where it will help the most. Any crisis is destabilizing; trying to figure out the first steps to take can be bewildering. In other crisis-oriented situations, such as a war-torn battlefield, medics have a method of prioritization called triage. They quickly assess the damage and

determine a preliminary plan for those who have been hurt. If your practice is hurting, you need triage in the form of a crisis-proofing business plan.

Being without a business plan is common. During good times, a plan is helpful but not critical. But in a crisis, having some kind of plan is essential, not just to keep the practice afloat but also to keep you, the practice owner, calm. You may be flooded with fear or anxiety. Fear causes a strong fight/flight impulse and it's a dangerous impulse for a business owner. Instead, you want to slow down, think clearly, conserve your energy, and take well considered steps. Having a plan, a way to formulate your thoughts and actions and a way to put the situation in perspective, can make the difference between your practice success or collapse.

This book comprises a business plan that works well in a time of crisis or can be used as a resource to protect you against crisis. It is comprehensive and addresses the major areas of a business plan: overall direction, finances, marketing, administration, and business positioning within the marketplace. It is easy to understand and implement. But it is different from a traditional business plan in that it has four sequential stages that help you navigate a crisis. Each stage of the plan corresponds to a section of the book. The early stages and chapters of the plan focus on immediate steps to help your practice get on a solid footing quickly; the later stages and chapters consider longer-term ideas and strategies that can help you maintain and sustain an ideal practice over time. You can read the book progressively, stage by stage, to have the complete plan or customize the plan as needed by jumping ahead to the sections that seem most relevant.

Here is an overview of the crisis-proofing plan, stage-by-stage:

- **Review:** In the first section of the book, we quickly determine your starting place and assess any damage. I will lead you through a streamlined evaluation of your situation, so that you can analyze your assets and liabilities, set and then prioritize your goals. You will read a long case example of the crisis-proofing plan in action to see exactly what is possible to correct and improve in a small business with guidance. In each chapter, I give you exercises to help you take next steps but also to clarify your situation, so that you can see the big picture of your practice within the context of a crisis. Step by step, you will learn to regain control of your situation and feel supported.

- **Recommit:** Next we focus on strategies to help you re-craft your practice. I explain the ways to minimize risk in a small business, and how to break free from unhealthy dependencies that are obstructing profitability. Instead, I will show you specific ways to affiliate and collaborate, pursue better opportunities and options, so that over time your practice becomes healthier. We look at your financial situation, and how you handle money. I will walk you through the ins and outs of cutting expenses to trim unnecessary fat from your budget, but not starve your practice. Using a crisis-proofing marketing plan, you will see how to generate referrals even in a down market and attract quality clients. We will retool your systems and operations so that your practice management improves and you operate a more efficient business -- one that reflects the best of who you are today.

- **Rebrand:** With your practice moving towards a healthier position, its time to rebrand – to make it more visible. People who need your services have to be able to find you. You will see how to make best use of the Internet to generate clients and develop multiple streams of income. We will refine your future practice direction by analyzing the top four

business models for a private practice during a tough economic market. Then you will integrate all the earlier sections and formalize your turnaround plan, setting specific goals to help you move forward and stay motivated.

- **Reinvest:** The final section of the book looks beyond surviving to thriving. I will show you how to build a practice you can sell, not just own, so you can consider retirement options. You will also see how to invest more in yourself, since you (the owner) are the most valuable asset of your practice. We will look at the emotions and beliefs that can sabotage your success; your mindset is often the difference between going the distance or giving up. With exercises and case examples, I will help you shift from feeling victimized by a crisis to claiming a sense of leadership, empowerment, and choice.

Crisis-proofing Mantras

Starting right now, I want you to think about your practice the way a successful entrepreneur thinks: with a balanced combination of optimism and pragmatism. You need some business mantras, short phrases, repeated often, that keep you focused and on track. I have six mantras that my clients hear me say again and again. Each one addresses an important crisis-proofing perspective that I want you to consider before you act.

1. “Focus on profit, not growth.”

Profit and growth are not the same. In a crisis, the smart way to operate is to keep your eye on your profit (your income minus your expenses.) Stop daydreaming about new ideas and services for new or different markets; come down to earth and think about ways to make your existing practice and services as profitable as possible. Even though you may be bored or yearning for newness, this is not the time to expand impulsively. In a weak market, don't overburden your small business with unnecessary expenses. Adopt a tough love approach to your business spending. The best ways to focus on profit include the following:

Lower input costs: Negotiate to cut expenses on office rent, advertising, supervision or mentoring, printing, mailing, website hosting, office equipment, phone lines, and outsourcing billing. Leverage these same expenses by sharing them with colleagues or affiliates.

Increase productivity: What work do you do that is not billed? Begin to examine billing in these areas that involve your time and effort. Set boundaries on your unbilled activity. Increase productivity. What will help you do more with less?

Systemize: Organization is key in being more profitable. Match your business efforts to your business needs. What can you clean out, fix up, delegate, or automate? Start with small steps and make inroads into clutter and filing. See chapter 7 for ideas and software that can help you run a leaner, more efficient practice.

2. “Small steps count.”

You are a small business, so the loss of one or two clients can be a hard hit. But the opposite holds true as well – one or two new clients can keep your practice humming. A small increase in savings or a small reduction of spending can make a real difference. Let your small business help you to think in small steps. Consider short term goals and small action steps. Avoid losing yourself in daydreams of big visions; keep your objectives specific and doable so that you don’t get discouraged. Small is beautiful in a crisis. One way to think small is “chunking down.” Chunking down is a process-oriented term that means going into detail to find smaller and more specific elements of a system. It’s a useful strategy to combat feelings of overwhelm, when a task seems too large to comprehend, or a goal is too complex to implement.

For example, rock climbers facing a daunting mountain climb will chunk down the difficult climb to ease both their psychological and physical ordeal. They will mentally divide the huge mountain climb into a series of shorter climbs; its similar to driving a long distance in your car and instead of trying to do the drive in one long haul, stopping every few hours to stay refreshed and see the drive as a series of destinations. Try this with your goals. As your mind learns to see a task in smaller elements, you will feel calmer and in better control. You can use a back and forth mental process of “chunking up” -- seeing the big picture -- and then chunking down to manage change and create more understanding and focus for developing an action plan. For example, David Straker (2008) suggests this process:

- Define the problem in one all-encompassing sentence (chunking up.)
- Chunk down to find possible project goals.
- Chunk up to review the strategy as a whole.
- Chunk down to build an even better understanding of the relationship of the problem and the steps.
- Chunk up to look for problems in the overall system.
- Chunk down to find specific actions to address.

Here is how this works: A therapist complains of feeling paralyzed. She complains (chunking up): “There is a huge amount of tasks that I need to do for my practice right now. I am overwhelmed.” Time to chunk down to make it manageable. To get her started, I ask her what, specifically, needs doing first. We look at a series of steps and ten goals for the next 3 months. She gets clearer about the details and begins to feel calmer.

Now we need to review her goals by chunking up, so I can make sure that she is fully on board with this plan. I review by reading her list of goals out loud, for us both to hear, and then ask: Will this list of goals take care of the problems? She sits quietly and then says that it seems complete, but she is not sure. Time to chunk down again to make sure it more precise. I go over each goal in detail with her and we discuss her steps. After each goal, she says “I get it. I am clear.”

But we are not done yet with this back and forth thinking. Time to chunk up one more time. I ask her to get up from her chair, walk around the room, and then come back and look at the plan. “How does it make you feel? I ask.

“Tired,” she says. Uh-oh, a problem with the system: The plan to fix her overwhelm is overwhelming her! We stay chunked up, discussing the big picture of her goals and look for ways to revise it. First, I reverse the order of all the goals, so that number 1 is now number 10 and vice versa. Her take on this? She is somewhat less tired. Then I ask her to order the goals by putting the easiest goals first, hardest last. Her take now? She says she feels energy. Easiest to hardest shifts her motivation from exhaustion to “I can do this.”

With the big picture feeling better, we chunk down one more time to finalize her now revised to-do list for just the coming week and to set up the time for the next coaching appointment. This process of chunking down and up, going from big picture to small steps, back and forth, helps her to feel in control and reduce the initial overwhelming feelings and exhaustion.

3. “Don’t resist, assist.”

Change always occurs fastest in a tough environment. History shows that the most difficult survival conditions (think the ice age) sped the fastest evolution. In the same way, a crisis will force your business (and you) to change faster, just in order to survive. As a result, today's recession is causing a lot of small business owners to play catch up, as their practices change faster than they are emotionally and psychologically prepared to deal with.

How to cope? Stop fighting it. Instead, grease the wheels of your own evolution. As the owner and operator of your practice, help the necessary, inevitable change to take place without the friction of added resistance such as fear, doubt, or anxiety. Of the many therapists and other service providers I coach each month, the ones that are doing the best right now are those who are willing to allow themselves and their practices to change quickly -- with their blessing. Darwin said, "It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

Stop resisting and start getting curious. Look around you to see examples of new, better, easier, smarter ways to operate your practice. What is working for others? Borrow solutions and adapt them to make them fit for your situation. Who are your models for success today? Learn from what others are doing. Business consultant Barry Moltz (2009) writes that a recession is the time to challenge all of your dearly held business assumptions. “If your business can be done in another more efficient way, then adapt – or die,” he says, adding that cockroaches (who are very flexible insects in that they eat almost anything and live almost anywhere – including in the North Pole!) do extremely well in bad times. Darwin would agree.

4. “The most flexible practice wins.”

When I was at a NLP (Neuro Linguistic Programming) workshop about twenty five years ago, the trainer, John Grinder, explained that the most flexible element in a system will have the most influence or choice in that system. For example, during a negotiation, the person who can see more sides to the argument and adopt multiple strategies can get others to a “win-win” agreement faster than a person who can only see one point of view. Flexibility has always been a bonus of being a small business. A private practice can quickly change course, adapt to a new market, stop an unprofitable program, or start up a needed program.

In a recession, flexibility is a key survival strategy. The more choices you have in the way you operate, the greater the chances that you will be viable and profitable. That's why I see, over and over, that the most flexible practice wins. Can you dance with the current changes in the market? Flexibility in business is similar to ballroom dancing. Your partner is the economy. You are dancing the tango -- but right now the market has the lead. Can you follow, light on your feet, and find ways to stay in the flow? Just because you have operated your practice one way your entire career, doesn't mean you have to continue down that same path if it no longer serves a purpose.

Exercise: Flexibility

Pick one area and to enhance your practice's flexibility now.

- **Pricing:** Can you lower your price point? How about adding low-cost, very small groups to fill in empty hours? Can you discount those times that don't fill easily? Could you partner with another practitioner to run ads, sharing the expense? Perhaps you can offer a discount for prepaying, or take credit cards to help with the price issue. If pricing is not an area of flexibility for you, how about...
- **Accessibility:** Can you add Friday evening hours or weekend times to capture more clients? Agree to see clients less frequently and still help them make progress? Turnaround new clients to see them within 48 hours of contact? Find additional ways (internet, social marketing, audio tapes, video tapes) to reach clients from an educational position? If you can't be more accessible, how about...
- **Services:** Can you add a new service, see a different population, expand your normal session times from 50 minutes to 75 minutes, offer a menu of services to give your clients more choices, become an independent contractor for a busier office in your off hours, move into a corporate setting with your programs?

Here's how this works: A life coach complains that her practice needs more clients, and I ask about her degree of flexibility. Because her expenses are low (she does not maintain a formal office space and instead works from a home office) she could consider lowering her fee. She does accept credit cards, but decides that she could also offer a discount for those clients who

prepay two month's worth of coaching sessions. She can also be more accessible: Although she works primarily by phone with clients, she has had some recent requests for meeting in person, at a very busy client's office. This would require her to commute about 30 minutes to get to the client. In terms of services, the life coach is already offering the coaching services for which she feels best trained, so that is an area which will not change; but now she has two other ways (pricing and accessibility) to reach out to clients who may be interested, but not completely sold, on working with her.

A counselor is also considering flexibility for his addictions clinic. He can't budge on prices ("I have done my budget and if I lower or discount my fees I will not be able to make the profit I need"), and he can't relocate, but he can be flexible when it comes to services. "I am going to offer couples counseling, family sessions and even play therapy for children." This will become a helpful additional income source.

5. "Stretch, not stress."

You are just one small business owner. You are carrying multiple roles and need to have a full life. Although I will recommend many strategies and ideas, no one does all of these at once. This program is not intended to cause more stress—the last thing you need in a crisis. But it may ask you to stretch some, to tolerate a little discomfort as you learn a new way of operating, thinking, or even feeling about your practice in a crisis. For most of us, the opportunities that can help us transform our practices exist just outside our traditional comfort zone. Think about stretching more into new actions. My personal trainer reminds me that when I stretch, I feel a few seconds of discomfort, maybe even pain. But quickly my body adjusts and I can soften into the stretch. When I stress my body, the pain persists and worsens. I have asked too much of my body and caused harm. Don't try to do everything I suggest in this book. Slow down, stay curious, consider all your options, then select just one or two changes to start with. Don't go far outside your comfort zone. Select those changes that require a comfortable stretch, not damaging stress.

6. "Detach from results."

How your business responds to a crisis is not a referendum on who you are as a person, a clinician, or even a business owner. You need to detach from the results of your practice building and stay focused on the process of practice building. With a small practice, results can take time. You still need to stay in process, work your plan, take action, move forward. Tapping into your internal resources can help you stay in process. Attend to the process of change. Note your starting place today and your goal. But focus on the space between the two points (present and future) that I call the gap. Observe the qualities of the gap. If the gap is too big, you will get discouraged. If the gap is too small, you won't move enough. If the gap is vague, you will feel confused. If it's too narrow, you will feel constrained. Just like Goldilocks, you will know when the gap between where you are today and where you want to be feels "just right." I find that the

perfect-sized gap can become its own motivating force. Try this exercise adapted from my earlier book with co-author Wendy Allen, The Business and Practice of Coaching (2005.)

Exercise: Close the Gap

Complete the following exercise to help yourself take initial steps.

- What change is needed now in your practice? Think of a general statement that defines it. (Example: "My practice needs more clients.")
- What is the smallest goal you could set to resolve this? Pay attention to the size of the gap. Does the goal excite you or bore you? (Example of small goal: "I will call one colleague to see if she has any ideas for me.")
- What is the largest goal you could set to resolve this? Pay attention to the size of the gap. Does the goal seem compelling or impossible? (Example of large goal: "I will contact every physician, attorney, and human resource director in my city within the next 15 days.")
- What's the right-sized goal and gap for you at this time? Evolve by stretching just beyond your normal comfort level, but not so far as to put yourself into a state of stuckness or terror. (Example: "I can send letters of introduction plus a follow-up call to all the family law attorneys within 5 miles of my practice. I actually feel excited about this plan. I can do this without too much anxiety. I have been wanting to meet more attorneys for a while.")
- Anticipate: What will change as you close the gap? Do you see a benefit to evolving this way? (Example: "To make those calls, I will have to verbalize what I do better. I will learn to be less shy when talking about my practice to strangers. That will benefit me as a person, and probably be good for my practice.") If so, close the gap quickly. Write an action plan with next steps. Get moving. Celebrate each win. Get support for every setback. Assist your evolution and change things now.

To read more of Chapter 1 and the rest of the book, please order at the website from the publisher: www.privatepracticesuccess.com