

Business Plan Components

Free Health Clinics

There is no one correct way to write a business plan for a clinic. Every clinic and the owners of that clinic are unique, and the manner in which the clinic is presented to outside donors and other stakeholders is really up to the individuals preparing the plan. In many ways, the Plan will reflect the personalities of the clinic and the owners. :

- 1. Cover page** setting forth the name of the clinic and the team members. The interest of a reader can be piqued when there is some picture or clinic logo on the cover as well. The “personality” of the clinic should be reflected throughout the Plan, and the cover is as good as anywhere to start.
- 2. Table of Contents.** Each section of the paper should have a corresponding page number in the table of contents. In addition, when there are appendices, each one should be listed in the table of contents with a corresponding number or letter (Appendix 1 or Appendix A). All appendices should be tabbed so that the reader can easily find the information while reading through the text of the Plan.
- 3. Executive Summary.** This is a summary of the entire business plan that should be a maximum of two pages long. Although it is at the beginning of the Plan, it is generally the last thing that the team writes. A good way to determine whether your executive summary is effective is to ask yourself this question: If the reader was to read nothing else in the Plan except your executive summary and your financial information, will that individual have a clear and compelling understanding of your clinic how you intend to operate it? It is also helpful if you can give a brief overview of your financial projections so that the reader will know when you will break even and what kind of clinic you will be operating. You should also state the amount of money the owners are contributing to the clinic (most investors are reluctant to put their money at risk without the owners also taking on some risk), as well as the amount of money you will need from outside sources and how those outside resources will be utilized. If the executive summary is not persuasive and convincing, most donors will simply stop reading the document.
- 4. Description of Clinic Background.** A short description of the manner in which the clinic concept was formed as well as the history of the clinic up to the present is a good way to introduce the reader to you as owners and to the clinic in general. It should also state the formation of a 501c3. You will also want to give a brief description of the management team, and the experience and skills they bring to the clinic that will help make it successful.
- 5. Vision Statement.** This is no more than three sentences in which you describe why you started the clinic in the first place and what you intend to accomplish as a result of starting the center. It should be aspirational and motivational in describing how you can uniquely fill the needs of some healthcare segment that you have identified.

- 6. Strategic and Financial Goals.** Setting goals begin the translation of your vision into action. In general, an organization will want to set certain goals for itself as it begins to see patients so that it can measure its progress against certain preconceived beliefs as to where the clinic should be after a set amount of time. Goals that a new clinic might set would be how many patients you anticipate to see; how often will doctors be available; any educational services you will be providing; what results are you anticipating receiving. Setting goals allows a clinic to evaluate its progress and determine whether it is on track with respect to its expectations. Thus, the goals should have a timeframe associated with them and should be measurable.
- 7. Clinic Model.** There should be a paragraph or two describing the products or services being offered by your clinic, as well as a description of how the clinic will generate revenue, if any.
- 8. Community Description (Target Market).** There must be a definition of the population you are targeting. In the case of a new clinic, the market should be defined in a manner that will allow you to determine who exactly you are serving. You will want to note whether this is a Medically Underserved Area (MUA) and/or Medically Underserved Population (MUP).
- 9. Target patient population:** There must be a description of the target patient, along with relevant segments and markets. You will want to determine the demographic profile of your target patient audience and then conduct research so that you can identify where they live and work, which could impact the location and the manner in which the clinic will be of service. For example, if you can reach a community where there is a lack of diabetes education and you can implement a program of that magnitude, it can help. In addition, a good definition of your target audience will make your marketing plan effective and efficient.
- 10. Operation and Distribution Plan.** This section should describe in detail how you are going to get operate your clinic on a day-to-day basis. It should include the manner in which you will obtain your raw materials and inventory; how you are going to staff physicians and nurses; what type of services will you be offering; and how you are going to distribute your services to your patients.
You are trying to, in a credible way, indicate to potential donors that you have a good plan for going to market, and that you have truly thought through all of the obstacles and impediments that you may run into as you attempt to starting your clinic.
- 11. Marketing Plan.** This should include a complete description of the manner in which you plan to market and promote your clinic. It is here that your definition of your target audience will come into play, as you will want to be as effective and efficient as you can in reaching these people where they live. Optimally, it should include a timeline of all of the events that you plan to implement or launch (which would include any advertising); examples of the advertising or promotional materials you

will use; an explanation of the reasons why you selected the events that you have; what type of media and/or other services you plan to use for each event; how much each of the events will cost.

12. Management and Human Resources Plan. You will first want to describe the senior management structure that you will utilize to manage the clinic; this should include a description of how the owners will interface with senior management if they are not going to in fact be senior management. Your resumes should be attached as an Appendix; if you are planning on hiring outside managers, you should have job descriptions for them. You will then want to describe in detail the number and type of employees you will need (a schedule is generally a good way to show how you plan to staff your clinic on a daily, weekly or monthly basis, and which will provide the basis for your salary expense line in your financials, if any); whether they will be full- or part-time, salaried or hourly; their level of compensation; whether you will pay them benefits and at what level; what type of training they will need to be effective; and what type of turnover you expect. To the extent that you can include job descriptions for each of the jobs in your organization, it will give donors confidence that you have truly thought through what will likely be the highest expense that you will have in operating the clinic, and that you will be as efficient as possible.

This is also the section in which you will want to address the use of any subcontractors, including the types of jobs they people will perform; the reporting responsibilities that they will have to their own clinic and to your management; the nature of the contractual relationship between your clinic and the subcontractor; and a rationale as to the reasons why using a subcontractor is preferable to using your own employees for the purposes of certain tasks.

13. Legal and malpractice considerations. You want to outline the steps you have taken to cover your clinicians as well as the stakeholders of the clinic.

Any other particular legal or regulatory issues that impact your clinic or its future success should be raised and discussed in the business plan. These could include issues relating to zoning; building and other clinic permits; health, safety or environmental requirements; or regulations that involve governmental oversight of your business. To the extent that your clinic will need to enter into contractual relationships with outside parties, those contracts should be described (including payment terms) at some appropriate point in the Plan.

14. Technology and intellectual property issues. To the extent that either of these issues impacts your business, you will want to describe that impact. There are usually choices in the level of technology you can utilize in a clinic, and you should provide a rationale for the technology you select and the price you pay for it. This can include Electronic Medical records, billing programs, office management tools etc...

- 15. Critical risk factors and contingency plans, including an exit strategy.** It is important to consider what key risks exist that, if they were to occur, could put the continued existence of the clinic in jeopardy. Once identified, you will want to address how you plan to manage those risks and/or address them if they actually were to occur. This gives the potential investor confidence that you are prepared to deal with adverse circumstances that may arise after you launch the business.
- 16. Description of the initial funding** needed as you begin the clinic, including source, terms, and the amount needed to get through break-even.
- 17. A list of start-up costs;** purchases of assets should be distinguished from expenses incurred prior to the actual operation of the business.
- 18. Key assumptions** used in the financial analysis – there must be an explanation for each of the key revenue and expenditure items set forth in the financial statements.
- 19. Projected five-year financial statements,** including the following:
 - a. An income statement on a monthly basis for year 1, a quarterly basis for years 2-3, and an annual basis for years 4-5
 - b. A cash flow analysis on a monthly basis for year 1, a quarterly basis for years 2-3, and an annual basis for years 4-5
 - c. A balance sheet on a monthly basis for year 1 and on an annual basis for years 2-5
 - d. A break-even analysis
- 20. Appendices** can be attached that contain any supplemental information or exhibits that you feel will support the materials contained in your business plan. .