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THINKING OF STARTING UP A MEDICAL SPA?

10 TIPS TO STARTUP SUCCESS

BY JEFF RUSSELL

Between 2002 and 2004, the medical spa industry grew by 109%. The demand is far from being met, and 2005 is going to see the largest number of Medical Spa openings yet. If you are going to open a Medical Spa this year, check out these 10 tips to Medical Spa Startup Success.

Las Vegas, NV (PRWEB) April 26, 2005 -- "Even though the Medical Spa industry is still in it's infancy, I am beginning to see some trends" says Jeff Russell, the CEO of MedSpa Financing. "We've compiled the following 10 tips for those considering opening a medical spa."

Don't try and re-invent the wheel, learn from our experience, here are 10 tips that will help you open a successful and profitable Medical Spa.

1. Have sufficient funds

Don't even think about opening a Medical Spa unless you have the capital needed to bring it through the startup and first year of operation. Invariably, your planning will not deal with all of the unforeseen issues that can occur in the MedSpa industry. From regulatory compliance changes and training costs, to increased marketing costs. Under-capitalization is a leading indicator of business failure. You should considering a combination of various financing strategies from leasing to working capital.

2. Communicate

Talk with other doctors who have successful, operating Medical Spas Ask them what they would do the same, and what they would do differently. We are starting to see some established Medical Spas out there, try and

learn from their experiences and best practices.

3. Join associations that help new Medical Spas succeed

They are a great source of experienced MedSpa owners, who have already gone through what you will. In addition, they often have members who have specialized in the MedSpa industry, including: business planning, marketing, design, dealing with regulatory issues, insurance and finance. The International Medical Spa Association even has a mentorship program that is available for new MedSpa owners. It is invaluable to chat with someone across the country who has had the same problems you may have, especially if you know they are not a local competitor!

4. Know your strengths and weaknesses

No one is strong in all areas, you may be an expert in age management medicine, but you may be weak on the business and marketing side. That's fine, but you are going to need to identify the areas where you are weak and compensate. Not all areas require a permanent, full-time employee, you may consider hiring a consultant who has the necessary experience.

5. Watch your expenses

Especially during the startup phase of a MedSpa, it can be easy to see the glamour of having marble flooring, but is it really necessary? You may be better off adding another hair removal treatment room, which will generate income. Remember the old adage: "it will take twice as long and cost twice as much as you anticipated."

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6. Determine what need your Medical Spa meets

As with any successful business, you need to meet a consumer demand. With 11,500 people joining the over 50 crowd every day, you have a great potential market. But you need to make sure you are where they can be found (i.e. medical centers, shopping centers, established communities).

7. Know your cash flow

You may think financial statements are only for accountants to understand, but you need to be able to read some key financial statements. Including the cash flow statement, this lets you know where the money is coming from and where it is going. You must always know your current cash flow situation, if you cannot pay your bills, you are effectively out of business.

8. Do it because you want to do it

Starting a MedSpa is going to consume two things: time and money. The profit potential of a MedSpa is huge, but if you are not doing what you really enjoy, it will show on your bottom-line! As you will probably be spending more time and money than you originally planned, you need to make sure operating a Medical Spa is what you really want to do.

9. Don't hire family and friends

They may be able to provide you with valuable assistance during the startup phase, but they most likely will not be able to get you to that next level. This is where having an experienced MedSpa director is very important. Not only are they going to hire and train your employees, but they also will be responsible for the day-to-day operations of the MedSpa. Hiring a competent MedSpa Director can allow you to run your MedSpa as a stand alone profit center; one that makes money whether you are there or not.

10. Don't forget about regulatory and insurance issues

Since you will be incorporating medical procedures in your MedSpa you need to ensure you have the proper coverage for the procedures you will be performing. While you already have malpractice insurance, it may not cross-over to your MedSpa practice. Many insurers are now requiring offices adding or expanding cosmetic-aesthetic procedures to their practice to document clinical and/or accredited training on all non-ablative modalities before a policy of coverage will be extended. Please consult your insurance provider to ensure you are covered.

The underlying theme here is – Be Prepared! The key to any business success, including opening a successful medical spa is being properly capitalized from the very beginning. To make things more complicated, you also need to take into account the evolving regulations surrounding the MedSpa industry. “I am now seeing successful Medical Spa's turning profits after 6 to 9 months, there are many very happy doctors out there” says Russell. ♦

About MedSpa Financing (Oakridge Healthcare)

MedSpaFinancing.com is a division of Oakridge Healthcare, which provides turn-key healthcare financing solutions to medical practices throughout North America. Through our network of financial partners, we have the capacity to finance everything from a single treatment machine to an entire \$20 million Medical Spa facility. For additional information, visit our website: www.medspafinancing.com. MedSpa Financing is a member of the International Medical Spa Association, and proud member of our local Chamber of Commerce.