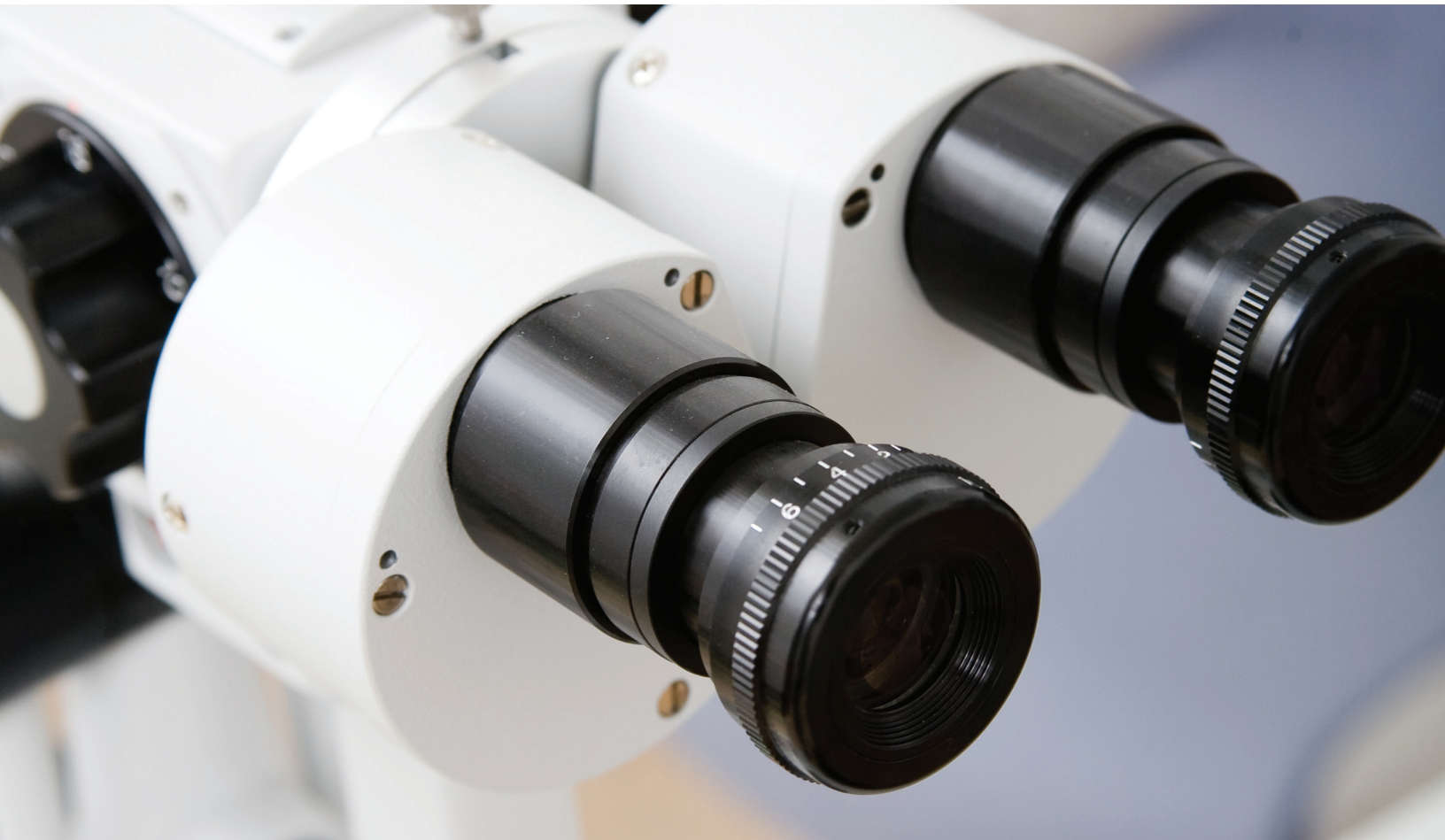


Practice Success Series

Project Planner



*A step-by-step guide for expanding,
remodeling, and upgrading your practice*

Together we'll go far



Growing your practice

Expanding, remodeling, or upgrading your practice can reap many benefits for you, your staff, and patients. An equipment upgrade can improve efficiency, expand your service offering, and enhance patient comfort, while an office remodel can boost profitability, accelerate growth, and increase staff retention rates.

Yet the process of managing a large project may seem overwhelming. The good news is that with smart planning and a team of qualified experts, you can achieve your goals while remaining focused on your productivity.

With more than 25 years of experience in the healthcare industry, Wells Fargo Practice Finance delivers a variety of financing options plus effective tools and resources to help you meet your specific needs and support your success. To get you started on the next phase of your practice growth, we have created this easy to use planning guide for your expansion, remodeling or relocation project.

Once you complete this planner, call us to learn how we can help you successfully complete your project with up to 100% financing and additional business planning resources. We're here to help.

Equipment purchase = tax benefit

Did you know the Internal Revenue Service provides a significant tax benefit to small businesses that reinvest through equipment purchases? Under Section 179 of the Internal Revenue Code, you may be able to write off the entire cost of an equipment purchase in the year it is purchased, instead of depreciating it over many years.¹

- Sole proprietors, partnerships, and corporations can deduct the full cost of equipment and furniture – up to the current tax year's annual maximum.¹
- Business-related property purchased and put into service during the calendar year typically qualifies for the Section 179 deduction, including¹:
 - *Tangible personal property such as office furniture, equipment, and computers*
 - *Property contained in or attached to a building (other than structural components), such as counters and signs*
 - *Certain off-the-shelf computer software*

As you contemplate your upcoming project, discuss Section 179 with your tax advisor or accountant to see how you might benefit.

¹ Consult your tax advisor and/or accountant for a statement of tax and accounting rules applicable to your particular situation and for all other tax and accounting advice.

Defining your project plan

Articulating your project objectives, expectations, and strategies will help ensure that you get the outcome you actually want. Your answers to the questions below form the foundation for your project and describe the direction your practice will take in the short and long term.

What is your practice philosophy or mission statement? _____

What are your project objectives? (E.g., create a more modern practice, become more competitive, improve ergonomics, expand service offering, increase operational efficiencies, etc.)

1. _____
2. _____
3. _____

How do your project objectives support your practice philosophy/mission?
(E.g., creates a more comfortable environment for patients, positions us as a cutting edge practice, etc.)

What changes need to be made in your practice to achieve your objectives?
(E.g., increase square footage for new exam rooms, clear out space for new equipment, retrain staff, modify fee schedule, etc.)

How will this project affect your practice in the long term? Try to define specific goals.
(E.g., increase profitability by _____% in _____ years, reduce staff turnover to _____ per year, etc.)

What is your project budget? \$ _____

How do you plan to finance your project? _____ % Cash _____ % Financing _____ % Other: _____

What is your project timeframe? Start date: _____ Completion date: _____

Assembling your project team

The role of your project team is to help you maximize your project investment. Consider the skills and support you need to successfully meet your objectives and use the form below to collect your core team's information. Based on the scope of your project, you may want to consider adding a project manager or practice management consultant. If you need assistance, contact us for qualified referrals from our national network of professional resources.

Specialist	Role and benefit to your practice	My project team
Lender	<ul style="list-style-type: none"> Provides project funds and practice planning resources Helps protect your practice investment by structuring a financing program that fits your budget 	Name _____ Address _____ Phone _____ Mobile _____ Fax _____ Email _____
Accountant	<ul style="list-style-type: none"> Helps you set up books and accounts for efficient administration of your project; develops tax projections, plans, and estimates; can offer investment advice Protects your business with accurate practice accounting 	Name _____ Address _____ Phone _____ Mobile _____ Fax _____ Email _____
Equipment specialist	<ul style="list-style-type: none"> Presents equipment and technology strategies to help you achieve your project objectives Helps assure appropriate selection, placement, and integration of technology Can help manage the project 	Name _____ Address _____ Phone _____ Mobile _____ Fax _____ Email _____
Architect	<ul style="list-style-type: none"> Develops space plan according to its potential and your project objectives Helps maximize workflow efficiency and traffic patterns to help boost productivity 	Name _____ Address _____ Phone _____ Mobile _____ Fax _____ Email _____
Interior designer	<ul style="list-style-type: none"> Recommends design themes, furnishing concepts, and finishing touches appropriate for an eye care office Can enhance patient perception of your practice and contribute to overall brand image 	Name _____ Address _____ Phone _____ Mobile _____ Fax _____ Email _____
Contractor	<ul style="list-style-type: none"> Builds or expands your facility according to your plans and objectives Can recommend changes to optimize functionality and protect your physical assets from structural and environmental damage 	Name _____ Address _____ Phone _____ Mobile _____ Fax _____ Email _____

Cash flow projections and timelines

Accurate cash flow projections and timelines are important components of any major project plan that requires financing for implementation. A well-constructed cash flow projection helps define your sources of income and how you will achieve profitability with the expanded capabilities of your practice. Along with a detailed project timeline, it demonstrates to your lender that you have thought through the growth of your vision care practice.

At a minimum, you'll need to know how much financing your project will require, and how much you can personally afford. Usually, for an expansion, remodel or upgrade, a monthly cash flow projection for 12 or 24 months and an annual projection for the first two years are sufficient.

Cash flow calculation

\$ ____	Estimated annual gross revenues (current)
\$ ____	– <i>Minus</i> fixed expenses (rent, insurance)
\$ ____	– <i>Minus</i> variable expenses (supplies, lab work)
\$ ____	– <i>Minus</i> staff costs (staff salaries and benefits)
\$ ____	– <i>Minus</i> cost of debt service (total loan principal and interest payments)
\$ ____	= <i>Equals</i> annual net cash flow

Suggested timelines

How long will it take to reopen your practice? The timing will vary considerably depending on whether you're planning to construct a new facility, complete a major remodel, or undergo a minor upgrade. The timelines below are for a moderate to major remodel, and are based on experiences of doctors like you.

6 to 12 months before completion

- Write a business plan
- Prepare your project cost projections
- Contact your lender about financing options
- Meet with your accountant to review your plans
- Select and hire the rest of your project team
- Obtain proper licensing from the appropriate experts on your team
- Meet with your architect, interior designer, and/or equipment representative to discuss practice design

- Meet with your equipment representative to begin equipment selection
- Write a marketing plan and order materials to promote your reopening or new/expanded services

2 to 4 months before completion

- Review your finances and refine overhead projections
- Obtain additional insurance for property and added personnel, as needed
- Finalize and start implementing your marketing plan
 - Create website announcements, print ads, email marketing campaigns
- Post a banner announcing your reopening or new location:
 - If your eye care practice remains open during a major remodel, hang a banner thanking your clients for their patience as you work to provide better services
 - If you're relocating your practice, hang a "Coming soon!" banner
- Meet with your supply representatives to begin developing your initial order
- Set up credit card processing if necessary
- Network with local business owners if relocating your practice

1 month before completion

- Review your cost projections and refine as necessary
- Begin interviewing and hiring additional staff, if needed
- Work with your contractor, equipment representative, interior designer, supply, marketing, and web design experts to finalize details for reopening
- Start scheduling patient appointments as needed
- Continue implementing your marketing plan

Project budget worksheet

Budgeting can be as important to your project's success as defining your plan and choosing your team. A well planned budget helps you set project goals and provides a tool to keep you on track.

Complete the budget below, adding cost categories as needed to reflect your particular project.

Project Cost Breakdown	Estimate (\$)	Final (\$)	Funding Source <i>(Wells Fargo, Out of Pocket, Landlord, etc.)</i>
Attorney/consulting fees	\$	\$	
Lease acquisition costs	\$	\$	
Design fees	\$	\$	
Engineering fees	\$	\$	
Permit fees	\$	\$	
Construction costs	\$	\$	
Construction contingency	\$	\$	
Cabinetry – custom	\$	\$	
Cabinetry – modular	\$	\$	
Computers/software	\$	\$	
Exam room equipment/furniture	\$	\$	
Optical equipment	\$	\$	
Office furniture	\$	\$	
Initial supplies	\$	\$	
Retail inventory			
Signage	\$	\$	
Initial marketing/advertising costs	\$	\$	
Working capital needed at opening	\$	\$	
Miscellaneous (insurance, etc.)	\$	\$	
Total	\$	\$	

Now that you've completed the essential groundwork for your project, call us. We'll help you choose a financing program and provide additional resources to help you complete your project and achieve your practice goals with confidence. We look forward to working with you.