

A New Hope Clinical Practice

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Executive Summary

If you are just starting a business, you won't have as much information as an established company. Instead, focus on your experience and background as well as the decisions that led you to start this particular enterprise.

A New Hope Clinical Practice is an intended Clinical Psychology practice backed by the education and experiences of Jessica Duke Psy.D. Possessing a Doctor of Psychology degree (Psy.D) in clinical psychology, a Master's degree in clinical psychology with a minor in health and wellness, over 4000 hours in clinical training, and licensed by the Association of State and Provincial Psychology Board, Ms. Duke has more than adequate educational experience and history to successfully advance the Practice in the intended market. Great pride will be taken to assure that the Practice – under the advisory of Ms. Duke – will uphold the standards associated with the field of psychology when specializing in treating mental, emotional, and behavioral disorders. Jessica Duke Psy.D finds her passion and drive for psychology the effect of growing up in a divorced military household that lead to having emotional and mental issues growing up. Experiencing these feelings kickstarted an ever growing need to help young children who may not understand why they act, think, or feel the way they do. The event that solidified this career path was the death of her eight-year-old brother. Watching the dismay that this brought upon every member of the family made her concrete the decision to provide emotional, mental, and behavioral help to prevent individuals of all ages from experiencing the inner dismay she did for as long as she did. Throughout all of these events she was never offered or received professional help and vowed that no one should have to be affected in that way which is why the Practice will offer the most affordable options with an extensive array of therapy options. As stated, multiple times throughout the proposal, the clients will be the most important aspect of the Practice.

Demonstrate that you have done thorough market analysis. Include information about a need or gap in your target market, and how your particular solutions can fill it. Convince the reader that you can succeed in your target market, then address your future plans.

The Practice is currently in the seed stage of business, having just established a main focus, as well as ownership structure and planning, and securing a source of monetary start-up costs. The business will be formed as a Limited Liability Company under Texas state laws and headed by Jessica Duke (owner/operator). The facility itself will reside in the city of Fort Worth, Texas since Texas is ranked third in the United States for the market intended to be satisfied by. Research done by the National Alliance on Mental Illness in 2019 show that consumers of this industry primarily focus on the following determining factors when searching for psychological services, for example: Their state of emotional or mental need, the degree of familial distress, legal issues such as divorce, if a guidance counselor determines a child needs psychotherapeutic help, or a preferred physician explaining the use of psychotherapeutic services to combat the manifestation of arising mental distress due to persistent illnesses. It is because of this research that the primary objective of the Practice will be to provide professional mental health services to the youth population so that we may improve their quality of life while providing these services at the best accessibility possible while remaining successful.

It is impertinent that the mental health be more accessible; as addressed in the market analysis and research section, research shows that 30 million United States residents do not have access to the mental health care they need; of these 30 million 45% state that they cannot gain access because of the costs of therapy poses as a major obstacle (Stoller-Lindsey, 2017). Market analysis research done for the Fort Worth clinical psychology market showed that the average cost of our prospective competition was between \$100.00 to \$230.00 whereas the Practice is will

be offering session costs that start at \$84.00. In addition to providing the lowest prices, the Practice will also offer a 20 percent off for government and first responder affiliation while also offering the possibility for video sessions unlike our competitors. In another effort to provide universal professional mental health care, we will be accepting some of the most widely used insurances such as Aetna, Cigna, Tricare (standard and prime), Anthem Blue Cross and Anthem Blue Shield, Medicaid, and Medicare.

An estimated 97,267 of the 792,700 individuals of the Fort Worth population are children (Fort Worth Population, 2019). 5% is the possible customer population that the Practice is expecting to attract. Drawing from our specialized market of children, the 5% we are expecting is 4,863. This number is then divided between the represented 86 psychological businesses in the area leaving the center to expect a prospective 58.59, or approximately 59 clients. Research shows that the average rate of clients per week is between 26 and 28 (Loftin, 2017). All of this information is explained more thoroughly in the Market Analysis and Research section under the subheading of Expected Market Share.

When applying all of this information it is clear to see how and why A new Hope Clinical Psychology Practice will prove successful when penetrating the market. In regard to future plans, after successful market penetration, the Practice has considered a possible expansion as long as we are able to keep our personality and respect for all our future clients. There are no plans for selling the business or becoming a franchise.

Company Description/ Business Plan Proposal.

Describe the nature of your business and list the marketplace needs that you are trying to satisfy.

A New Hope Clinical Practice (referred to from hereon in as the "Practice") is a Clinical Psychology practice specializing in treating mental, emotional, and behavioral disorders. The Practice is currently at the seed stage of business development, having just established a main focus, as far as ownership structure and planning, and securing a source of monetary start-up costs. The Practice shall be formed as Limited Liability Company under Texas state laws and headed by Jessica Duke PhD. We will be located in the city of Fort Worth, Texas - as Texas is ranked as third in the United States for the psychological needs market that is intended to be satisfied by The Practice.

We intend to satisfy the psychological needs in our area by diagnosing, treating, and monitoring the present mental, emotional, and behavioral disorders or distress affecting the children and individuals of the Fort Worth community.

Explain how your products and services meet these needs.

The Practice will be prepared to introduce our variation of the following service to the market: Psychotherapy: This therapy would be provided by a licensed certified clinical psychologist to exhibit the treatment of mental, behavioral, and emotional disorders by clinical psychological means as opposed to psychiatrically. The clinical psychologist employed by the Practice starts the initial sessions then onto a diagnosis of said issues. Following diagnosis, the psychotherapy provided handles the treatment, management, and monitoring aspects of our service. Although this practice would be specializing in treating mental, emotional, and behavioral disorders in *children* we will also be providing availabilities for the treatment of individuals of all ages. To fulfil the needs of the current market of psychological need, we will implement cost effective therapies through the use of one or a combination of approaches that are deemed suitable

to the client's present needs as well as future needs as the client progresses through the stages of therapy.

List the specific consumers, organizations or businesses that your company serves or will serve

The Practice is to provide our therapeutic services to children, individuals, and families or individuals within the family through individualized one-on-one sessions or family/group sessions if necessary.

Explain the competitive advantages that you believe will make your business a success such as your location, expert personnel, efficient operations, or ability to bring value to your customers.

Our services will stand out from our competitors because of the quality of compassion and understanding that will be provided by our clinical psychologist PhD, as well as our ability to utilize the multiple approaches in psychotherapy.

Others in the market are able to provide somewhat similar therapy, but we are able to differentiate ourselves in the market because this is a smaller private practice that allows for the individuality and personability during sessions while maintaining a cost-effective treatment. It will be clear through our directive that we are not a money-oriented company but rather client directed to make sure they feel comfortable, respected, and overall our most important asset. We will pride ourselves on our diverse marketability when considering the needs of those in our referred physicians' offices and managed care companies. We will be available for extended hours, after hour accessibility, and if necessary, the Practice will also provide weekend access on a case by case basis.

In addition to the previously stated considered needs, the Practice will also employ the option of free preliminary phone calls or face to face interactions prior to scheduling sessions to demonstrate our increase in value in client contact.

The Practice is to exhibit a wide range of accessibility to the center itself. The Practice will be accessible by private and public transportation and be able to accommodate to an influx of multiple client parking. The facility itself will have a private entrance to help ensure confidentiality and be of easy access to those who are physically disabled by having ramps and easy to use elevators. Our main mission to is to make each of our clients feel at home comfortable in an environment they can trust with their deepest thoughts.

Market Analysis/Research

Industry Description and Outlook. Describe your industry, including its current size and historic growth rate as well as other trends and characteristics (e.g., life cycle stage, projected growth rate). Next, list the major customer groups within your industry.

The clinical psychology job market is on the rise and has been predicted an expected 14.2% growth rate within the years 2016 to 2024, this is much faster than the average of all other occupations (7%) (Bureau of Labor Statistics, 2019). Not only is the job market expected to rise but growth in the field is being accelerated by the demand for more psychologists in schools, hospitals, mental health centers, clinical settings, and social service agencies (Clay, 2017). This demand can be attributed to the, now, greater awareness of the mental health issues being faced by youths of America and greater awareness of the mental health issues that are faced by adults - of all ages - much like rising depression levels and family disfunction (Keeper, 2019). The history of the given market supports its reliability.

In 2013 the unemployment rate for those who held a doctorate was 1.6% compared to the 2.1% of those who held a doctorate in all other science and engineering (Clay, 2017). This trend is capitalized by psychology's extreme marketability and transferability as one develops valuable skills in the field such as written communication, interpersonal communication, investigation and research, and understanding of behaviors; not to mention the diversity psychology employs with its adaptability to a wide range of employment settings. The wide range of settings that psychology can represent is shown in the consumer market of referring physicians, hospitals, schools, individuals, families, human resource departments, lawyers' offices, managed care companies, and private establishments.

Information About Your Target Market. Narrow your target market to a manageable size.

Many businesses make the mistake of trying to appeal to too many target markets.

Research and include the following information about your market:

The Practice intends to market to those who are, frequent, or are a part of referring physicians, hospitals, schools, individuals, families, human resource departments in local business, lawyers' offices, managed care companies such as nursing homes and hospice care, private establishments such as daycares and churches, and wellness centers. The reasoning for focusing on the presented amount of target groups is to maximize the reach of information related to the Practice and our intentions.

Distinguishing Characteristics. What are the critical needs of your potential customers?

Are those needs being met? What are the demographics of the group and where are they located? Are there any seasonal or cyclical purchasing trends that may impact your business?

Research shows that consumers in this industry primarily focus on the following determining factors when searching for psychological services, for example: Their state of emotional or mental need, the degree of familial distress, legal issues such as divorce, if a guidance counselor determines a child needs psychotherapeutic help, or a preferred physician explaining the use of psychotherapeutic services to combat the manifestation of arising mental distress due to persistent illnesses (NAMI, 2019). The Practice will provide services to combat all of these factors within all the demographics in the Fort Worth population.

Fort Worth's demographics depict a 64.37% Caucasian, 18.75% African American, 9.07% other race, and a 3.90% Asian population. In addition to these race demographics, gender statistics are 51.05% female and 48.95% male (Fort Worth Population, 2019). These statistics prove proficient for business success. Research in psychological trends indicate that more Caucasians seek psychological help as opposed to African Americans and females are more likely than males to seek professional help (NAMI, 2019). Historically men have been told to repress their emotional feeling to keep a strong hold on their masculinity and are three times more likely to commit suicide than women due to a lack of a strong support system. Around 48.6% of United States females received treatment for mental illness while only 34.9% of males did the same (NAMI, 2019). Although these statistics seem unfavorable this gives the Center a chance to showcase our all-inclusive strategies and give those, who do not normally seek help, a safe and comfortable experience should they need to. There are other trends that the Practice will be ready to combat such as Seasonal Affective Disorder (SAD) which is the depression associated with the autumn and winter months which is thought to be caused by the lack of light (National Institute of Mental Health, 2016). We will encourage individuals to come in to receive Cognitive Behavioral Therapy to easily combat the issues associated.

The Practice will also, in the best way that we can, combat the trend of the rising costs of therapy sessions. Research shows that 30 million United States residents do not have access to the mental health care they need; of these 30 million 45% state that is because of the costs of therapy that pose a major obstacle (Stoller-Lindsey, 2017).

Size of the Primary Target Market. In addition to the size of your market, what data can you include about the annual purchases your market makes in your industry? What is the forecasted market growth for this group? For more information, see our market research guide for tips and free government resources that can help you build a market profile.

The population of Fort Worth has been estimated to be 792,700. Of this population there is an estimated 97,267 that are children, which constitutes the majority of the clientele the Practice intends to serve (Fort Worth Population, 2019). As previously stated, the Practice specializes in treatment for children but also offers an array of services that are adolescent and adult based. There are 7.7 million United States children - between the ages of 6 and 17 – experience mental health illnesses (NAMI, 2017). In addition to the previous statistic, 47.6 million United States Adults also experience mental health related illnesses. Of these populations 20.4% are Caucasian and 16.2% are African American. Further research indicated that 50.6% of children (aged 6 to 17) received treatment for their mental health illnesses as well as 43.3% of adults (NAMI, 2019). These demographics serve as possible signs of prosperity for the Practice as it applied to the Fort Worth area.

How Much Market Share Can You Gain? What is the market share percentage and number of customers you expect to obtain in a defined geographic area? Explain the logic behind your calculation.

The global psychological market share is 40.5%; the United States is .4% of the global market and psychotherapy dominates 52.5% of the consumption market (Reportlinker, 2018). There are respectively 86 psychologists in the Fort Worth area that contend with the services and aspects of the Center (Psychology Today, 2019). As previously stated, 97,267 of the 792,700 individuals of the Fort Worth population are children. The company can expect to attract 3% of the population who are *looking* for psychological services and draw in another 2% through our marketing strategies. This is a total of 5% of the possible customer population that the Practice is expecting to see. Just drawing on our specialized market of children, the 5% we are expecting is 4,863. This number is then divided between the represented 86 psychological businesses in the area and the center can expect to see a prospective 58.59, or approximately 59 clients.

Research shows that the average rate of clients per week is between 26 and 28 (Loftin, 2017). By these numbers the Practice has a good standing in the market share of the Fort Worth population.

Pricing and Gross Margin Targets

The average cost for a 45-minute psychological session is between \$75.00 and \$150.00 and the average for individual sessions is 50 to 55 minutes (Stoller-Lindsey, 2017). The average amount of sessions recommended is one per week or two if the case needs serious attention (Society of Clinical Psychology, 2019). The Practice plans to employ \$84.00 45 to 50-minute sessions, \$94.00 55 to 60-minute sessions, \$20.00 group therapy fees or \$15.00 if you are military affiliated or first responder, and \$30.00 30-minute video session fees. Video chat fees are one dollar a minute with a minimum of 30 minutes. The Practice also intends to use a 20% discount on services if the client is military or government affiliated or if the family of or is a first responder (Police officer or dispatch, fire fighter, ems or emt, and paramedics). Going just

off the price we offer per session, average customers, and average sessions per customer the gross net profit is set to be \$122,304.00.

Competitive Analysis. Your competitive analysis should identify your competition by product line or service and market segment. Assess the following characteristics of the competitive landscape:

As previously mentioned, the competitive market outlines 86 potential competitors to the Practices success. However, after extensive research it has been found that there are three business that pose the most of a threat to the center's entry and success. Bella Living and Psychological Services PLLC, Center for Psychological Services, and Cook Children's psychiatry and psychology center (Psychology Today, 2019).

Market Share

Both Bella Living and Psychological Services PLLC and Center for Psychological Services have the same market share at the Practice (.4%) but Cook Children's psychiatry and psychology center also holds another .4% share due to their intervention in psychiatry (Reportlinker, 2018).

Strengths and Weaknesses

Bella Living and Psychological Services PLLC. This company encompasses all of the same services the Practice intends to set forth such as: teen and child, family, and adult therapy. Their strengths include: Size. They have a large establishment with multiple professionals and a high rating with customers: They take multiple insurances (5): And they also offer couples and marital counselling and parent coaching. Their weaknesses are that they have high session prices (\$120.00 to \$230.00) and their location. Their building is on the very edge of the Fort Worth city limits.

Center for Psychological Services. This business institutes many services but are highly geared towards late adolescence and adults. Their strengths include: Size. They have two locations relatively in central locations. They also have multiple professionals: And they take multiple insurances (13). Their weaknesses are: Size. This company has been regarded as impersonal and not good at listening to the needs of the customers: Accessibility. It has been said that they are hard to get appointments with and there is difficult and rude scheduling staff: And they have high session prices. (\$120.00 to \$160.00).

Cook Children's psychiatry and psychology center. Their services are geared towards children of all ages and they take it a step further by also providing psychiatric services. This company's strengths include that they provide psychiatric services and that they have multiple locations (7) all over Fort Worth. There are currently no known weaknesses of this company at this time.

How Important is the Target Market to Your Competitors?

Research done on Bella Living revealed that they are highly involved with the target market and take pride in their personability with clients. On the other hand, many reports have come out about Center for Psychological Services and Cook Children's being rude or difficult to clients in a multitude of fashions. One report from previous client of Center for Psychological Services revealed that when she arrived for the appointment the originally scheduled doctor was not there, but they put her with another doctor. This other doctor ignored the clients concerns about her child and proceeded to ask about the mothers personal and marital life instead.

Are There Any Barriers That May Hinder You as You Enter the Market?

One of the possible barriers that the Practice may encounter is the fact that we are not as established in the area as most of our competitors.

What is Your Window of Opportunity to Enter the Market?

Our best window of opportunity to enter the market would be in the Autumn or Winter months as this is when the increase in symptoms of Seasonal Affective Disorder start to emerge (National Institute of Mental Health, 2016). This is our best chance because we will be able to market about this phenomenon and peak people's interest in our services to understand the feelings they are feeling.

Are There Any Indirect or Secondary Competitors Who May Impact Your Success?

There are not any identified secondary or indirect competitors at this time.

What Barriers to the Target Market are There? (e.g., changing technology, high investment cost, lack of quality personnel)

One of our biggest barriers to overcome will be that insurances do not cover all of a psychological session (LICKS, 2019). Although we will offer some of the lowest and cost-effective services we can, the hurdle will be if people will still be willing to pay the amount that is left over after insurance.

Regulatory Restrictions. Include any customer or governmental regulatory requirements affecting your business, and how you'll comply. Also, cite any operational or cost impact the compliance process will have on your business.

Under Texas state law mental health professionals are required to abide by Texas Health and Safety codes. Under §611.002, a psychologist owes the patient the legal duty of confidentiality. Under Title 2, Chapter 81, Section 81.041(e), AIDS is considered a reportable disease and the psychologist has the right to breach doctor patient confidentiality. Section 611.006(a)(11) states that it is the duty of a mental health professional to respond to a subpoena for mental health records. Clients also have the right, under 465.11, to informed consent and a

Description of psychological services (Texas State Board of Examiners of Psychologists, 2000, p. 175-180).

Service or Product Line

A Description of Your Product/Service. Include information about the specific benefits of your product or service – from your customers' perspective. You should also talk about your product or service's ability to meet consumer needs, any advantages your product has over that of the competition, and the current development stage your product is in (e.g., idea, prototype).

The Practice is prepared to introduce our variation of the following service to the market: Psychotherapy. First-rate service is intended to be the focus of the Practice and a cornerstone of the clinic's success. All clients will receive conscientious, one-on-one, appropriate and timely service in all capacities, be they sessions, conflicts or complaints. This is expected to create a loyal following and return business. The clinic will provide the treatment of mental, behavioral, and emotional disorders by clinical psychological means as opposed to psychiatrically. The clients will be treated according the type and severity of the issue they are experiencing. Treatments will vary between Psychoanalysis and Psychodynamic therapies, Behavior therapies, Cognitive therapies, Humanistic therapies, Integrative or Holistic therapies, or a combination of therapies as decided on by the mental health professional and the attending client.

By employing a numerous amount of strategies for possible mental rehabilitation, the Practice will be able to effectively and successfully meet client needs along with exhibiting a distinct advantage over the competition involved. As previously stated, the needs of the clients may include but are not limited to their state of emotional or mental need, the degree of familial distress, legal issues such as divorce, if a guidance counselor determines a child needs

psychotherapeutic help, or a preferred physician explaining the use of psychotherapeutic services to combat the manifestation of arising mental distress due to persistent illnesses. Since the therapies provided at the center are not limited to age, race, or any other demographic the Practice will be able to exhibit a warm, all-inclusive professional work environment that not only allows for the safety and assurance of our clients but so they do not feel discriminated against. The Practices main focus and services will always be client oriented.

Details About Your Products Life Cycle. Be sure to include information about where your product or service is in its life cycle, as well as any factors that may influence its cycle in the future.

All products and services produced by a business possess the potential to follow through the four stages of the product/service life cycle. Before explaining the future growth of the Practice please read and become acquainted – or reacquainted – with the introduction, growth, maturity, and decline phases.

In an article written by Dr. Obianuju Helen Okoye she explains that the introduction phase of a product/service is when it is initially introduced into the market and is typically the stage that requires the most input of resources and finances. The growth stage can be defined by selling rate of your product/service. This is when your product/service is gaining increasing awareness from the public. After the growth phase, a business's product/service will be reaching maturity. Demand will be increasing which leads to service appointments booking up quickly and to full scheduling. Essentially the maturity phase is when your product/service sales reach their peak. Lastly, a product/service will start to enter the decline phase where saturation is at its maximum and price evaluations can be done for an increase or decrease. Dr. Okoye mentions that this is the decision phase where a company will decide to make changes to the

product/service (for the better) or will they continue with a whole new product/service. These changes can be to better suit societies need in the current market.

Although therapy as a whole is an already existing service the market is stable as is the life cycle. The services offered by the Practice - when entering the market – will be considered in the introduction stage since it will be the first time that the centers services specifically will be available to the Fort Worth population (Okoye, 2015). As the Practices client base and revenue begin to grow the life cycle will be considered in the growth phase. This phase will be characterized by the use of therapy and how it is recommended that a potential client seeking help is to being therapy sessions at a rate of once a week for a set amount of time agreed upon by the mental health professional and the client (Loftin, 2017). It is also possible that, depending on the severity of the mental health issue(s) of the client that they should be seen twice a week (Loftin, 2017). When these appointments solidify, and clients begin their therapies the Practice will begin its stage in maturity (Okoye, 2015). As previously stated, the job market is set to rise 14% and there is an increased need for psychological services; this outlook will propel the Practices sales of services and implies that this growth will help the center reach peak efficiency.

As the client progresses through the stages five stages of their therapy (rapport and therapeutic alliance, assessment, identification of strengths, interventions, resiliency and termination) there may be possible increases or decreases in the number of therapy session needed (MacDonald, 2018). This describes the decline portion of the life cycle (Okoye, 2015). Sales – as clients complete the recommended therapy – will fall however, there is a steady flow of possible clients who need psychological services so there will never fully be a saturation point where therapy is not needed as a whole, only for the individual. However, since the Practice is in the start-up phase, the initial focus will be on the introduction phase and priorities set on the

average of one therapy session per week per client for one year; should suitable progress been made then after the recommended one year a switch, if wanted by client, to a two times a month or one time a month schedule will be applied until the mental health issue is at full resolution.

Intellectual Property. If you have any existing, pending, or any anticipated copyright or patent filings, list them here. Also disclose whether any key aspects of a product may be classified as trade secrets. Last, include any information pertaining to existing legal agreements, such as nondisclosure or non-compete agreements.

The Practice does not currently have or need to partake in any existing, pending, or anticipated patent filings. The Practice also does not have any existing legal agreements nondisclosed nor noncomplete.

Research and Development (R&D) Activities. Outline any R&D activities that you are involved in or are planning. What results of future R&D activities do you expect? Be sure to analyze the R&D efforts of not only your own business, but also of others in your industry.

Although the Practice is not currently working on any research and development activities, the center will employ active efforts to be absolutely certain our therapy techniques are the most up to date to ensure we provide accurate and successful services. With a plethora of reasons to keep researching for better development of our services, the Practice will conduct progress assessments to ensure our therapeutic services are at their respective updated state. Future research will focus on how personality type affects the types of possible therapeutic services the Practice will provide. Previous research suggests that client characteristics could have a possible interaction with various therapeutic techniques which could produce differential outcomes (Høglend, 1999). It has been reported that individual who possess an internal locus of

control respond to therapies that are less directive while it is the reverse for individuals who have an external locus of control. In addition to these findings, research has shown that dynamic exploratory therapy techniques have shown more effective when treating those who are more motivated and are better adjusted interpersonally. Inversely, those who show more outwardly dependent traits receive a more successful treatment if it is structured and supportive (Høglend, 1999).

This same study further expanded on personality types and types of therapies by eluding that patients who suffer from depression and display avoidant traits will benefit better from cognitive therapies, perfectionists require long-term therapies, those who display high quality interpersonal relationships fare best with brief focused interactions, patients displaying increasing antisocial traits benefit from directive treatments, and those who are low in antisocial traits benefit from self-directed therapies (Høglend, 1999). Characteristics also have an effect on the patient doctor relationship and how successful session can be. This research will lead the Practice to help clients become suitable clients (if they are not already) as the result for successful treatment becomes three times more often than if they are not (Høglend, 1999). Since the main focus of the Practice is to help those in need, we will not turn down a challenging patient but rather guide them to their own success.

Marketing and Sales

A Marketing Penetration Strategy

By the time our optimum window of opportunity to enter the market arrives, the Practice will be ready to enact market penetration strategies. However, the psychology market is highly saturated in the Fort Worth area so, the Practice plans to implement three types of penetration strategies: Price penetration, encouragement of nonusers, and increasing our reach. Our price

penetration strategy aims to make draw in new attention and keep the interest of prospective and future clients. As previously outlined, the Practices services respective prices are already lower than that of the competitive market. The lower prices being offered will pose as a possible increase in the attractiveness of our services, and since our prices are not a purposeful price drop the Practice will not have to worry about suffering in low margins while trying to remain in the competitive field (Bhasin, 2018).

In conjunction with the price penetration strategy, the Practice will also use the tactic of increasing the reach of the information about the services that the center is willing to offer. Previously stated, plans to market specific businesses or organizations such as, referring physicians, hospitals, schools, human resource departments in local business, lawyers' offices, managed care companies such as nursing homes and hospice care, private establishments such as daycares and churches, and wellness centers. Having brochures containing our information or an individual within a company report our information to potential clients will create a mass reach for the services provided; this strategy helps to facilitate the success of the Practices final penetration strategy to encourage nonusers.

The encouragement of nonusers of our services is pivotal to the success of the Practice. By increasing our reach, we are increasing awareness to nonusers that our services are available even to those who have never considered the possibility before. By encouraging nonusers, we are cornering a potential market so that we are not only trying to persuade users of our competitors services. Successful execution of these penetration strategies will ensure a smooth transition into the competitive market.

A Growth Strategy. This strategy for building your business might include: an internal strategy such as how to increase your human resources, an acquisition strategy such as

buying another business, a franchise strategy for branching out, a horizontal strategy where you would provide the same type of products to different users, or a vertical strategy where you would continue providing the same products but would offer them at different levels of the distribution chain.

A growth strategy, as utilized best for operations of the current business, would be one that encompasses growth of internal resources such as; hiring the most qualified individuals to help with operations of scheduling and bettering marketing strategies, increasing company efficiency with therapies of clients, and focus on development and updating of the different types of therapies offered by the Practice (as previously outlined in product description and in research and development). The Practice is a privately-owned practice therefore, an internal growth strategy would be the most optimal option to cover all points previously listed. However, the hiring of qualified individual shall be reserved until the amount of clientele becomes too overwhelming for the single operator to handle. In the case that this happens, the Practice will employ an internal growth strategy that would increase the centers human resources – such as another clinical psychologist - leading to better performance and opening up opportunities for new clients.

Channels of Distribution Strategy. Choices for distribution channels could include original equipment manufacturers (OEMs), an internal sales force, distributors, or retailers.

Since the Practice offers a service versus a product, the channels of distribution that will be utilized are virtual delivery and on-site consulting to deliver the services provided (Ashe-Edmunds, 2019). On-site consulting refers to the traveling to the locations of our possible different proprietors and consult them on the various therapies and services the Practice plans to offer while trying to convince them to be an affiliate of the center and its practices while

representing the services we offer to potential clients. Our virtual deliver system will encompass the efforts made to contact potential proprietors via emails, website contacts, social media accounts, and phone calls to have our information distributed on these various mediums to increase the way potential clients can obtain sources of our information.

Communication Strategy. How are you going to reach your customers? Usually a combination of the following tactics works the best: promotions, advertising, public relations, personal selling, and printed materials such as brochures, catalogs, flyers, etc.

To increase our communication to prospective customers – much like in our penetration strategy – the Practice will utilize printed materials and public relations within our respective target market. In addition to printed materials, aggressive tactics would be utilized through our referral-based marketing through managed care companies, schools, and preferred physicians. It will be through meticulous planning and adequate informational meetings that we will obtain the cooperation that we need from each of these potential proprietors. The meetings will consist of a presentation of the services that will be available through the Practice and will outline the reasons why that specific establishment should work in cooperation with our center. In addition to referral-based marketing, with the new age being technologically advanced, another lucrative option would be marketing and advertising via social media, websites, and networking events. By this it is meant that the Practice will employ its own website to house information, a social media account via Facebook and Instagram so that we may reach the population at its online sources, and by attending networking events to establish connections with more established and respected individuals and businesses.

A Sales Force Strategy. If you are going to have a sales force, do you plan to use internal or independent representatives? How many salespeople will you recruit for your sales force?

What type of recruitment strategies will you use? How will you train your sales force?

What about compensation for your sales force?

Since A New Hope Clinical Practice is a small private practice the center plans to hire a single office administrator that will facilitate and organize the intake of client service calls to the business and manage the marketing outreach as needed. Job offers will be posted through professional recruitment sites such as LinkedIn, Monster Jobs, Glassdoor, and Indeed.com. Individuals will be screened through an interview process and one will be accepted based upon the following qualification: one to two years of office administrative experience, one to two years of marketing experience, two valid references, and at least a high school diploma but a college degree is preferred. Once hired, this individual will be trained specifically by the Practices owner and operator on specifics that are required for the job. While training the base pay will be \$10.00 an hour and upon completion of training the set pay will increase to \$14.00 an hour. With thorough and concise work activity, after a year there will be availability for advancement. This possibility will consist of a two dollar pay increase, an increase in vacation days, and in increase in paid sick days.

Your Sales Activities. When you are defining your sales strategy, it is important that you break it down into activities. For instance, you need to identify your prospects. Once you have made a list of your prospects, you need to prioritize the contacts, selecting the leads with the highest potential to buy first. Next, identify the number of sales calls you will make over a certain period of time. From there, you need to determine the average number of sales calls you will need to make per sale, the average dollar size per sale, and the average dollar size per vendor.

As previously mentioned, our prospects are referring physicians, hospitals, schools, human resource departments in local business, lawyers' offices, managed care companies such as nursing homes and hospice care, private establishments such as daycares and churches, and wellness centers. The Practice has prioritized these prospects - from highest potential to buy first – in a list as follows: Referring physicians, schools, hospitals, managed care companies, wellness centers, lawyers' offices, then private establishments. The Practice realizes that it would be optimal to make 50 calls per week per prospect but is still efficient to make 25 calls per week per prospect. The Practice plans to use the persuasive business tactics to gain the attention of the potential prospects; from there we will set up meetings via in person consultation or phone to explain the advantages of working in cooperation with the center while we outline our various successful therapies. The Practices current estimation of sales per sales calls is currently one sale per 100 phone calls but once the center becomes established within the competitive market, we can expect to see an increase in sales per sales calls. The average unit prices per sales are \$84.00. This stands to reason that with seven prospects and 25 calls per prospect then there will be *at least* one sale per week.

Funding Request

If you're asking for funding, this is where you'll outline your funding requirements. Your goal is to clearly explain how much funding you'll need over the next five years and what you'll use it for.

For the first year of business the Practice plans to apply for a small business loan of \$200,000. As a business that is in the start-up phase with no previous financial history, the loan being applied for will help finance the rent of office space, electricity of the office space, office supplies, the office administrators bi-weekly pay, marketing materials, while also paying

owner/operator a starting salary for the first year of establishment. This loan provides a way for the business to open and function while marketing strategies (previously outlined in the Marketing and Sales section) are used to establish relationship with potential clients. The Practice estimates that further funding after year one will not be necessary. By the end of year one a rough estimate of \$122,380 will have been utilized by the costs provided; these costs will leave approximately \$77,620 to use for contingencies, should any unforeseen circumstances arise, and to begin paying the loan back for the first 20 months. The practice estimates that revenue acquired from years one through five will be enough to cover the yearly costs accrued by the business therefor, no funding past the first year will be applied for. More specifics pertaining to each of the costs, the loan itself, and future plans will be outlined in the section below.

Specify whether you want debt or equity, the terms you'd like applied, and the length of time your request will cover. Give a detailed description of how you'll use your funds.

Specify if you need funds to buy equipment or materials, pay salaries, or cover specific bills until revenue increases. Always include a description of your future strategic financial plans, like paying off debt or selling your business.

The loan being applied for will be a \$200,000 Unsecured Business Loan, with a six percent annual percentage rate, provided through the bank of Wells Fargo. This will be a debt-based transaction that the Practice plans to pay back over the next five years of business. The loan is intended to pay for the rent of an 890 square foot office space, the office administrator salary, office supplies per employee (office administrator and owner/operator), marketing research and marketing supplies, and payment of owner/operator salary for first year. As previously stated, the total costs by then end of year one has been approximated to be around

\$122,380. The estimated costs, per item listed, are as follows: The rent for the 890 square foot office space is listed a \$1.00 per square foot and the total cost includes utilities for the space, building services, and property expenses. Per month the cost will be \$890.00 which equates to \$10,680.00 for the first year of operation. The office administrator gets paid \$14.00 an hour equating to a \$1,050.00 in bi-weekly pay. This is totaled to be a \$27,300.00 yearly salary. \$400.00 will be allocated to cover office supply costs for the year. It is divided between both employees at \$200.00 per employee. The Practice will also allocate \$60,000.00 to owner/operator salary for year one. Lastly, the Practice plans to use 12% of the loan to facilitate marketing research and obtain marketing supplies. This includes time spent making phone calls, driving to the different locations for consultations, printing brochures and fliers, time spent making brochures and fliers, distribution of marketing materials, luncheons with respective proprietors, online social media adds, and website construction. This totals to be \$24,000.00 needed for marketing.

As previously mentioned, in the sales activities section, one sale is estimated to be made per 100 phone calls and a total of 175 phone calls are to be places per week. So, at least one sale is to be made a week for 52 weeks (one year). With these calculations the business plans to see a possibility of 52 new clients. Once the first year of business has been completed active marketing will be decreased to 5% leading to a new total of 8.75 (will round to 9) phones calls per week. Using the averages outlines in the pricing and gross margins section the Practice estimates to see a gross net profit of \$113,568.00 to which the 5% will be subtracted from totaling \$5.678.40 that will be set aside for marketing reasons in the years to follow.

When subtracting the total of the costs from the first year form the total of the loan applied for, we are left with \$77,620.00 which will be used to start paying back the loan until

revenue increases. The cost per month to pay back the loan is \$3,866.56; this amount will be paid for the first 20 months of the 60-month total. Once this is paid, the amount left will be \$122,380.00 and the Practice will refinance for the next 20 months. The new total amount to be paid from month 20 to 40 will be \$3,383.00. Upon reaching month 40 what is left on the loan will be \$44,760.00 and again it will be refinanced. From month 40 to 60 – end of the loan term – the new payment will be \$2,357.00. At year five the monetary projections are estimated to be self-sufficient thus eliminating any need for further loans. The Practice – at this moment - does not plan to sell or expand the business, so there will be no need any further debts.

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