

Business Plan

The Bridge Physical Therapy & Sports Performance, LLC.

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The Bridge Physical Therapy & Sports Performance, LLC.

Company Overview:

Background Information:

Chris Rain and Ethan Meng met at the University of North Carolina, where they got their Doctorate of Physical Therapy degrees in 2024. After years of requests from satisfied patients to open up their own clinic, they have decided to pursue starting The Bridge Physical Therapy & Sports Performance, Inc. Chris and Ethan are passionate about two things: helping others, and using exercise and training to do so. They have been exercising for their whole lives and are certified strength and conditioning specialists. A particular interest they have is working with individuals of all ages to be able to move with less pain and better function. They are seeking to do so across the whole continuum of care - bridging injury rehabilitation with high-level sport performance. Under the mentorship of their professor, Ellen Roeber, Chris and Ethan are seeking to open up The Bridge Exercise Center in order to put their passion into practice.

Business Description:

As of 2025, The Bridge will exclusively render Physical Therapy evaluations and treatments only. Throughout the duration of their therapy, clients are welcome to workout in the facility for no additional costs to help facilitate healing and a healthy lifestyle. The Bridge plans to expand in the coming years to incorporate strength and conditioning coaching, sports performance, and other aspects of fitness and wellness.

Mission Statement:

To improve the human movement experience of our community by bridging the gaps between injury rehabilitation and sports performance.

Vision Statement:

To establish a new standard of excellence in Physical Therapy and sport performance for athletes of all ages in the Triangle.

Operations Plan:

Business Structure:

The Bridge will benefit from the combined features of utilizing an LLC to own and operate the business and have it be taxed like an S corporation. We will establish our business as an LLC, but then make the election to have it treated as an S corporation by the IRS for tax purposes.

Operating Agreement:

The Bridge Physical Therapy & Sports Performance is a multi-member LLC composed of Chris Rain & Ethan Meng, each possessing 50% ownership of shares. The company will continue until: 1) Members unanimously vote for dissolution; 2) An event occurs which causes the Company's business to become unlawful; or 3) Any other event causes the Company's dissolution. In the case of death of a member, the remaining member may buy out the shares of the deceased at market value. Members will be taking out life insurance policies on one another and will plan on using the proceeds to execute this buy-out. There will be an additional buy-sell agreement implemented for an Early Buy-out of shares should one partner decide to pursue other opportunities, and a Right of First Refusal to prevent a partner from selling or transferring shares to an outside entity.

Initial Operations:

The Bridge will operate solely as an outpatient physical therapy clinic, offering physical therapy services from 8:00AM to 5:00PM on weekdays (M-F). Patient slots will be scheduled every 45 minutes, 1:1 with licensed DPTs. There will be no utilization of aides or technicians for patient care, however, every patient will be encouraged to exercise outside of scheduled appointments at The Bridge for free for the duration of their treatment.

Cash-Based Physical Therapy

The Bridge has elected to implement a cash-based model of practice. This will greatly decrease the requirements of claim processing, patient billing, and expenses and tasks associated with insurance. Additionally, this allows staff to devote greater time and attention to caring for the needs of the patients and clients that enter into the facility as there will be less or no insurance administration duties required. Finally, this will allow for greater fluidity and autonomy in practice to follow evidence-based treatment as well as to implement a fluid transition from PT to fitness services and vice-versa. The Bridge will offer to provide patients with superbills that can be submitted to their insurance companies if they would like to seek reimbursement.

Personnel:

- 2 Physical Therapists/Owners
- 1 Administrative Assistant

Chris and Ethan will be providing PT examinations and treatments, and will be the only providers in the clinic initially. Both Chris and Ethan will also be responsible for clinic upkeep, cleaning, and equipment management. In addition, Chris will be taking responsibility for regulatory compliance with a focus toward employment and healthcare regulations, as well as financial management. Ethan will be managing operations and staffing as well as being the main contact for outside contractors including legal consults, accountants, and marketing agencies. Accounting services will be contracted for further financial assistance in accounting, tax, and payroll services.

An Administrative Assistant will be the final member of the initial team and will be tasked with managing the schedule, collecting payments, calling patients, and all other administrative tasks.

Facilities:

The Bridge plans on leasing a 2,000 square foot commercial warehouse in Morrisville, NC. An open layout Physical Therapy gym will be utilized for physical therapy sessions, with private areas for initial examinations and treatment. Other areas in the facility will include the reception area upon entrance, a staff break room, and bathrooms/locker rooms. While all of the warehouse space will not be utilized initially, it offers The Bridge important space for when it expands.

Equipment*:

Top-of-the-line commercial gym equipment will be used at The Bridge to further facilitate a high quality, consistent, exercise experience. All equipment will be maintained and replaced as needed by the owners and staff. Members of the community will be invited to use the equipment at the facility via monthly membership, however equipment use will be contingent on compliance with appropriate waivers and facility policies.

*A full list of initial equipment is provided in the budget addendum.

Regulatory Compliance:

All regulatory and corporate compliance will be supervised by Chris Rain, including but not limited to:

- **Employment regulation:** including compliance with OSHA, the Fair Labor Standards Act, Family and Medical Leave Act, and ADA regulations
- **Environment regulation:** including EPCRA
- **Healthcare regulation:** including compliance with the NC practice act and Board Rules, as well as the SCHIP Program & HIPAA.

Plan for Expansion:

Offering additional services will add another source of revenue and help with client/patient retention. This would also be a new referral source as those who use in house gym services may also end up needing more PT in the future. The loop of recovery and reinjury within the facility will drive revenue with in-house referral and a larger population of patients/clients. The cost of an extra trainer would be offset by this revenue and help with PT services by continuing our plan of care while reducing the cost patients have to pay. We will not need to relocate because we planned for this expansion from the start and are paying for a larger warehouse. Additional equipment will be added as needed with the addition of services/revenue.

Expansion Goals:

Within 1 year: Begin offering Gym & Strength and Conditioning Services: Members of the community will be welcome to join via monthly membership to get the most out of the state of the art equipment we have to offer. The Bridge plans to hire a Certified Strength and Conditioning Specialist to aid in gym management and offer personal training services.

In year 2 of operation: Expand Business Hours; Grow Staff: After expanding the business hours and staff, day-to-day operations will include PT, sport performance, and fitness and wellness coaching. New services added would include sport performance training performed individually and in small individualized classes by our DPT/CSCS staff. We would look to hire additional evening staff for coverage during these expanded hours with responsibilities of cleaning, upkeep, and administration. As demand for additional services increases in availability we will continue hiring more DPT's and certified trainers/strength coaches as needed.

Within 5 Years: Buy permanent location; Expand Services. It is our goal to expand the Bridge Exercise Center into the primary center of PT and sport performance/fitness services in our community. It is our goal to expand to a level of financial viability where we will be able to buy our own space and fully customize and use it to meet our needs. We will expand our services by offering pro bono movement assessments, team training sessions, movement screens, and injury prevention services. To do so we will seek to continue expanding our staff and partner with local athletic trainers, coaches, and doctors.

Marketing Plan:

Market analysis:

There are two primary markets that The Bridge will be a part of: the Physical Therapy market and the sport performance/fitness market. The U.S. occupational & physical therapy services market is projected to grow from \$50.26 billion in 2022 to \$72.70 billion by 2029 (*Fortune Business Insights*). The fitness industry was worth nearly \$160 billion in 2021 and is expected to grow to \$434.74 billion by 2028 (*Run Repeat*). With implications that US market trends will apply to the Triangle area, the services that The Bridge will provide will be catered to a mixture of both of the two quickly growing markets.

Target Market:

The Bridge plans to market to all individuals on the continuum of injury rehabilitation to high-level sports performance in the Triangle Area. Our facility is designed to serve the athletic population, offering injured athletes of all ages everything necessary to return to their desired level of activity, and healthy athletes all they need to improve performance and prevent injury.

Location:

The Bridge plans to open its Exercise Center in the Morrisville area. Located in the middle of the North Carolina Triangle, it can attract those who currently work, attend school, or reside locally in Morrisville or RTP, or in the convenient nearby regions of Raleigh, Durham, and Chapel Hill. It is to be noted that The Triangle is quickly growing in population and is known as one of the most active locations on the East Coast. Sports and athletic activities are a large aspect of life in the Triangle year-round with several high schools and local sports teams within the region and an abundance of parks, greenways, and trails nearby.

Competition:

There are several sports performance PT clinics in the area, such as The Raleigh Orthopaedic Performance Center: Cary-Morrisville and Par4Success. These established clinics as well as local commercial gyms such as Gold's Gym and Planet Fitness will offer direct competition, however they do not offer the same services as The Bridge. Upon opening, The Bridge will be the only local facility where an individual could transition seamlessly from undergoing PT to using the facility to exercise via monthly membership or sessions with a personal trainer. In addition to every service being considered "in house" our other advantage is our space and room for growth. The Bridge does not want to sublet or refer out so that every service provided is under The Bridge's scope/view.

Marketing strategy:

We will pay for search engine optimization to be first in results for searches including physical therapy, sports performance, personal training, and rehab in Morrisville and the Triangle area. This tactic paired with word of mouth will be a large factor in growing our business. This is due to the fact that we

will be the only facility that allows for open gym experiences, group training, and one-on-one PT services, under the same umbrella. By doing this we will facilitate a community atmosphere along with our high quality service and online visibility. The Bridge is budgeting 2% of our monthly operating costs towards marketing services, which includes search engine optimization and will also include consulting marketing professionals for help with web design and maintenance, social media marketing, and all other aspects of marketing. Ethan will be the main contact for marketing consultation and also be using his photography and graphic design skills to keep followers up to date with what is going on at our facility. He will also be responsible to take advantage of business promotion/marketing opportunities on social media and in the community.

Once we have ramped up and have a steady revenue, we plan to target local athletes of all ages, with a specific emphasis on high school/team sports in the area. We plan to reach this market through our pro bono movement assessments, team training sessions, movement screens, and injury prevention services. Partnering with local highschools and sports teams will act as a free marketing strategy and specific coaches and contacts in these demographics to connect with will be identified. In addition to this, a strong referral system will be implemented. It is our plan that teams will hyperlink our website in their emails when referring to training programs, what to do in case of injuries, anything training related if they would like a source of betterment outside their individual programs.

SWOT analysis:

	Positive	Negative
Internal	<p><u>Strengths</u></p> <ul style="list-style-type: none"> - Multiple revenue streams and referral sources allow us to provide the PT services that we want to - Continuum of care - Centralized facility - Community-building and team-based - Competitive advantage 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> - High start-up cost for equipment and facilities - Staffing costs - Low initial patient caseloads - Highly competitive field in Triangle
External	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> - High potential for growth and expansion into the fitness and recreation fields - Partnerships with local schools & sports teams - Opportunity to franchise / open up more facilities - Client retention 	<p><u>Threats</u></p> <ul style="list-style-type: none"> - Other gyms, sports performance places - PT clinics - Increasing COL in state / general inflation - Supply/demand of patients/providers - Limited by athletes being in/out of season

Financial Summary:

Capital Budget:

The Bridge expects to operate with a capital budget of **\$79,206**. This will cover initial one-time costs of starting the clinic such as commercial exercise equipment, furniture, and technology. It will also cover operating costs for the first 3 months of business. A detailed summary of all budgeting information is attached to this document.

Personal Capital/Contribution:

Chris and Ethan plan on contributing \$7,500 each for a total of **\$15,000** of personal contribution to assist with upfront costs, building renovations, and any unexpected expenses of the business. Additionally Chris and Ethan will be paying each other's life insurance premiums for added financial security as business partners.

Estimated Loan:

The Bridge is requesting a loan of **\$75,000** to be paid over the course of 10 years at a rate of 6% interest, compounding monthly. The estimated monthly payment is \$832.65.

Operating Budget:

Fixed monthly costs include: Rent, DPT Salary, Administrative Salary, Utilities, Insurance, Accounting, Loan Repayment, and EMR (exact amounts detailed in attached budget addendum). Variable costs budgeted for include miscellaneous clinic supplies and marketing. The estimated total monthly operating cost is **\$19,902.10**, and **\$238,824.00** yearly.

Revenue Sources:

The majority of revenue will be generated by cash payments for physical therapy examinations and treatments. Upon expansion, monthly gym memberships, personal training, and sport performance services at fixed rates will provide additional revenue.

Pricing:

The Bridge plans on offering top-of-the-line, highly personalized healthcare services which will be reflected in pricing.

Cost per PT Evaluation: \$150.00; Cost per treatment session: \$100.00.

The Bridge plans on seeing 10 patients a day, with 3 evals and 7 treatments being the average day according to current estimates. This would put the estimated price per UOS at \$115 for calculations.

Break-Even Analysis: *Based on a ramp up of 10%-25%-50%-60%-75%-90% productivity for the first 6 months of operation, and 100% productivity for the remaining 6 months.* Ramp up details included in addendum.

$$\begin{aligned} \text{Break Even Point} &= \text{Fixed Cost} / (\text{Price} - \text{Variable Unit Cost}) \\ \mathbf{2046.8044 \text{ UOS}} &= 232,824 / (115 - 1.25) \end{aligned}$$

The Bridge would break even during **month 9** of practice with a ramp-up taken into account.
With no ramp up, The Bridge would break even during **month 6**.

Year 1 Productivity Estimates (with ramp-up):

Total Revenue: \$402,500.00; Total Costs: \$237,199.00; **Net Profit: \$165,301.00.**

Yearly Productivity Estimates with no ramp-up:

Total Revenue: \$552,000.00; Total Costs: \$238,824.00; **Net Profit: \$313,176.00**

Google Sheets link to financial addendum: [📄 Financials](#)

Contingency Plans:

Adjust Fee Schedule

If The Bridge is having trouble filling its schedule and reaching out to the community, the fee schedule will be amended. Amendments would include lower eval and treatment fees in order to be able to attract a wider population and reach those of different socioeconomic status. Other amendments include offering a different fee schedule based on the amounts of sessions a patient has been seen for.

Sell / Recoup All Assets:

If The Bridge hits \$238,824.00 (1 year's operating budget) of debt we will follow the appropriate actions to sell the LLC. This includes referring to the operating agreement to make sure we are in line with our actions outlined from the beginning. After establishing that this action would be within our realm of options, The Bridge would look to find a buyer in the area or for someone to rent out the space and equipment. This would be either a full or partial buyout depending on the circumstances and agreements with the 3rd party.

Reference Links

Equipment:

- https://www.amazon.com/s?k=l+shaped+desk&crd=2T72DZ4D5GCZL&sprefix=l+shap%2Caps%2C199&ref=nb_sb_ss_ts-doa-p_2_6
- https://www.amazon.com/s?k=waiting+room+chairs&crd=7DUTR7UEFYHI&sprefix=waiting+room+chairs%2Caps%2C200&ref=nb_sb_noss_1
- https://www.amazon.com/s?k=pillow+set&ref=nb_sb_noss
- https://www.amazon.com/s?k=twin+size+linen+set&crd=1NHRA9KE6OZQB&sprefix=twin+si+ze+lin%2Caps%2C553&ref=nb_sb_ss_ts-doa-p_2_13
- <https://www.legendfitness.com/legend-fitness-racks-cages/>

Services:

- **Accounting:**
 - (<https://www.patriotsoftware.com/blog/accounting/how-much-should-accounting-cost/>)
- **Scheduling:**
 - <https://www.multibriefs.com/briefs/aaoc/whitepaper011216.pdf>
- **Salaries:** Salary.com
- **Pricing:**
 - <https://www.ewmotiontherapy.com/blog/physical-therapy-pricing-guide#:~:text=The%20national%20average%20per%20session,155%20out%2Dof%2Dpocket.>
 - <https://thervo.com/costs/physical-therapy-cost>
 - <https://www.webpt.com/blog/how-to-create-a-superbill-for-cash-based-physical-therapy/>

Operating

- **Contingency:**
 - <https://www.zenbusiness.com/transfer-llc-ownership-north-carolina/>
 - <https://www.connect2capital.com/small-business-lending-blog/transfer-business-to-another-person/>
- **Structure**
 - <https://www.nearside.com/blog/can-an-s-corp-own-an-llc>

Marketing

- **Markets**
 - <https://www.fortunebusinessinsights.com/u-s-occupational-physical-therapy-services-market-106420>
 - <https://runrepeat.com/fitness-industry>