

LEADERSHIP & PROFESSIONAL DEVELOPMENT

Ellen Giarelli, EdD, RN, CS, CRNP
Terry A. Throckmorton, RN, PhD
Associate Editors

Establishing a Small Business in Nursing

Esther Muscari, RN, MSN, APRN, BC, AOCN®

Financial constraints affecting nursing jobs and threatening the quality of patient programs and services can motivate nurses to evaluate their jobs, satisfaction in their lives, and contributing stressors that challenge their practices. As a “mature” or experienced nurse, I have encountered many of the challenges facing nurses and health care, including tightening budgets with elimination of nursing positions, canceled patient programs, and replacement of previous nursing services with those provided by nonspecialized nurses or unskilled assistants. The administrators with whom I most recently worked were nononcology non-nurses who were unaware of the value of specialty oncology nurses and services, needs of patients with cancer, and, particularly, the value and potential roles of advanced practitioners. These factors forced me to face my growing dissatisfaction with my job setting. Like many of my colleagues across the country, my only remaining satisfactions were my patients’ symptom relief and the unique oncology nurse-patient relationships.

When I realized that my institution and administrator were in direct opposition to the philosophy that has kept me in oncology nursing for more than 20 years, I finally accepted the reality that I needed to alter my professional life and leave my job and the hospital setting. By examining the pros and cons of the job, the profession, and the role itself, I identified what I liked about being a nurse and what I did well within my previous nursing roles. This type of system evaluation allows a person to identify the company or system within which he or she works best, what is truly enjoyable, and which detractors or obstacles need to be changed for job satisfaction to be achieved. Once the evaluation is done, then consideration can occur as to whether changes within the current setting are feasible. Although change is frightening and overwhelming, it brings a person to a position of power because control over professional life is taken back. This stance is a productive one, as opposed to a position of blaming problems on an administrator, hospital, or colleague.

Product and Service Identification

As anyone in small business can attest, identification of the service or product that people need or want is critical to success. Providing something that no one else or few others can provide captures a certain market. Market analysis, whether through a formal survey or identification of trends in a health-care setting, provides answers regarding the need for a service or product. Recognizing a unique product or service that you enjoy and are passionate about is the recipe for a successful small business. In the beginning of a business, a person should zero in on a specific service and develop it fully rather than be too broad, offering too many things. Nursing services can include patient and professional education, specialty products, consultation, and research. Revenue comes from a number of different sources, all stemming from the same specialty service or product offered.

The number of certified, properly trained lymphedema therapists in my area was less than was needed. The population that I served could support a lymphedema practitioner. In addition, the therapists in my locale were physical therapists without an oncology specialty focus. Oncology nursing expertise combined with an additional subspecialty expertise in lymphedema care positioned me at the highest potential level of care for this patient population. Being an advanced practice nurse, I had the additional talents of program development, administrative skills, patient education, and an understanding of how to build research into a program. Incorporating descriptive research within my small business from the beginning supported ongoing evaluation and business revisions.

Assessment

Once I concluded that I had unique services to offer as an oncology advance practice nurse with lymphedema expertise, I conducted a literature review for nurse entrepreneurs, learned the legalities of having a practice, contacted nurses in the United States with solo practices,

and reviewed a number of reference books about small business. By considering the financial viability of such a business, I learned which diagnostic codes were reimbursed successfully and which practitioners were recognized. I studied the potential expenses of and revenue from lymphedema products, supplies, and garments. From this review and numerous discussions, I realized what my initial investment would have to be, how long the business would take to become profitable, and which supplies likely would be covered by most patients’ insurance.

Planning

After this initial information-seeking period, I wrote a business plan. It followed the standard format: description of the business, market analysis, market strategy, financial projections, and operating plan (see Figure 1). The business plan provided the information necessary for obtaining a loan, benchmarking growth, and evaluating the company on an annual basis. Unexpectedly, the business plan provided me with emotional reassurance during slow referral times in the first year. The business plan allowed analysis of the number of referrals, timing of the referrals, and from whom they came. Gradual movement into self-employment, as opposed to complete cessation of a secure, income-providing job, decreases the stress on a businessperson because revenue still comes in while the new, self-employed position reaches the point of producing a steady and sufficient cash flow. A business plan can guide that process because it helps forecast when that time will occur and the amount of business that needs to come in before an individual can work solely for himself or herself.

Esther Muscari, RN, MSN, APRN, BC, AOCN®, is owner and operator of Lymphedema Therapies and a consultant at Martha Jefferson Hospital, both in Charlottesville, VA.

Digital Object Identifier: 10.1188/04.ONF.177-179

1. Description of the business
 - a. A summary of the business idea and why it will work
 - b. Goals for the business
 - c. Complete description of the product (what will be offered and what products sold)
2. Market analysis
 - a. Description of similar businesses that exist in the community, their level of success, and how they have grown or downsized
 - b. Description of the market that the business would serve, including numbers and frequency of use
3. Market strategy
 - a. Business name
 - b. Products and services to be sold
 - c. Communication and advertising services
4. Financial projections
 - a. One-, two-, and three-year projections
 - b. Budget for first year and any adjustments for second and third years
 - c. Estimated sales
5. Operating plan
 - a. Specific description of the services to be offered
 - b. Specific description of the products to be sold
 - c. Necessary equipment and furniture
 - d. Details of day-to-day operations
 - e. Required licenses, certifications, insurance, and tax identification numbers
 - f. Necessary employees
 - g. Designation of who will perform each of the business functions, including billing, scheduling, insurance checks, sales, etc.

Figure 1. Business Plan Components

I met with a graphic designer over a period of four weeks, and she spent hours translating my work, philosophies, and goals regarding oncology care into a logo (see Figure 2). The name Lymphedema Therapies evolved after numerous conversations with a fellow lymphedema therapist. The name of the company had to send a clear message to consumers and passers-by of what service the company offered.

Choosing a name for the business was easier than deciding where in the yellow pages the service should be placed. In the first year, I learned not only that the company name should be listed in the yellow pages, but also that my own personal name should be listed within the business section because many pa-



Figure 2. Company Name and Logo

tients knew me only by name and reputation, not by the company's name. I believe this to be crucial for any oncology nurse branching out within a subspecialty area because previous patients provide initial referrals. The company name, logo, and phone number and the phrase "Reclaiming Health and Wellness After Cancer" were placed on all outgoing marketing materials, educational materials, and brochures. All materials were printed professionally with a glossy finish in matching colors. The written materials were the main source of advertisement to the physicians in town, and many commented on the professional image of the printed matter.

I routinely speak to various breast cancer support, American Cancer Society (ACS), and women's groups within a 100-mile radius. Each session is filled with women affected by lymphedema or volunteers who do not know what to tell people when they call for information. Within my presentations are pre- and post-treatment pictures of patients with various forms of lymphedema. At the end of one year, I presented physician grand rounds at the local community hospital. This engagement not only provided the forum for education but also allowed me to dispel myths that "lymphedema doesn't exist" by showing photographs, relaying patient stories, and gently providing facts when physicians questioned its existence.

Additional marketing efforts have included working closely with ACS on issues related to lymphedema and sponsoring a lymphedema recognition day with a local community hospital in conjunction with ACS. These efforts have been successful in boosting the company's visibility. More than 60 patients and families and extensive media coverage at a National Lymphedema Day celebration provided my company with local newspaper, radio, and television visibility.

A Young Practice: The First Two Years

Critical to a new practice are flexibility and acceptance of every patient who calls to ask questions or request an appointment. I saw patients around their work schedules, appointments with physicians, children's needs, and other obligations. Developing a practice means being available, being receptive, and working around patients' schedules. This is communicated quickly to other patients, families, and referring physicians.

The patients who came to my practice during the first year presented with very complex, nonstraightforward secondary lymphedema. All of the women I saw in the first year had received some type of lymphedema treatment elsewhere but without success. Therefore, although they were hopeful about seeing me, they also were very skeptical of the treatment plan.

On evaluation, many patients stated that the fact that I was an oncology nurse and understood them as people with cancer gave them some faith in the treatment plan before it was

started. Many patients described being emotionally strengthened as well as physically improved at the end of the treatment period, which I believe is a direct result of being treated by an oncology nurse.

In the second year, my patients, the majority referred by physicians, had more symptoms than signs of lymphedema, including shoulder pain, upper arm pain, and trunkal or breast heaviness. They were referred because their physicians had been unable to explain their symptoms. In my progress letters, I always mentioned that symptoms almost always precede visible signs of enlargement.

Upon treatment completion of each patient, I send a comprehensive letter to all of the physicians whom the patients listed as caregivers, providing them with changes in objective measurements, symptom improvements, pre- and post-treatment photographs, education about lymphedema, and what to expect in the future. With each letter, I include an information brochure about myself. The intent is four-fold: to educate healthcare providers about the condition, establish myself as an expert, demonstrate that I am collaborative, and remind them to refer other patients to me. At 12 months, my referral base had increased to 10 physicians.

Challenges

The challenges of creating the business have been limited to reimbursement issues, not unlike those in any healthcare setting. Most patients are willing to expend some finances for supplies, garments, and the initial visit. Because the practice is my own and I know how many patients I need to see to be financially viable, I allot the necessary amount of time that patients require. An initial consultation, which includes an extensive history, physical examination, education with diagrams, and picture taking, always is longer than follow-up treatment visits. Patients immediately recognize the amount and depth of the education they receive. They are grateful to be empowered to manage their symptoms and are willing to pay for it.

I believe that nurses often have the impression that we should provide services without asking for remuneration. Yet my patients have taught me that they would rather pay than not have the services I provide. I have been told repeatedly that to not pay me could lead to closing the business, and that is a service they do not want to lose. I am extremely flexible and make exceptions for nurses and those who are challenged financially. The case mix of my patient population allows me this luxury.

Revenue

Most billing managers know that no consistency exists among insurance carriers as to what services are denied or reimbursed. Practitioners must be tenacious with denials, requesting in writing why a claim or code is denied. I have been reimbursed consistently

when entering into this type of dialogue with insurance providers. In addition, I track the percentage collected from each insurance agency and always compare each patient's needs to his or her agency's track record in covering those services. I question any gross differences. In the beginning of a practice, performing billing and collections personally is crucial because those activities pertain to the evaluation and viability of the services offered and the business itself. Only through being involved at every step of the process can an owner determine how to adjust a business to maximize revenue.

After the first year of acting as billing manager, I was able to devise billing sheets that I could fill out at the time of each visit and then forward to a person to complete the coding and follow up with collections. Now I have a billing manager who contacts every patient after the initial visit and handles all billing aspects. She reviews patients' benefits and follows up with letters to the patients about their benefits. She traverses the insurance networks for patients, obtains referrals, calls for letters of medical necessity from referring primary care physicians, and tracks claims. When I hired her, I did so with the intention that she would serve as an advocate for patients and my company. A good self-employed billing manager generally receives 8%–10% of net collections.

Knowing that reimbursement is a potentially long-term, serious issue, I have continued my work with ACS. Together, we drafted bill H-383, mandating reimbursement of lymphedema supplies and services in the state of Vir-

ginia. We gathered support for it among legislators, and I testified before the Insurance Commission on Mandated Health Benefits. The bill was passed into law in January 2004. Although political activism was the last thing in which I wanted to become involved, the issue clearly affects the viability of my business.

Evaluation and Reevaluation

A small business needs constant reevaluation and creative, possibly new, avenues of action. It requires intuition, faith, confidence, and commitment to operationalizing those talents. As my business grows and reevaluation highlights areas that require adjustment, I respond quickly, creatively, and collaboratively if necessary. Because of the satisfaction that patients have had with the services I offer, I explored establishing a four-hour clinic at the community hospital. I have been met with a warm acceptance for what I can bring to the hospital's patients.

The hospital was familiar with me from patient comments, and the administration invited my collaboration as an additional service they could offer to its patient population. This new program and clinic are offered within the walls of the Radiation Oncology Department and are open to any patients who self-refer or are referred by their physicians. Advertising of this program to potential physicians includes a phone number that reaches a secretary for immediate scheduling and a pager that makes me accessible during daytime hours for phone consultation. This type of community outreach and creative collaboration provides an additional referral base and subsequent rev-

enue source. Without a doubt, this has been one of the most interesting times in my professional life.

Nurses have so many different talents to offer, yet few are encouraged to embrace and celebrate their uniqueness. I encourage thoughtful consideration of the special services nurses can offer to the communities they serve. This type of practice could be an opportunity for nurses to offer programs or services that hospitals are eliminating, such as support groups, exercise classes, and educational programs. Capitalizing on talents or services can help nurses secure new job positions or keep endangered ones. Nurses just need to remember to market their talents and offerings. Too common is the pitfall when nurses assume that their value, potential, and abilities are recognized. Patients and colleagues do not know what nurses are capable of unless they tell them and show them.

Bibliography

- Adams, B. (1996). *Streetwise small business startup*. Holbrook, MA: Adams Media Corporation.
- Anthony, J. (1995). *Kiplinger's working for yourself*. Washington, DC: Kiplinger Books.
- Buppert, C. (1999). Practice ownership: Legal and business considerations for the nurse practitioner owner. In C. Buppert (Ed.), *Nurse practitioner's business practice and legal guide* (pp. 306–382). Gaithersburg, MD: Aspen Publishers.
- Loper, A. (2001). Contract negotiation. In D. Robinson & C. Kish (Eds.), *Core concepts in advanced practice nursing* (pp. 306–316). Philadelphia: Mosby.