Maricopa Audiology and Hearing Aid Center
Business Plan

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Maricopa Audiology and Hearing Aid Center is committed to providing the best available and affordable care for hearing and balance disorders in children and adults in a respectful and comfortable environment.
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EXECUTIVE SUMMARY

Maricopa Audiology and Hearing Aid Center is a private practice that will offer comprehensive audiology diagnostic and hearing aid services as well as community hearing health services for people of all ages in the city of Maricopa, Arizona. The Center is a Sole Proprietorship owned by Dr. X, an audiologist and licensed hearing aid dispenser. Dr. X will operate audiological services and will be assisted by a front desk receptionist in office.

The practice will offer diagnostic audiology including auditory brainstem response (ABR), otoacoustic emissions (OAE’s), audiometric evaluation, and immittance testing, as well as balance and dizziness assessment through videonystagmography (VNG) and tinnitus assessment to patients of pediatric age through adult within the Center. Hearing instruments including hearing aids as well as assistive listening devices (ALD’s) and custom earmolds will be provided. Services outside of the clinic include aural rehabilitation courses, community health screening events, audiology services within the local school district, and induction loop system installation.

The field of audiology has and will continue to have an ever-growing market due to an increasing awareness of the importance of hearing health care. The importance of hearing identification and diagnosis of hearing disorders in infants brings awareness of hearing health to the youngest population. Noise-induced hearing loss is becoming more common among the younger generations. The knowledge of hearing loss associated with aging in relation to the rapid growing older population brings the awareness to the large baby boom generation.

Advances in medicine, a greater awareness of hearing health care, and a projected increase in those seeking specified medical attention brings audiology to the forefront of medical care. Maricopa Audiology and Hearing Aid Center will bring the knowledge of hearing health care to the rural community of Maricopa and will serve all age ranges within the community of Maricopa.

COMPANY DESCRIPTION

Maricopa and Hearing Aid Clinic is a sole proprietorship that is located in the city of Maricopa, Arizona, just 30 miles south of Phoenix, Arizona. The clinic will be operated by Dr. X who received her Doctor of Audiology degree from A.T. Still University - Arizona School of Health Sciences. Dr. X will perform comprehensive audiology diagnostic and hearing aid services for individuals of all ages in office. Dr. X is committed to continuing her education by regularly attending continuing education classes, in-services, and conferences hosted by hearing aid manufacturers, local and national organizations, and hospitals.
All office staff of Maricopa Audiology and Hearing Aids, including the current front desk receptionist and future employees, will have at least studies and/or experience in their respective specialties, with previous experience in audiology practice setting preferred. The receptionist should have an associate’s degree in administration (or equivalent to business), medical assistance, or undergraduate degree in Communication Disorders (or equivalent). They shall have knowledge of or will complete training in computer software and/or medical billing, and must be friendly and polite to patients and have an understanding of working and cleaning hearing devices. All staff who are hired on in the future will follow requirements that will be developed as needed.

The office will have one testing room with a sound booth and immittance measures, another testing room that will consist of videonystagmography testing with a test table, computer, and projector, and a third testing room for Auditory Brainstem Response and Otoacoustic Emissions testing with a comfortable lounge chair. There will be a separate office for hearing and hearing aid, ALD, and hearing protection consultation. The lab will consist of hearing aid troubleshooting and maintenance equipment and storage. This clinic will have access from the parking lot for patient confidentiality and comfort. Rent for the building will be charged by the owners and determined by the square footage of the office space. Potential outside professional services will be provided in the future by a banker, accountant, attorney, equipment service technician, and computer technician as the clinic grows.

Maricopa Audiology and Hearing Aid Center will be successful as it will be the first to enter the hearing healthcare market in the area and there are very few audiologists for the population throughout the surrounding area. It will provide affordable access to audiology for those in the city of Maricopa and surrounding areas. Maricopa, Arizona is a fast rising rural-urban community that consists of many individuals that currently travel north to the East Valley area for employment as well as health care, including audiology services. There are many health care offices within the city of Maricopa that the Center will have the opportunity to market to.

Maricopa Audiology and Hearing Aid Center will provide comprehensive audiology diagnostic and hearing aid services that include:

- comprehensive behavioral hearing evaluations for all ages,
- electrophysiological evaluations for all ages (Auditory Brainstem Response, Otoacoustic Emissions),
- balance and dizziness evaluation and treatment (Videonystagmography),
- tinnitus evaluation and treatment options,
- hearing aid evaluation and fitting options,
- verification measurements of instrumentation,
- assistive listening device evaluation and fitting,
h. aural counseling and rehabilitation, and
i. evaluation and fitting of custom earplugs for hunters, noise, musicians, and swimming.

Services to be provided within the community include:

a. aural rehabilitation courses held at the local and surrounding area community and senior centers,
b. community health screenings through partnership with the city of Maricopa,
c. partnership with local school districts to provide audiological services to students, and
d. offering induction loop system installment throughout the community.

Our goal at Maricopa Audiology and Hearing Aid Center is to provide advanced hearing health care services in a cost effective method and professional manner and amicable atmosphere to the community of Maricopa and surrounding areas.

**MARKET RESEARCH**

**Market Scope**
Maricopa Audiology and Hearing Aid Center will be located in Maricopa, Arizona. The city is a thriving and diverse area located in Pinal County and is approximately 30 miles outside of Phoenix. The city has been transforming into a rapidly growing urban community, but also holds on to its rural community roots. It embraces the “clean and green” mentality attracting leaders in the renewable energy arena to the community. The city’s largest employee bases include the local casino, the school district, Wal-Mart, and the city office.

Maricopa had an estimated population of 48,439 for 2012 and projected population in 2017 of 52,048 (ESRI Community Analysts Demographic and Income Profile Report). The population includes individuals of all age ranges with 25.6% of the population in the age range of 5-19 years, 13.7% of the population between the ages of 25-34 years, 11.3% are between 35 and 44 years, 11.9% are 45 to 54 years, 9.9% are between 55-64 years, and 10% are 65 years and older. The median income for a household in the city was $67,692 and the median income for a family was $69,818. About 3.7% of the families and 5.2% of the population were below the poverty line.

ESRI’s Community Analysts have created a Demographic and Income Profile of the 2010 census, 2012 estimates, and projected outcomes for 2017. The numbers are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Census 2010</th>
<th>2012</th>
<th>Projected for 2017</th>
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<tbody>
<tr>
<td>Population</td>
<td>43,482</td>
<td>48,439</td>
<td>52,048</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$67,692</td>
<td>$70,356</td>
<td></td>
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Compete

Maricopa is currently underserved by audiologists. According to many sources, the closest city to offer audiological and major health services is Sun Lakes, Arizona which is located about 15 miles outside of town. According to the findings of the 2009 City of Maricopa Survey, a relatively large number of residents work within higher value added (i.e. higher wage) industries such as manufacturing, finance and insurance and medical professions. About 71% of the employed population of Maricopa work outside of the city and commute an average of 16 or more miles to work each day. Most of the residents of Maricopa are employed with health benefits.

<table>
<thead>
<tr>
<th>Nearby Cities</th>
<th>Towns and Cities</th>
<th>Miles from Maricopa, AZ</th>
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<tbody>
<tr>
<td>Ak-Chin Village</td>
<td>3.1</td>
<td></td>
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<tr>
<td>Stanfield</td>
<td>13.1</td>
<td></td>
</tr>
<tr>
<td>Sun Lakes</td>
<td>14.5</td>
<td></td>
</tr>
<tr>
<td>Santan</td>
<td>16.5</td>
<td></td>
</tr>
<tr>
<td>Sacaton</td>
<td>17.9</td>
<td></td>
</tr>
<tr>
<td>Casa Grande</td>
<td>20.9</td>
<td></td>
</tr>
<tr>
<td>Chandler</td>
<td>20.9</td>
<td></td>
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<tr>
<td>Guadalupe</td>
<td>22.2</td>
<td></td>
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<tr>
<td>Gilbert</td>
<td>25.3</td>
<td></td>
</tr>
<tr>
<td>Tempe</td>
<td>25.9</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Nearest Big Cities</th>
<th>Miles from Maricopa, AZ</th>
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<tbody>
<tr>
<td>Chandler</td>
<td>20.9</td>
</tr>
<tr>
<td>Gilbert</td>
<td>25.3</td>
</tr>
<tr>
<td>Tempe</td>
<td>25.9</td>
</tr>
<tr>
<td>Phoenix</td>
<td>27.0</td>
</tr>
<tr>
<td>Mesa</td>
<td>28.4</td>
</tr>
<tr>
<td>Scottsdale</td>
<td>32.4</td>
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<tr>
<td>Glendale</td>
<td>34.2</td>
</tr>
<tr>
<td>Peoria</td>
<td>37.8</td>
</tr>
<tr>
<td>Tucson</td>
<td>87.2</td>
</tr>
</tbody>
</table>

Maricopa has a large multi-specialty group of medical practices including dental care, eye care, and physical therapy. There is lack of Otolaryngology/Ear, Nose, and Throat specialists within the around the area, highlighting a need for more health services. As a city, they are committed to building a healthcare community that can service the growing needs of its many young families and expanding retiree population. Banner Health Center is located in Maricopa and includes primary and specialty care and has about 20 medical staff. The largest healthcare centers include Agave Family Physicians PLLC (specialty care) and Sun Life Family Health Center, Inc (primary care). Having healthcare services nearby allows for an expanding referral
source to Maricopa Audiology and Hearing Aid Center. The city continues to target the healthcare industry and is eager to engage with interested healthcare providers and related companies on opportunities for public/private partnerships.

**Market Potential**
It is estimated that over the past 5 years, the city of Maricopa population has increased about 43%. The increasing population and expanding market is confirmation that there is a need for a boost in healthcare and specialized healthcare services provided within and around the city. The number of business and housing are only increasing. The current growth rate of the population, the estimated growth rate, and the rising number of individuals being identified with hearing loss nationally brings an interest for hearing health care to the underserved areas of the state of Arizona. Maricopa Audiology and Hearing Aid Center will be the first to enter the market in the city of Maricopa and will prevail because it will maintain a high quality of services and professional relations within the community that is cost efficient. There are a number of referral sources within the surrounding health community that the clinic can market to for audiological services.

Maricopa Audiology and Hearing Aid Center will prosper within the first year of service and beyond. The number of referrals, word-of-mouth, and marketing will increase throughout the first year and continue into the future of the clinic. With the rapid changes in technology and research in audiology, services will be expanded and updated throughout the clinic's lifetime.
PRODUCT/SERVICE LINE

Through marketing to local physicians and medical centers, as well as to the community through advertisements about the following services provided, Maricopa Audiology and Hearing Aid Center will develop a strong referral and patient base to thrive. The Center will provide the following comprehensive hearing health evaluations to individuals of all ages:

Maricopa Audiology and Hearing Aid Center will provide comprehensive behavioral hearing evaluations to determine the type of hearing loss the patient may present with. Behavioral evaluations in children will include Visual Reinforcement Audiometry (VRA) using a condition response paradigm and Condition Play Audiometry (CPA) using a task as a response to stimuli. Electrophysiological evaluations including Auditory Brainstem Response (ABR) and Otoacoustic Emissions (OAE) are objective measures for assessing hearing. Videonystagmography (VNG) will be conducted to rule out inner ear pathology that may be the cause of imbalance or dizziness in patients. Tinnitus, or perception of sound within the human ear without external stimuli, will be evaluated and treated within the office in combination with behavioral audiometric evaluation, as it is common among the adult population, and will be evaluated and treated within office. ABR, OAE, VNG, and tinnitus evaluation and treatment will be conducted on only adult patients at this time.

For those individuals pediatric through adult with diagnosed hearing loss, hearing aids may be the best option for improved communication. Maricopa Audiology and Hearing Aid Center will offer a variety of hearing aid manufactures to fit the needs of each patient. Hearing aids are best fit through the use of objective probe-microphone verification measurements, which will verify that the prescribed real-ear gain of the hearing aid is meeting desired targets. Assistive listening devices will be offered to individuals to provide hearing ability for a variety of listening and communicative situations.

Aural rehabilitation and counseling will be provided to patients with identified hearing loss as well as through community courses, and will focus on adjusting to hearing loss, getting the best use out of hearing aids, and improving conversations in small and large group settings. Custom earplugs will be advertised and offered through the Center to those that enjoy noisy recreational activities such as hunting/shooting and music or for those that enjoy swimming.

Maricopa Audiology and Hearing Aid Center will partner with the local health outreach programs to provide hearing screenings throughout the community, including the schools and community centers. Dr. X will meet with the local school administrators as well as local preschools and daycares to discuss the Center providing hearing screenings. Lastly, the Center will offer installation of induction loop systems within the homes and will provide information for larger businesses and churches in the community on the importance of induction loops for those with hearing impairment.

Revenue and Sales Forecast
Maricopa Audiology and Hearing Aid Center’s major source of revenue will be generated by diagnostic procedures and the sale of hearing aids and assistive devices. The projected hearing aid sales are that Maricopa Audiology and Hearing Aid Center will sell an average of 21 hearing
aids per month for the first year of services. This large average and other large number of services can be related to the number of referrals and the amount of marketing the clinic will be doing throughout the year.

The balance and vestibular services as well as the tinnitus services the clinic will be providing will serve the growing number of individuals suffering from these disorders every day. This will be a unique service to the growing area of Maricopa and will keep hearing healthcare within the city. The clinic will keep track of its number of patients that are referred from physicians and other healthcare professionals and will base its marketing success to physicians on that. Hearing aid sales and both vestibular and tinnitus evaluation and treatment will increase the cash flow of the practice.

**Service and Product Delivery**
Diagnostic hearing testing at Maricopa Audiology and Hearing Aid Center will be offered to patients of pediatric through geriatric age and will be provided by Doctor of Audiology, Name Removed. All cleaning and repairs of hearing aids and/or cochlear implants will be done by the staff in office or audiology services outside of the clinic if necessary.

Appointments will be made in half-hour to one hour time blocks for best patient care. Follow-up appointments are made during the current appointment and will be a minimum of 30-minutes. Scheduling is flexible for all patients and is based on the severity of the condition(s). The office will be available for patient walk in between 8am and 9am, and from 12pm-1pm. Regular appointment scheduling can be made between 9am and 12pm, and 1pm to 5:30pm Monday through Friday. Maricopa Audiology and Hearing Aid Center will also offer house calls on a case-by-case basis, including senior living home visits.

All patients are important to Maricopa Audiology and Hearing Aid Center and will be treated with respect and their needs are given first priority by all staff.

**Fees**
At Maricopa Audiology and Hearing Aid Center, payment is due at the time of service for the following, unless submitted for insurance payment:

- a. comprehensive behavioral hearing evaluations,
- b. electrophysiological evaluations (Auditory Brainstem Response, Otoacoustic Emissions),
- c. balance and dizziness evaluation and treatment (Videonystagmography),
- d. tinnitus evaluation and treatment options,
- e. hearing aid evaluation and fitting options,
- f. verification measurements of instrumentation,
- g. assistive listening device evaluation and fitting,
h. evaluation and fitting of custom earplugs for hunters, noise, musicians, and swimming.

At the time of purchase of hearing aid(s), a payment of half of purchase price is due with the other half being due at time of fitting. All procedures and service fees and non-refundable fees, including insurance billing procedures, will be fully disclosed to the patient at the time of service. A purchase agreement will be signed at time of service as well, including terms of hearing aid purchase- cost, services, discounts offered, and battery package plans. Patients will be offered a 30-day trial period in which the patient will have the ability to wear the product outside of the clinic and have the option to change the style or manufacturer of the hearing aid at no cost. If returned, the hearing aids will be refunded at full cost with a service fee of $150 per aid. Each manufacturer offers at least one-year warranty at no cost to the patient. A longer warranty may be purchased at the patients’ expense through a hearing healthcare plan developed by Dr. X. Maricopa Audiology and Hearing Aid Center services will be contracted with Medicare and private contract insurances and all fees will be based off of the Medicare Fee Schedule.

Service and Product Support
All audiological services will be completed, documented, and dealt with in an ethical manner. Maricopa Audiology and Hearing Aid Center will offer diagnostic testing for all ages. Diagnostic services will be offered to those patients that come to the office by self or physician referral seeking hearing, tinnitus, and balance evaluation and treatment. All services will be provided by a certified and licensed audiologist or by the audiology assistant under direct supervision.

All procedures and service fees (refundable, non-refundable and those submitted to insurance) will be fully disclosed to each patient by the receptionist before the appointment begins or during the appointment if necessary. Insurance billing procedures will include a signed agreement for if insurance company declines coverage, resulting in the patient is financially responsible for services provided. A purchase agreement will be signed at the time of purchase of hearing devices and will include costs of each item purchased and total cost, offered discounts, and batteries and services for the amount of offered months/years.

Typed reports will be sent to any referring healthcare provider as needed within 48 hours of the appointment. All equipment will be calibrated, maintained, and upgraded as needed. Patient and provider feedback will be followed closely and managed. Current topics regarding hearing, tinnitus, and balance disorders will be followed closely through journal subscriptions and continued education.
MARKETING & SALES

Marketing
Maricopa Audiology and Hearing Aids will use a variety of advertising channels to increase exposure of the clinic to its target audience. Short- and long-term marketing goals will be created within four months of the doors opening for service. Marketing will begin one month prior to the first day of service in the local newspaper and the development of the offices website. The following are advertising channels Maricopa Audiology and Hearing Aid Center will incorporate:

Physician/Health Care Professionals: Beginning three months prior to the first day of service and continuing throughout the lifetime of the clinic, the staff will spend a significant amount of time visiting local physician and health care offices and establishing referral relationships. A folder with information about our practice including a clinic brochure, list of services provided, a referral protocol, fax sheets for referrals, and business cards for the patients, will be provided to all physicians and clinics visited. This marketing will be used as an educational service to the health care professionals to teach them on indications of hearing loss and balance disorders.

Website: The Center will have a comprehensive website that provides information on products and services as well as forms (in PDF format) available for print, a Frequently Asked Questions section, hearing device information, and anatomical and physiological aspects of the ear.

Internet and online advertisement: The Center will use ads on websites for the local area.

Printed advertisement: The Center may place an advertisement in the local newspaper and community magazines with clinic name and the audiologists name, business hours, phone number, and services. These advertisements will be dispersed throughout the calendar year and will increase during the “Snow Bird” season.

Open house: The Grand Opening will be held within the first three months of service to open its doors the public and invite physicians, ENT specialists, and other medical personnel to visit and ask questions.

Public marketing: The Center will spend time visiting local senior centers, health commissions, service organizations, and will participate in local health fairs to educate the community on hearing health care. This will occur throughout the year during scheduled meetings with each location.

Aural Rehabilitation Course: The Center will offer aural rehabilitation courses at the local community centers for a small fee. These courses will provide information on hearing and hearing loss, amplification, communication strategies, and audiological services. This is an easy
way to allow the community to get to know the audiologist and learn firsthand what audiology entails.

*Printed Material:* The Center will provide to all office visitors printed material on the services that are provided in office, information about hearing loss, hearing aids, assistive devices, communication strategies, noise protection, and a variety of other information as needed. All printed material will have the Center logo, address, and provider information.

Short- and long-term marketing plans will focus on increasing referrals from physicians and other health professionals in the Maricopa and surrounding areas. We will market directly to patients who are suffering from hearing loss, balance problems, and tinnitus.

**Growth**

Maricopa Audiology and Hearing Aid Center will continue to grow and expand creating more income as it grows. The Center will begin incorporating further testing such as newborn hearing follow-up diagnostic testing and Auditory Processing Disorder testing (APD) in its future. Income will be allocated towards the purchase of newer equipment for the diagnostic testing, as well as hiring additional staff. The Center may expand into another office, opening up more avenues for revenue. Partnerships with fellow audiologists and other health care practitioners, such as an Otolaryngologist, Otoneurologist, or Ear, Nose, and Throat specialists is a possibility for the future of Maricopa Audiology and Hearing Aid Center.

**SWOT Analysis**

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<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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<tbody>
<tr>
<td>• First to enter the market in Maricopa-limited competition</td>
<td>• Younger age of population</td>
</tr>
<tr>
<td>• Growing population and rising median income</td>
<td>• Lack of office space in Maricopa</td>
</tr>
<tr>
<td>• Strong referral opportunities</td>
<td>• Lack of knowledge by residents on audiological services</td>
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<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Development of relationships with local medical services</td>
<td>• Many citizens commute to the Phoenix area daily</td>
</tr>
<tr>
<td>• Multiple sources for marketing</td>
<td>• Other audiologists entering the market</td>
</tr>
</tbody>
</table>
FINANCIAL PROJECTIONS

Start-up costs will be funded by Dr. X’s personal savings of $75,000 and a small business loan (7(a)) of $150,000 through a participating lender institution. The practice will have a line of business credit through a bank with a small credit limit for start-up. According to the attached pro-forma profit and loss statement, this will cover the first year of expenses and capital expenditures (total liabilities) of $197,444.89. The projected cost for purchases for the start-up of the clinic is $78,050.00. This includes everything from the audiometer, the sound booth, and VNG equipment, most of which will be purchased used. Based on the analysis of the pro-forma statement, the clinic should break even early in year one, resulting in a year-end profit (net-income) of $308,785.11.