Development of a Healthcare Consulting Firm Focusing on the Financial Elements of the Medical Practice

Business Plan Submission

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This business plan is for a new healthcare consulting firm which focuses on the financial elements of the medical practice. It is fully owned and operated by its President and CEO. Consulting services offered by this firm include Revenue Cycle Management, Financial Reporting, Operations Management, Practice Management System RFP, Selection and Implementation processes, FQHC Setup and Operation, Corporate Compliance and Quality Reporting programs for medical practices of all sizes.

Due to the fast paced environment of today’s healthcare and the avalanche of changes that are required to stay in compliance, it is imperative for businesses to have access to professionals who can maximize revenue and improve workflow processes to ensure the financial viability and longevity of their company. With new federal regulations, implementation of the Accountable Care Act and now possible dissemination of the ACA, organizations are struggling to meet the requirements of daily pressures to minimize costs, increase productivity and continue to be able to provide the highest level of quality care. This is a difficult task at best. This consulting firm can help.

The owner is an independent consultant with 35 years of experience in the healthcare industry, focused on Physician Practice Management and Revenue Cycle. She has her B.S. in Business Administration and has completed her certification with the American College of Medical Practice Executives and is working towards Fellowship. She has been a member of MGMA for 24 years and has held board level positions at the state level for MGMA. She is the sole owner of this firm. All activities are at her direction.
Executive Summary

The Company

The firm is a healthcare consulting firm that focuses on revenue management for medical practices. Our primary focus is Revenue Cycle Management, Financial Reporting, Operations Review and Redesign, FQHC Implementation and Operation, IT System Selection and Implementation, Third Party Software Optimization, Corporate Compliance and Quality Management Reporting System Implementation. Each of these areas of opportunity directly affects the cash flow of today’s medical practice.

Each consulting service is tailored to the individual needs of the organization. Whether it be patient access and flow, physician productivity, physician satisfaction, reimbursement issues or reporting, this firm has the experience and ability to deliver answers for your organization. We also offer services to navigate the new incentive programs for multiple payers to increase revenue.

Today, many healthcare consulting firms have a primary focus of hospitals. The sole focus of this firm is the medical practice. Whether the client is an independent practice, hospital owned practice, academic practice or an integrated practice, we can help you. Your medical practice is our main focus. The CEO has had demonstrated experience in working with clients to resolve issues, reduce costs, improve cash flow and implement Best Practice protocols.

Venture Organization

The consulting firm is a new business that is filed as a limited liability company which offers services to medical practices, hospital owned physician practices, university practices with teaching programs and integrated delivery systems. This consulting firm is solely owned by its President and CEO, who has 34 years of experience in relevant areas of healthcare, finance and practice management software. The company is supported by clerical help based on need.

Market Opportunity

Regulation in the healthcare arena has grown exponentially. With the passage and implementation of Hitech, HIPPA, the Balanced Budget Act of 1997, the Administrative
Simplification Act, the Accountable Care Act, MIPS and MACRA, CPC+, MDPCP programs and ICD-10 standards, healthcare providers need to leverage their knowledge with outside intervention to be able to meet the rigorous standards that have been put into place by the government and commercial carriers. Success and increased revenue are dependent on each of these programs. Lack of adherence to regulations or enrollment in new programs can be the death of a practice. Payment increases or losses are tied to the rules that have been put into place.

**Capital Requirements**

Startup costs for this business will be low due to the size and scope of the initial business model. There will not be a separate office for the first year. The business will be operated out of the home of the business owner. The total expected investment for the first year will be $25,000. This $25,000 is distributed in the following manner:

- Fees to BIZ to initialize the LLC including state fees: $2,850
- Attorney Fees: $3,000
- Initial Equipment fees: $6,500
- Website Development and Advertising: $5,000
- Professional Liability Insurance: $2,500
- Continuing Education: $2,500
- Accounting Services: $1,200
- Miscellaneous Expenses: $1,450
- Total: $25,000

This will cover the first year of business for the consulting firm. In the second year, there is an expectation of growth and expansion. Growth will require the addition of a partner in year two. This will also necessitate the addition of some clerical staff to manage the office and day to day business that is generated by the expected growth.

The expectation is that the buy in fee for the new partner will substantially cover the costs for office space and initial salaries for clerical staff. The buy-in cost will be $100,000. This will give the partner a 40% ownership of the consulting firm.
**Venture Financing**

This company will be fully funded by the original owner for the first year. All of the expected fees will be used to build the infrastructure of the company, create the legal structure and create the marketing materials. The CEO has been networking and building her reputation in each state for 34 years in preparation for the creation of this company. By keeping the costs at a minimum, the owner will be able to build some capital to relocate to a “brick and mortar” site in year two.

**Mission Statement**

To deliver innovative and reliable strategies to our clients to improve their financial position, allowing them to focus on their practice of medicine.

**Management**

The owner has 34 years of experience in the healthcare industry in multiple states with a focus on Physician Practice Management and Revenue Cycle. Her experience ranges from small practices to very large organizations including corporate management of medical practice revenue cycle. She has her B.S. in Business Administration and has completed her certification with the American College of Medical Practice Executives and is working towards Fellowship. She has been a member of MGMA for 24 years. She is the sole owner of this firm. All activities are at her direction.

Year two will bring the addition of a partner. The owner will be recruiting a partner with deep industry knowledge and demonstrated experience in the areas of expertise that the firm promotes. The ideal candidate will have worked in the Mid-Atlantic area and have developed relationships that will enhance the firm’s offerings.

**Competitors/Competitive Advantage**

There are many firms that offer services in the healthcare environment. Consulting firms range from very large firms to small independent consultants. My firm stands out among the field of consultants due to its solid reputation of revenue enhancement for medical practice clients and demonstrated experience in the field. A key differentiator for this firm is that our focus is the medical practice. We do not offer consulting services for hospitals. We have developed processes based on Best Practices that have been drawn from both experience and MGMA’s wide resource library and educational sessions. The firm will also employ only qualified/certified staff
to carry out the efforts of each assignment. A primary qualification will be demonstrated experience in their area of expertise. This qualification is one of the areas that allow this firm to rise above the others. We are a mid-Atlantic firm that will initially specialize in a tristate market including Maryland, New York and Pennsylvania. Each state enhances federal regulations by adding additional layers of requirements that increase the complexity of healthcare compliance in their state.

**Financial Projections**

The financial projections for this company have higher expectations due to the low initial costs. The income statement shows the following EBIT for the next three years:

2019 - $119,283

2020 - $250,633

2021 - $395,384
ORGANIZATIONAL PLAN

Mission

The mission of this firm is to offer services to medical practices to improve their financial position and increase cash flow. Year one would include speaking engagements and limited services to practices while marketing and brand recognition expand. By year two, the expectation is to be able to increase services with an additional professional, expanding the billable hours and consulting opportunities.

Business Model

The model for this business would be a sole proprietor for the first year. As the business grows additional resources would be added to meet the consulting need. Each consultant for this group would be required to have demonstrated experience and education/certification in their field of expertise. The high standards for both attributes are not a norm in the industry. Year two would include adding a partner to the organization.

SWOT Analysis

The strengths of this organization would be the demonstrated experience of the consultant in medical practice finance and revenue cycle for both small to very large groups. Flexibility to meet the need of the client and produce outstanding results is an additional strength. Design of the engagement will adhere to the culture of the hiring organization.

The weakness for this firm would be having only one consultant for needed services which would limit the number of engagements that could be taken at one time. To reduce this problem, the owner has existing relationships with other consulting firms to fill immediate needs of the medical practice should additional help be necessary. The second area of concern is having the correct marketing plan to be able to make important associations and introductions necessary to build the business.

Opportunities for growth through expanded services are exponential. Educational speaking engagements, onsite education for groups, workflow review and Clinical Documentation Review are all areas of expansion not listed in scope of services information.
Threats to the organization could develop from being unable to meet commitments based on limited consultants, limited marketing and size of the organization. Additionally, the field of revenue cycle consulting is prolific. There are very large national firms (i.e. MGMA Consulting, Deloitte, Ernst & Young, KPMG and The Advisory Board) and local firms which work to capture the consulting market.

**Strategy**

A decision on a target market is the first step in the strategy for this company. Now that the decision has been made to offer services in the Mid-Atlantic States along with New York and Pennsylvania, step two is to develop a services offering that will meet known needs in the medical practice community. As soon as this product offering is ready, and the business has been officially organized, the next step would be to develop a marketing plan for the targeted areas. It would be imperative to have the company legally in place and ready to accept requests for services prior to the marketing campaign. Marketing should begin 3-4 months prior to the official start date of the business.

**Strategic Relationships**

The owner of this organization is a 24 year member of MGMA and has sat on MGMA state boards. She is an active participant in the state organizations and has worked in the tristate area for 34 years. She also has active relationships with national and local consulting groups, software vendors and third party software vendors. She has developed relationships with educational organizations and insurance carriers.

**Key Stakeholders**

The key stakeholder year one would be the owner. Year two, the expectation is that there would be two key stakeholders based on a buy in opportunity for a partner. Until that time all decisions would be the responsibility and authority of the sole owner.
PRODUCT/SERVICE

Purpose of the Product/Service

Consulting companies offer areas of expertise that are needed by the practice that is looking for advice. They either offer a service that is not available in the management team or offer a different perspective and solution to problems. They are also used for education of staff and development of new processes to meet industry needs. Consulting companies have also been used to develop new opportunities into a positive revenue cycle business. This business plan is to promote all of the above products for our firm. Sample offerings are listed below:

1. Operational Review of Scheduling process to improve access and provider efficiency
2. Implement Best Practice Protocols to streamline office procedures and improve customer satisfaction.
3. Charge capture review for possible lost revenue
4. Charge master review for revenue opportunity
5. EHR Template review for revenue capture
6. Denial Analysis for Root Cause – Education to prevent
7. Contract management review for payment variances
8. Key Metric development and implementation for ongoing practice monitoring

Unique Features

The unique features of consulting services are the flexibility of the company to meet the needs of their clients. A new service agreement is put together to for each engagement based on the services being rendered. Each engagement is then charged based on either project or hours. Additionally, each consultant for this company will be experienced in the field.

Product/Service Liability

When giving advice, there is always liability attached. The consulting firm will have liability insurance that includes Errors and Omissions. A company that is receiving information may use that information in a way that it was not intended. If there are poor results or the information does not work as intended, there could be a lawsuit filed. Hiscox offers this type of insurance for consultants as part of their business model. Hiscox will manage any complaints in coordination with the firm’s attorney.
**Related Products/Services and Spin-Offs**

Related products that will be developed will be training programs offered to medical practices that will educate their staff on new regulations. As MIPS/MACRA is creating havoc today in medical practices, tomorrow there will be a new MIPS/MACRA type project. The MDPCP program is new for 2018 which will propose a new payment model for practices. As the government continues to pass new legislation, medical practices have to stay abreast to stay afloat. This company will stay ahead of new programs so that training needs will be able to be met.

**Administrative Plan**

**Organization Charts**

Year One, the organizational charge will contain only the owner. Year two there will be an additional partner that will share the decision making spot. As the business grows, the organizational chart will expand.

**Operational Plan**

The operational plan for this firm would mimic the strategy. The home office allows for cost savings the first year and reduces the additional administrative functions that need to be handled. After administrative functions are in place (attorney, contracts, and malpractice insurance), step one would be to develop a listing of deliverable services. An expected time for completion of those services would also be necessary. Step two would be to develop a reporting mechanism that would allow the firm to deliver expected results and recommendations to the client. With the service and delivery mechanisms in place, marketing will begin.

It would also be necessary to start recruiting additional staff to work on a per diem basis so that if a need arose, the firm would have accredited and trained staff available to fill the need of the client.

As the firm starts to grow, it should also be looking for the partner for year two. This would allow for time to interview, and find the right partner for the consulting firm.
MARKETING PLAN

Marketing Strategy/Overview and Goals
The overall goal of the marketing strategy is to have market penetration to practices announcing the services that the firm will offer. Brand recognition in the physician/practice manager community is a goal to promote services that will be beneficial to the community and will improve the bottom line of those practices.

Market Analysis

Industry Profile

Current Size
Today there are over 200,000 medical practices in the United States. New regulation affects each of those practices. Whether they are independent 2 provider offices or 1500 provider practices, each group has to meet the same requirements.

Growth Potential
Industry regulation changes constantly. Each new regulation creates a new market for consultants. According to Modern Healthcare, with the implementation of the ACA, there was a 7.1% increase in consultant services over a 5 year period to show a $5.6 Billion consulting revenue in 2017. As practices continue to do more with less, education dollars are the first victim of lower reimbursements. Because of this, practices find it necessary to bring in expertise from the outside. There is also an appearance of expertise when consultants are brought in to educate physicians, which adds credibility to the educational process.

Many small medical practices are finding that it is nearly impossible to remain an independent practice without help. It is the mission of this firm to help the practice become as financially viable as they can, by maximizing the collections for the services that they perform and minimizing losses due to inadequate process flows.
Geographic Locations

This consulting firm is located as a home base in the mid-Atlantic. There is an international airport that gives access to the whole country. We specialize in Maryland, New York and Pennsylvania state regulations, but also have expertise with other states.

Major Competitors

Major competitors will be the existence of both large and small firms that offer consulting service. Large firms with many consultants such as KPMG, Deloitte and Ernst & Young are well known and have the manpower to take on an assignment quickly. Their weakness is their lack of relationships within the communities. Large firms also hire many young college grads with little experience. They are brilliant on paper with reporting, but lack in hands on experience. MGMA also has an excellent consulting service. The consultants are highly trained with outstanding experience. A disadvantage for smaller practices would be the high cost of the larger firms. Smaller local firms that offer the same service may be a larger competitor. They have been in the community and have built relationships.

Industry Trends

Industry trends are ever changing. There are consistently new rules and change in the existing rules. New regulations at the state of federal level affect the business of healthcare and also in many cases the delivery of that same care. The responsibility of this organization will be to stay informed and educated to be able to offer their clients a quality service on existing or new and upcoming regulations and programs.

Customer Profile

The profile of the intended customer is widespread. The medical practice can be large or small; it can be independent or part of a large group. The practice may have internal governance or be part of a larger integrated delivery system. The customer profile is not limited.
Market Research

Research has been done with regard to the number of physicians and the number of group practices in studies that used data from 2016. Statista.com says that there are 479,346 doctors in 2016. This statistic does not include the number of Advanced Practitioners that are in private practice. The rules continue to change, the “game” is harder. Many practices lack the knowledge or support to be able to navigate the Quality Program quagmire. MIPS/MACRA Reporting requirements are not easy, but are the key to additional funds. New payment models are the future. It is a difficult journey and takes a seasoned professional to help providers be successful in obtaining the funds that they would be eligible for with the new programs.

Marketing Strategy

Development of a website would be an initial step of the strategy. This would allow direct contact and provide a gateway for the medical practice administrator to review our offerings. As soon as the website is complete, attendance at trade shows, contact with trade organizations and medical societies, state and local MGMA sponsorship and direct mailings to practice managers will be the means for advertising the services of this company. Trade shows that will support this type of business are sponsored by MGMA, HFMA, State Affiliates of MGMA, the AAPC, State Medical Societies, HIMSS and other medical practice organizations. Additionally, becoming an AdminiServe Partner with MGMA will be an important aspect for marketing to medical practices that depend on MGMA as a source of qualified consultants. Direct marketing will also take place with contacts and organizations.

Implementation of Marketing Strategy

Marketing will begin 3-4 months prior to the start of the business with the development of the website 6 months prior to the start of business. The owner continues to build relationships with vendors, practices and providers so that when the firm is ready to begin services, direct marketing will begin and brand recognition will have commenced. An initial marketing budget has been set for the construction of the website and initial trade show support. The consultant will also donate services as a speaker to medical organizations to create interest.
Future Markets

Future markets will develop as new methods of payment are developed to meet the growing healthcare need. With the future of the ACA undetermined and potential loss of Medicaid dollars, practices need to understand the potential new payment models. Medicare has also announced possible new E&M requirements for FY19. This will affect every medical practice in the country. Finally, along with all of the new rules and regulations, there is still the opportunity for a consultant to help practices understand the existing rules and improve their financial status.
OPERATING AND CONTROL SYSTEMS

Administrative Policies, Procedures and Controls

Billing the Customers

Customers will sign a contract prior to the delivery of services. Customers will be billed monthly for services, unless there have been other arrangements negotiated. For services that take less than one month, services will be billed for at the end of the assignment. Expenses will be billed with monthly statements.

Paying the Suppliers

Suppliers will be paid within ten (10) days to receive 8% discount on invoice totals.

Collecting the Accounts Receivable

Receivables will be due within 30 days from invoice submission. Accounts with ongoing services will suffer an interruption of those services if invoice is not paid within specified time. Accounts 120 days past due will be sent to a collection agency for final collection unless other arrangements have been made. Collection costs will be an additional cost to the client should the account be sent to a collection agency.

Staff Development

Each staff member will be expected as part of their employment to keep their credential, whether it is CMPE, CPC other applicable credential, in good standing. Loss of their credential will be grounds for dismissal. Staff education will be part of the benefit package.

Monitoring the Company Budgets

Financial Reporting will be the responsibility of the management team.

Documents and Paper Flow

Each consulting engagement will have a formal contract that outlines the exact expectations of the engagement, from services, time commitment and payment expectations. There will also be a progress statement that is sent to the company for transparency of actions. This will keep the company informed of the progress of the projects. Finally, there will be an invoice for services and expenses.
**Planning Chart**

**Financial Requirements**

Invoicing schedule will be included in the contract and based on the length of the engagement.

**Marketing Flow Chart**

Advertising and website will be developed 6 months prior to first engagement expectation.

**Management and Infrastructure**

The first additional management team member will be hired at the beginning of the second year. This will be the partner. After that, we will hire additional team members as the business grows.

**Risk Analysis**

Potential risks for this business are delivering advice and recommendations to a company and then having them ignore your advice. It will be very important to have detailed reports of advice given in case of litigation.

**Growth Margin on Products/Services**

The gross margin potential for the first year will be higher than ongoing. Because there will be no facility costs year one and expenses will be paid, the gross profit margin increases. The expenses to calculate for a return on investment will be the licensing fees, annual costs and the depreciation of the equipment.

**Break-Even Analysis**

The Break-Even Analysis will be calculated on the startup fees. Year two, the break-even will include the incremental costs that are incurred due to having a “brick and mortar” facility.
GROWTH PLAN

New Offerings to Market

New products for this industry will be based on need. As a consultant, it will be necessary to watch the market and develop offerings for problems as they arise. By keeping on top of the market, we will be able to become a leader in the information highway that has developed in healthcare.

Capital Requirements

Year two there will be an additional partner for the expected growth. As the firm continues to grow, it will be the decision of the two partners on whether we will add employees or partners. Because this business needs limited assets other than knowledge, we will be able to grow with limited resources.

Personnel Requirements

Year two, there will be an expectation of an additional partner and possibly a part-time clerical person for managing the accounts receivable and requests for proposals that come into the company. If a chart auditing service is offered in year two, qualified auditors with a CPC certification will be hired.

Exit Strategy

The exit strategy due to the limited investment will be at the discretion of the owner. By taking fewer engagements, the owners would be able to exit at their discretion. If the business has grown exponentially, the financial reports would show the growth and would be the basis for selling her shares in the business.
FINANCIAL PLAN

Sales Projections
The numbers below are based on a part-time evaluation. The rates are based on hourly rates that are commensurate with the industry and therefore I feel that they are very fair.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Hours/Week for Weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One</td>
<td>$144,000</td>
<td>20 hrs./week for 48 weeks</td>
</tr>
<tr>
<td>Year Two</td>
<td>$288,000</td>
<td>40 hrs./week for 48 weeks (two partners)</td>
</tr>
<tr>
<td>Year Three</td>
<td>$432,000</td>
<td>60 hrs./week for 48 weeks (two partners)</td>
</tr>
</tbody>
</table>

Income Projections
Net income projections below are based on above assumptions. The company will be profitable from the start based on the low startup costs. Initial costs are reduced due to the lack of a leased location for this business. The income below is also listed as equity. If the two partners take a salary, the profit margin will be much smaller. The goal would be to take a salary by year three.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One</td>
<td>$119,283</td>
</tr>
<tr>
<td>Year Two</td>
<td>$253,633</td>
</tr>
<tr>
<td>Year Three</td>
<td>$395,384</td>
</tr>
</tbody>
</table>

Cash Requirements
Initial startup costs are projected at $25,000. There will be an additional cost of $5,000 to handle travel expenses if the first client is a travel client.

Anticipated Break Even Point
Anticipated Break even point would be the end of month three due to the low startup costs and expenses. With anticipated income of $12,000/month, and start up fees of $30,000, break even should happen at the end of the 3rd month.

Sources of Financing
The initial costs of this startup will be absorbed by the owner with personal financing. If additional financing is required, I will be looking at small business loans and business loans for women to fund my additional needs. The expectation is that there will not be a need for additional funding.
FINANCIAL PLAN

Attached Financial Projections

- Cash Flow for Three Years
- Income Statement for Three Years & Ratio Analysis
- Balance Sheet for Three Years
- Budget
Innovative Elements and Expected Business Outcomes

1. This consulting firm will positively impact medical practices in the industry. By supplying medical practices the information that they need to be successful, they will become more prosperous and in charge of their destiny. As rates continue to decline, it is necessary to develop lean processes and to be able to take advantage of new payment methodology and programs. By employing this consulting service, the practice will minimize its risk navigating the new payment environment. Practices will also learn ways to streamline their current system to maximize their returns.

2. Challenges encountered in the creation of this business plan were centered around the collection of current statistics on the numbers of actual practices and providers. Much of the data was older than I would have liked.

Data on consulting firms that were primarily Medical Practice based was difficult to collect. Most consulting firms have both hospital and medical practice consulting combined. Having a deep understanding of the Medical Practice environment is mandatory. Hospital principles do not apply to the medical practice.

The final challenge would be the areas of focus for Revenue Cycle. There are many factors that can affect the bottom line of the practice. Choosing offerings that are consistent deterrents to revenue collection, while adding new program expertise, will allow this company to be nimble and reactive to any problem faced by the Medical Practice.

3. The next steps to put project plan into action is to work through the legal steps of setting up the business, choosing a name and then move to set up the framework of the website. While the above actions are being taken, continued relationship building is a must.
<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Sales</td>
<td>$144,000.00</td>
<td>$288,000.00</td>
<td>$432,000.00</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$144,000.00</td>
<td>$288,000.00</td>
<td>$432,000.00</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial Set up fees</td>
<td>$2,850.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Attorney Fees</td>
<td>$3,000.00</td>
<td>$2,000.00</td>
<td>$1,250.00</td>
</tr>
<tr>
<td>Equipment (Amortized/ 3 years)</td>
<td>$2,167.00</td>
<td>$2,167.00</td>
<td>$2,166.00</td>
</tr>
<tr>
<td>Website &amp; Advertising</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Professional Liability</td>
<td>$2,500.00</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
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<tr>
<td>CME</td>
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<td>Accounting Services</td>
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<td>$1,200.00</td>
<td>$1,200.00</td>
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<tr>
<td>Travel</td>
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<td>Office Expenses</td>
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<td>$10,000.00</td>
<td>$10,000.00</td>
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<tr>
<td>Total Expenses</td>
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<td>$37,367.00</td>
<td>$36,616.00</td>
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<tr>
<td>EBIT</td>
<td>$119,283.00</td>
<td>$250,633.00</td>
<td>$395,384.00</td>
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<tr>
<td>Ratio Analysis</td>
<td></td>
<td></td>
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<tr>
<td>Gross Profit</td>
<td>82.84%</td>
<td>87.03%</td>
<td>91.52%</td>
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## Balance Sheet as of 12/31/2019

**Assets**

- Current assets
  - Cash and Cash Equivalents: $126,000.00
  - Accounts Receivable, net: $18,000.00
  - Inventory: $50,000.00
  - Deposits: $0.00
- Total current assets: $144,000.00

- Fixed Assets, Net: $6,500.00
- Other Assets: $0.00
- Total Assets: $150,500.00

**Liabilities and Stockholder's Equity**

- Current liabilities
  - Bank Notes: $0.00
  - Accounts payable: $22,550.00
  - Rent: $0.00
  - Total current liabilities: $22,550.00
- Total liabilities: $24,717.00
- Stockholder's equity: $125,783.00
- Total liabilities and stockholders equity: $150,500.00

## Balance Sheet as of 12/31/2020

**Assets**

- Current assets
  - Buy In Fee: $160,000.00
  - Cash and Cash Equivalents: $276,000.00
  - Accounts Receivable, net: $50,000.00
  - Inventory: $0.00
  - Deposits: $0.00
- Total current assets: $466,000.00

- Fixed Assets, Net: $4,333.00
- Other Assets: $0.00
- Total Assets: $410,333.00

**Liabilities and Stockholder's Equity**

- Current liabilities
  - Bank Notes: $0.00
  - Accounts payable: $25,200.00
  - Rent/Office Expenses: $16,000.00
  - Total current liabilities: $41,200.00
- Long Term liabilities: $2,167.00
- Total liabilities: $43,367.00
- Original Owner Equity: $160,000.00
- Stockholder's equity: $272,966.00
- Total liabilities and stockholders equity: $410,333.00

## Balance Sheet as of 12/31/2021

**Assets**

- Current assets
  - Cash and Cash Equivalents: $250,633.00
  - Accounts Receivable, net: $52,000.00
  - Inventory: $0.00
  - Deposits: $0.00
- Total current assets: $302,633.00

- Fixed Assets, Net: $52,000.00
- Other Assets: $2,166.00
- Total Assets: $356,800.00

**Liabilities and Stockholder's Equity**

- Current liabilities
  - Bank Notes: $0.00
  - Accounts payable: $24,450.00
  - Rent: $16,000.00
  - Total current liabilities: $40,450.00
- Long Term liabilities: $2,166.00
- Total liabilities: $42,616.00
- Stockholder's equity: $648,183.00
- Total liabilities and stockholders equity: $684,799.00
Consulting Corporation  
Annual Budget  
For FY19

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Gross Sales</td>
<td>$144,000.00</td>
</tr>
<tr>
<td>Investment Money</td>
<td>$25,000.00</td>
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<tr>
<td>Total Income</td>
<td>$169,000.00</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
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<tbody>
<tr>
<td>Initial Set up fees</td>
<td>$2,850.00</td>
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<tr>
<td>Attorney Fees</td>
<td>$3,000.00</td>
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<tr>
<td>Equipment(Amortized/ 3 years)</td>
<td>$2,167.00</td>
</tr>
<tr>
<td>Website&amp;Advertising</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Professional Liability</td>
<td>$2,500.00</td>
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<tr>
<td>CME</td>
<td>$2,500.00</td>
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<tr>
<td>Accounting Services</td>
<td>$1,200.00</td>
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<tr>
<td>Travel</td>
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<tr>
<td>Office Expenses</td>
<td>$500.00</td>
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<tr>
<td>Total Expenses</td>
<td>$24,717.00</td>
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</table>

<table>
<thead>
<tr>
<th>EBIT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$144,283.00</td>
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</tbody>
</table>
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