

HEALTH CARE / In a field dominated by big public institutions, Brenda Rusnak is determined to raise the profile of private physiotherapy clinics

Marketing exercise

BY GORDON PITTS
The Globe and Mail
Toronto

BRENDA Rusnak's life changed with a conversation. She had bumped into a physiotherapist friend who, like her, owned a private clinic in Toronto. The friend started bragging about selling out to a chain of clinics.

"He said there was no future for small physiotherapy practices," Ms. Rusnak says. "That made me angry."

Three years later, Ms. Rusnak has found expression for her anger. She is the force behind a marketing network of independent clinics called the **Active Physiotherapy Rehabilitation Group**. Just a year old, it has signed up 51 members across Ontario and is poised to expand into Western Canada.

"We were losing our piece of the pie. We were giving good treatment but we were just too small," says Ms. Rusnak, a 34-year-old mother of four, who dreams of expanding to 150 clinics, including 80 in Ontario, within about two years.

Such enterprise is rare in the health care field, which has been built around big public institutions. Physiotherapists, for example, work mostly for hospitals. "They have lots of specialized training but not a lot of entrepreneurial awareness," says Debbie Fischer, a principal in the health and social services practice of Ernst & Young in Toronto.

Ms. Rusnak is one exception. "Our goal is to have a clinic within a half-hour drive of everyone in Ontario," she proclaims.

Active, a company owned by Ms. Rusnak, does not manage clinics — it leaves that to its members. It markets the group's services to customers, such as employers and insurance companies that fund benefits for injured people. The Active label guarantees a predictable standard of treatment, no matter where the clinic is located.

"It increases our confidence that there is some consistency," says Peter Arnett, regional manager for Zurich Insurance Co., who is responsible for administering accident benefit plans in Canada. "You know that if you're in Thunder Bay, you'll get the same experience as in Toronto."

For members, Active offers a compromise between joining a chain and being on their own. It supplies promotional material, market research (including focus groups of insurance people), networking, and a still-evolving range of services. Customers and clinics can dial a 1-800 number for information and referrals.

The price tag to join the network is a \$2,000 initiation fee, plus \$500 monthly. "It's worth every penny," says Laurie Kritzer, a clinic owner in Stratford Ont., who believes Active's profile has drawn increased auto-accident traffic to her clinic.

Ms. Rusnak also gets marks for timing. As hospitals rein in their costs, more health services will be farmed out to private firms. Private physiotherapy, in particular, seems poised for growth. In the wake of no-fault insurance, Ontario has increased substantially the benefits insurers must pay to accident victims.

But a number of other private players have already staked out territory. Columbia Health Group, whose

MUSCLE BUILDING

Active Physiotherapy Rehabilitation Group, Toronto.

FOUNDER

Brenda Rusnak, 34.

BUSINESS

Operates a marketing network of private physiotherapy clinics in Ontario — with plans to expand throughout Canada.

SALES

Collected \$200,000 in membership fees in 1993. Will probably exceed \$300,000 this year.

BOTTOM LINE

Still in startup phase, does not make money.

EMPLOYEES

Active group employs five people.

CHALLENGE

Co-ordinating the assessment and rehabilitation approaches of 51 independent clinics. Taking the concept into the rest of Canada.



Active Physiotherapy owner Brenda Rusnak's dream is a marketing network of 150 independent clinics across Canada within two years.

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backers include venture capitalist MDS Health Ventures Inc., has 17 branches in Ontario. Another force is the Canadian Back Institute, founded by renowned surgeon Dr. Hamilton Hall.

Many clinics are financed by doctors, which raises conflict-of-interest issues: Will doctors direct patients to their own clinics? Will they prescribe treatment that is unnecessarily drawn-out? Ms. Rusnak sees perception as one of Active's selling points: Its clinics must be at least half-owned by physiotherapists.

Ms. Rusnak also argues that Active's market research will pay dividends. It shows, for example, that customers want "time-limited treatment." Active's fees, therefore, are heavily loaded on the front end — at the beginning.

\$65 per daily treatment; after 12 weeks, only \$100 a month. "We wanted to show we were confident about treating people," Ms. Rusnak says.

That payment schedule fits with the treatment philosophy: Put people back to work as quickly as possible. As its name suggests, Active wants patients participating early in therapy, rather than passively taking treatment. Cost-conscious insurers like this approach, which is not unique to Active.

Ms. Rusnak has always had an entrepreneurial bent. As a student at University of Western Ontario, she took a management course that allowed her to research the feasibility of private physiotherapy clinics.

She now has two clinics on Toronto's Bathurst Street-St. Clair Avenue intersection. One, on the ground floor, operates under the Ontario Health Insurance Plan. Upstairs is Body Health, a private clinic that handles pa-

tients funded through insurance benefits or out of their pockets. She has a partner in the clinics, Kevin Hildreth. Before launching Active, Ms. Rusnak spent a year researching the market, competitors and potential members. The \$150,000 cost came from her practice's profits. She figured that if the network didn't pan out, she could use the research to plot her own expansion of clinics.

She began approaching potential members in November, 1992. Candidates had to offer a minimum level of exercise equipment and services. She carefully researched reputations. Members are assigned prescribed territories, based on a population of about 120,000.

One who signed up was Marcus Walser, a 31-year-old who opened his own clinic in Thunder Bay last September. "I've tripled my volumes over original projections," he says. He likes the information sharing with other members. The group holds member conferences twice a year, and Ms. Rusnak keeps memos flowing.

Active employs five people and, in its first year, collected revenue of about \$200,000; this year, it should exceed \$300,000. Ms. Rusnak predicts the network will make its first profit in 1995 through new members and a relaxation of heavy startup promotion.

Still, she is finding it a challenge to co-ordinate her network of far-flung clinics and juggle a demanding family life. Husband Terry Cassaday is a non-practicing lawyer who now sells ergonomic chairs. Their children are aged six, five, three and one.

The youngest, daughter Kascha, was born about the same time as the Active group. "She spent the first six months of her life in this office," Ms. Rusnak says.

At the moment, she is setting her sights outside Ontario. She has linked up with an Edmonton physiotherapy practice to pilot Active's expansion in British Columbia, Alberta and Saskatchewan.

Longer term, Ms. Rusnak's ambition is to build a business that she can sell. "That's the idea of entrepreneurialism, isn't it?"

IDEAS

Measured optimism

Many small and medium-sized businesses are preparing to spend and hire, but they fall short of a resounding vote of confidence in the recovery. A survey of 1,600 clients of term lender **RoyNat Inc.** shows 35 per cent plan to increase capital investment in 1994, and 45 per cent will maintain current levels. But 18 per cent will actually reduce capital spending.

Thirty per cent expect full-time staff to increase in 1994, but the

majority — 58 per cent — predict that staffing levels will remain the same for the foreseeable future. And 11 per cent plan more layoffs.

Many entrepreneurs feel more confident of their company's abilities as a result of managing through the recession. Sixty-eight per cent said their companies are more competitive than in 1990.

Worthy recipients

Management guru **Tom Peters** doesn't believe that startup companies should be targets of govern-

ment incentives.

The truth of the matter is that small business is fabulously important, but that doesn't mean the two-person copy shop that's never going to grow beyond four people. There's a lot of evidence that says most of the new job growth comes from a fairly small number of 25- to 100-person companies that are going crazy and adding jobs. That group has proved they can survive the first five years but are still small and can use a real boost to get them going. *acumen magazine*