



Rana Florida

CEO, *The Creative Class Group*

Your Start-up Life: Location, Location, Location

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Thursdays at the Huffington Post, Rana Florida, CEO of [The Creative Class Group](#), will answer readers' questions about how they can optimize their lives. She will also feature conversations with successful entrepreneurs and thought leaders about how they manage their businesses, relationships, careers, and more. Send your questions about work, life, or relationships to rana@creativeclass.com.

Dear Rana,

I've been a dermatologist for over 10 years, working in a local hospital. I've decided to venture out on my own and open up a dermatological wellness spa now that I've saved up enough money to do so.

I've tapped the expertise of all my professional friends, from lawyers to marketers to PR professionals, and they all say the same thing about the importance of location. I think location matters if you're opening up an ice cream shop, but not for a medical practitioner with a solid reputation and customer base. I can lease a space in an office park for a lot less than another office in a high-traffic outdoor shopping district and I would like to do so. Please correct me if I'm wrong.

I look forward to your feedback.

Sincerely,

Susan, Maryland



Photo credit: Flickr user NewsHour

Dear Dr. Susan,

Correct me if I'm wrong, but "medical" and "spa" don't exactly go together; nor do "spa" and "office park." My first suggestion is that you make a point of separating the spa-like, nonmedical procedures from the medical. If a patient is going in for a malignant melanoma, they want to know that a board certified doctor is going to perform the procedure, not a beauty aesthetician. Second, for professions that require a physical address, location can have a profound impact on your bottom line and overall success.

You are correct that an ice cream shop would do best in a location with warm weather at least six months of the year and a constant flow of pedestrian traffic. And you are right to believe that a lot of people would travel miles to see a well known specialist for medical reasons. But while potential patients aren't going to wander into a medical office off the street, other locational factors really do matter. Here are some important things to consider before you lease your space:

1. **Demographics:** Consider the population of the region. Who is your target audience? Young, old, affluent, middle class, race and ethnicity. Does it make sense to offer microdermabrasion, Botox, laser tattoo removal and other costly cosmetic procedures in a low-income neighborhood?
2. **Access:** Is the location reachable by car, transit, rail, highway? Is it in a walkable neighborhood? Is there adequate parking nearby? Access is not only important for customers and employees but also for your suppliers.
3. **Traffic Generators:** Is there a hospital, shopping mall or some other institution nearby that might have a spillover effect which may generate more business?
4. **Competition:** Consider the number of other offices offering similar procedures in the area.
5. **Physical Space:** Is the space available for a long-term lease? With an option to buy or expand? Moving is a timely and costly business; you'll want to ensure that there is a long term strategy in place.

Does the space have the right sound, lighting, infrastructure, or will you have to invest heavily to get the interior layout right?

6. **Potential Barriers:** Have you accessed the city's plans for construction? A road construction project or sidewalk or electrical work could cut you off from traffic, imposing detours between you and your customer base.

7. **Neighbors:** Are neighboring businesses the type you want to be associated with? You need to look into the development association's business plans if you are going into a complex. Are there any special assessments?

8. **Taxes and Zoning:** Real-estate taxes vary greatly from one city to the other, as do zoning laws. You'll want to make sure the area is zoned for your type of business.

9. **Talent Pool:** Does your location give you access to a highly educated labor force or will your team have to commute for hours to get to work?

10. **Basics:** Are the basics such as safety, crime and outdoor lighting things you've looked into? You've waited 10 years to get to this point. Take just a bit more time to do your homework to ensure your investment pays off. Best of luck.

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