



STRATEGIC LOCATIONS FOR URGENT CARE CENTERS

Written by [Brittany Belli](#) | Mar 23, 2015 | [0 Comments](#)



Location is one of the most important determining factors when opening an urgent care center. Areas that house big box retailers like Wal-Mart, Target and large grocery store chains that have high traffic volumes are the ideal strategic locations for urgent care centers. These desired locations offer a high rate of visibility and accessibility, and are often located near patient's homes.

"One of the most common reasons consumers cite for using an urgent care center is its proximity to their home," Alan Ayers, MBA, MAcc, Vice President of Market Development for Concentra Urgent Care and Board of Directors for the

Urgent Care Association of America, says. "So the first thing you should consider when picking a location is the number of households within one to three miles, as well as the demographic make-up of those households."

Ayers says that women aged 24-55 who tend to have children, and work outside the home, are the prime urgent care demographic.

"Looking for retailers who serve the same demographic you're looking to serve can be a shortcut to finding a good location," Ayers says. "Big box retailers spend millions of dollars on analytics, so by locating near them, you can leverage the research that they've already done."

Bonnie Peterson, RN, BSN, CAOHC and Senior Consultant for NMN Consultants, also says that women are the target audience for urgent care centers.

"Women drive medical care in the household, so I would want a center in a spot that a woman drives by all the time, such as a grocery store, a Target or a Wal-Mart," Peterson says. "So when she needs it, she remembers that it's on the way to the local grocery store, or in the parking lot of Wal-Mart."

Ayers says that he typically looks at the retail adjacencies to a location or the tenant mix in a shopping center. To drive awareness, you want to be in a location that people frequent.

"Big box retailers like Target and Wal-Mart draw people out on a weekly basis, and food/drug centers anchored by a Safeway, Albertsons or Kroger draw shoppers multiple times a week," Ayers says. "Both of these locations can be effective for urgent care, but big box stores require a larger population base and higher traffic counts, so the food/drug centers will drive less traffic and thus fewer patients."

Some urgent care centers are even springing up in shopping malls, but both Ayers and Peterson advise against opening a center in that location.

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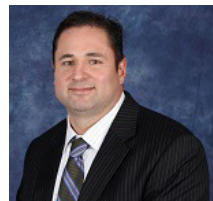
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“Malls tend to appeal to youth/teenagers, who are not the primary health care decision makers in the family,” Ayers says. “In addition, parking at the mall can be a challenge.”

“Urgent care centers typically don’t do well in large shopping malls, because you’ll have to park and walk a long way to get to the urgent care,” Peterson says.

“When people are sick or injured, they don’t want to walk a quarter mile after parking to seek care,” Ayers says. “The ability to pull up and walk-in to an urgent care is an important consideration in picking a location.”

Picking a strategic location is also important when it comes to competition. Ayers says it’s always a good idea to get an ‘exclusive’ or ‘non-compete’ written into the lease prohibiting another urgent care, primary care or other medical facility from co-locating in the same development.

“The issue of multiple urgent cares in the same shopping center goes to signage and traffic visibility, so whichever center people see first is likely the one they’ll use,” Ayers says. “If you’re one the one cutting off the competitor, it may not be a bad situation, but if it’s the competitor cutting you off, you might not be so happy about the situation. It’s probably best not to play that game and find a location where you can build your own business. Compete by offering shorter wait times and a better patient experience.”

“It truly is location and signage that makes you successful,” Peterson says. “If you have a great location, but poor signage, look into going farther down the street. You may not be in Wal-Mart’s parking lot, but if you’re just down the street, people are still going to be driving past your center and seeing your sign.”

Peterson says that you could also work with the landlords that own the property to try and get your center’s name on the big sign up front, or to put up a sign on the actual building itself so that people from all directions can see it.

Just because a location has a high traffic volume doesn’t mean that you will have instant success. Timing is also important when choosing a strategic location.

“If you locate in an area that is ‘too new,’ it may not have the population density to support your center, and by the time that density shows up, you may have exhausted your working capital,” Ayers says. “In the exurbs of fast growing cities like Houston, Dallas, Denver and Phoenix, retail may be built 3-4 years before there is sufficient housing to support an urgent care center. If you locate too soon and exhaust your working capital, you’ll just be creating a nice space for another doctor to take over, and succeed, when you go out of business.”

On the other hand, a strategically placed urgent care center can also become too popular too quickly.

“I am aware of urgent care operators – sometimes through deliberate planning, and other times through dumb luck – who have hit a home run on their locations and reached capacity within a year of opening,” Ayers says. “If a center’s volume starts approaching capacity, then it’s time to look at adding a second location to intentionally cannibalize some volume from the first one. It’s a fine problem to have.”

Opening an urgent care center nearby a hospital or other doctor’s offices can offer an alternative strategy to retail locations, according to Ayers.

“The belief is that patients en-route to the emergency room will see the urgent care and choose it instead of the ER,” Ayers says. “In addition, many urgent care centers depend on referrals from primary care physicians to provide after-hours, weekend and holiday treatment for the PCP’s patients, so being located near those referring providers can be an advantage.”

However, Peterson disagrees and thinks it’s best to stick with retail locations for better accessibility.

“You need to have an urgent care center in a very accessible area where people are going to see it; it can’t be hidden back in a medical center,” Peterson says. “People don’t go to medical centers when they think of urgent care. They’re thinking about places that are going to be open and available to them when they’re running their regular errands.”

In order to help you nail down the perfect location, Peterson recommends using a consultant, especially if you’re never done this before.

“If you’re opening up your first urgent care center, you don’t want to do it blind,” Peterson says. “It makes sense to have someone that knows what they’re doing help you out.”

Thinking ahead and staying on top of new, strategic locations can also be beneficial to finding the right spot for your center.

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“Urgent care thus far has been primarily a suburban phenomenon, but in the coming years, the biggest opportunities for urgent care growth may be in underserved urban and rural areas,” Ayers says. “As the affluent suburbs become over-saturated with urgent care centers, freestanding ERs and retail clinics in chain pharmacies and supermarkets, urgent care entrepreneurs will come up with innovative and profitable ways to serve these areas.”

“I’ve heard that in some of the more rural areas where it’s not sustainable to have an urgent care center there, there are some products like Telemedicine where you can put an RN in an office with one or two rooms, and they’re connected to a doctor,” Peterson says. “The nurse is doing the exam, but through a monitor, a doctor can also direct some care.”

Location and visible signage are crucial for a strategically placed urgent care center, but there are other factors that should also be considered.

“If a center signs a lease at too high of a rental rate – no matter how good the space is – or if it spends too much money building out that space, the center may put itself in a situation where it can never be profitable,” Ayers says. “So while demographics and traffic counts are a consideration, they must be balanced with a business case that balances revenue potential and total costs. Because urgent care is a business, picking a community and location should be driven by business potential first.”

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