

A Savvy Strategy For Therapy, Entrepreneurs Section, MidWeek May 29, 2002

By Ann Botticelli

Nearly 300 people visit Total Fitness Physical Therapy every week, but they don't all go to the same location. The company founded by Russell K. Yamada boasts six small clinics all over Oahu, each staffed with a physical therapist and fully stocked with equipment and supplies.

It's a costly way to do business, but it's a savvy strategy: People who are recuperating from injuries or surgery prefer not to travel long distances for treatment. Yamada's "satellite" concept means they don't have to.

"I think what makes us unique is that we go where the people are," he says.

Yamada has been a practicing physical therapist since he graduated from Loma Linda University in 1988. Three years later he began supplementing his full-time job by working as an "independent contractor" with patients who had finished their regular rehabilitation. Without a clinic of his own, he met with patients in gyms around town.

By 1994 he had gone into business by himself full-time, providing physical therapy for a network of private physicians. In 1997, he opened his first clinic, in Waipahu.

"The Leeward side was where the market was good," Yamada explains. "And there was a lot of space for me to rent."

The clinic did a good business, and was followed by locations in Liliha, Pearl City, Ala Moana Center, McCully and Haleiwa (which opened last year and has seen a steady stream of professional surfers). Each of the "satellites" is open three days a week; Yamada handles the physical therapy at two of the clinics and uses independent contractors to handle business at the others.

Seven other employees serve as assistants and office staff, and Yamada keeps costs down by handling all the paperwork in one administrative office.

The industry has been challenged in the amount insurance programs will reimburse physical therapists. Yamada says the profit margins are so tight that businesses must have a large number of patients to survive. Referrals from satisfied customers have kept his volume high.

"I always tell my staff 'be genuine, treat each person like they're your only patient.' It goes a long way," Yamada says.

Just recently, word of mouth brought another opportunity. The day we spoke, Yamada was heading to Hilo to talk with physicians about expanding the Total Fitness orbit to include the Big Island.

"I always tell my staff that 'this is the last one,'" Yamada says. "But if opportunity knocks on the door, I'll check it out."

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