## Introduction: Growth or Chaos?

There's a moment that many successful medical practices reach where something feels off. Volume is up. The practice is growing. On paper, things look good, sometimes even great.

And yet, the day-to-day experience feels harder than it used to. Communication takes more effort. Decisions feel heavier. Small issues seem to snowball faster than expected.

Instead of growth feeling energizing, it starts to feel exhausting. That's the moment we're talking about today. Because growth is supposed to make things better, not more chaotic.

And when success starts creating friction inside a practice, it's not a sign that something is wrong. It's a side that the practice is changing. Growth doesn't create problems.

it exposes them. Welcome to Medical Money Matters, the podcast where you can find experts, answers, and resources so that you achieve mastery over the financial and business aspects of your practice.

Hello, everyone. I'm your host, Jilarina. I began my career in accounting and finance, and I have more than 30 years of experience running medical groups.

I own and operate a national healthcare consulting and revenue cycle company, And I am the author of Physician Heal Thy Financial Self.

## How Growth Exposes Practice Weaknesses

In 2020, I co-founded the Physician Leadership Project, and in 2025 I released Physicians Edge, the first of its kind, CME accredited online business education for physicians.

My passion is to increase financial and business literacy for Physicians. Episode 172, Growth or Chaos? The early warning signs success is creating friction inside your practice.

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And when success starts creating friction inside a practice, it's not a sign that something is wrong. It's a side that the practice is changing. Growth doesn't create problems.

it exposes them. Every medical practice operates on a set of systems, whether formal or informal. When a practice is small, those systems can be loose and flexible.

Communication happens in the hallway. Decisions are made quickly.

## Communication Breakdowns and Leadership Getting Stuck

Everyone wears multiple hats, and that works. Right up until it doesn't. As volume increases, providers are added, or locations expand, those same systems get stretched.

What once worked smoothly starts to feel strained. Friction shows up not because leadership failed, but because the practice has outgrown its old operating model.

The key is recognizing the early warning signs before growth turns into chaos. One of the first signals is a breakdown in communication. This doesn't usually look dramatic at first.

It looks like more meetings without clearer outcomes. it looks likes staff asking the same questions repeatedly. Looks like decisions being interpreted differently by different people.

When communication systems don't scale, confusion fills the gaps and confusion slows execution, increases frustration, and quietly erodes trust. The early clue here is repetition.

When leaders find themselves explaining the same decision over and over, or correcting misunderstandings after the fact, it's a sign that informal communication is no longer sufficient.

Mitigating this requires intentional structure, clear ownership, defined decision rights, consistent communication channels. As practices grow, clarity becomes more important than speed.

Another early warning sign is leadership getting stuck in the weeds. In growing practices, physician owners and managers often find themselves doing more, not less.

They're putting out fires, solving day-to-day issues, and filling gaps wherever they appear. It feels necessary, And in short term, it often is. But over time, strategic work disappears.

Planning gets postconed. Important decisions are delayed because there's never a good time. This matters because growth demands leadership evolution. The skills that help to practice get to its current size are not the same skills required to lead the next stage.

## Process Inconsistency and Staffing Strain

As we've said before, what got you here won't get you there. When leaders don't have time to lead, the practice becomes reactive, and reactivity is one of the fastest paths to chaos.

The solution isn't working harder. It's redefining roles, clarifying where leadership should focus, building delegation frameworks that allow leaders to step back without losing control.

A third warning sign is increasing process inconsistency. As practices grow, tasks that were once done by one person are now done many. Without clear processes, each person develops their own way of doing things.

The result is variability. You'll see it in onboarding, in scheduling, billing, and patient communication. Outcomes start to vary depending on who's involved.

Errors increase. Training takes longer. This is often dismissed as growing pains, and to some extent it is. But inconsistency creates inefficiency and risk.

It also makes scaling harder than it needs to be. Mitigation here is about documentation and standardization. Not rigid bureaucracy, but agreed upon best practices.

Clear expectations. A culture of continuous improvement instead of constant reinvention. Another common signal is staffing that feels both heavy and insufficient at the same time.

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If you're looking for more ways to strengthen your business skills, check out Physicians Edge, our mini MBA online

course designed to help physicians master the financial side of their practice.

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## Financial Visibility and Cultural Drift

Practices add staff to relieve pressure, but somehow the pressure remains. Labor costs rise, yet everyone still feels stretched. Onboarding new hires takes longer.

Productivity doesn't improve as expected. This usually means staffing growth has outpaced structure, roles are unclear, productivity expectations are undefined, work is being redistributed but not necessarily optimized.

The early indicator is when adding people doesn't make things feel easier. Addressing this requires role-based clarity and productivity metrics, staffing models tied to volume, clear definitions of success.

When staffing is aligned with actual demand and workflows, both margin and morale improve. Financial signals are another area where friction shows up early.

Revenue may be increasing, but profit is flat. Cash flow becomes harder to predict. Financial statements start to feel confusing instead of informative.

Leaders sense that something isn't lining up, But can't quite put their finger on it. This happens because complexity increases with growth. More providers, more staff, More services, and more payers.

Without better financial and operational dashboards, it becomes difficult to understand what's actually driving performance. Surprises in the financials are a sign that visibility hasn't kept up with scale.

Mitigating this requires better metrics reviewed more frequently, leading indicators instead of lagging ones, financial clarity that supports decision-making instead just reporting.

Culture is another area where friction can quietly build. As practices grow, the close-knit feel of a small team naturally changes. New people come in, informal norms evolve.

If culture isn't tended to intentionally, cracks can form. Large personalities will dominate the cultural development, and it might not develop the way you'd like.

This may show up as an us-versus-them mentality, resistance to change, or increased turnover, engagement declines, frustrations linger. Culture is harder to rebuild than systems, which is why early attention matters.

Leadership presence, clear values, and consistent communication help preserve what made the practice special, even as it grows.

## Healthy Growth vs. Chaos

So how do you tell whether you're experiencing healthy growth or drifting toward chaos? Ask yourself a few questions. Are decisions getting easier or harder?

Is friction temporary or persistent? Do leaders feel proactive or constantly behind? Growth should feel challenging, but not destabilizing. If every success creates new stress without relief, it's time to adjust the operating model.

Every practice moves through growth stages. Early growth requires flexibility and hustle. Mid-stage expansion requires structure and clarity. Multi-provider or multi-location practices require disciplined leadership and systems.

Problems arise when practices stay in the mindset of one stage while operating in another. At Healthy Practices,

this is where we love working with groups.

Growth stages are exciting, but they come with real growing pains. Our role is often to help leaders recognize that the practice has changed and that leadership, systems, and metrics need to evolve with it.

We work with practices to align operations, finances, and leadership to the size they are becoming, not the same size as they used to be. When that alignment happens, growth becomes energizing again.

Friction is not a verdict, it's feedback. Success is testing your systems. Whether growth leads to chaos or sustainability depends on how you respond to that test.

Until next time, You can find more information online at medicalmoneymatterspodcast.com and you can sign up to be notified when enrollment opens for the Medical Money Matters eLearning program for a mini-MBA physician style, which will carry CME credits and will be released in upcoming months.

In that, we'll do an even deeper dive so you can understand dynamic budgeting strategies, cash flow forecasting, and other more esoteric financial concepts.

We've included those links in the show notes. As I like to close out these podcasts, congratulations on taking the next step in your professional development and for making the commitment to learn about the financial and business aspects of your practice.

I look forward to being on this journey with you and send you my heartfelt gratitude for all that you do for your patients all day, every day.