

## Pre-Expansion Operational Stability Determination

*For Multi-Site Dialysis Platforms*

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### The Expansion Risk Most Dashboards Don't Show

Dialysis sites often appear stable.

Treatments run.

Schedules hold.

KPIs remain green.

But baseline performance is sustained in one of two ways:

1. Embedded structural support
2. Recurring human compensation (overtime, coverage layering, leadership absorption)

At small scale, both look identical.

Under expansion, they behave differently.

Scale multiplies whatever is carrying baseline performance.

If structure carries it, leverage compounds.

If labor intensity carries it, margin compression compounds.

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### The Governance Question Before Expansion

Before capital is committed:

**Is baseline performance structurally supported — or dependent on recurring human compensation?**

Most growth decisions assume stability is structural.

Few confirm it.

Confirmation belongs before expansion, not after strain appears.

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### Engagement Parameters

#### Method

- Direct observation of real work
- No interviews
- No surveys
- Minimal disruption

#### Duration

- 2–3 weeks
  - Single site or defined operational unit
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### Output

#### YES — Material Structural Reliance Identified

Baseline performance depends on recurring human compensation.

#### NO — Validated Inaction

Baseline performance is structurally supported.

No recommendations.

No redesign.

No implementation.

The engagement ends at determination.

Leadership retains decision authority.

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### Why Dialysis Operators Use This

- Confirm stability before expansion
- Protect EBITDA from compounding hidden labor intensity
- Preserve governance discipline prior to capital deployment

Expansion reveals what was already carrying the system.

Determination precedes scale.