Moving an entire team from 1099 to W2

Four-office group practice · with Navigator since 2025

NET PROFIT

from $107K

$189K

+77%

NET MARGIN

from 3%

7%

more than doubled

CLINICIAN COSTS

Under 49%

of revenue, Sept 2026

WHERE THEY STARTED

A four-office practice with 37 contractor clinicians and a 3% margin.

WHAT WE DID TOGETHER

- Planned the move of every clinician from 1099 to W2, with a 50% split, before it took effect in January 2026
- Set clear monthly revenue targets for the rebuild
- Tracked clinician costs as a share of revenue each month

WHAT CHANGED

The team is smaller, and revenue came down with it. But profit is up 77% and margin has more than doubled. In September 2026, revenue hit $225K with clinician costs under 49%.

She also moved to biweekly payroll and is financing a building for one of her offices.

THE NUMBERS

	2025	LAST 12 MONTHS
Revenue	$3.39M	**$2.72M**
Net profit	$107K	**$189K**
Net margin	3%	**7%**
Clinicians	37	**23**

THE LESSON

A 1099-to-W2 move is a pay structure redesign, not a paperwork change. Model the new structure before you announce it, and expect the team to change shape.

Curious what your own numbers could show?

Book a free discovery call at navigatingyourbooks.com

Figures come from this practice's own books, with names withheld. "Last 12 months" ends August or September 2026. Every practice is different, and results depend on your own numbers.