Learning Curve

With more than 4,500 new cases opened every year, there is a wealth of experience within Dental Protection from which all of us can learn.

Difficult economic times impact upon the clinician and the patient. People tend to assess their own situation and consider the financial implications. Any purchase that may be perceived as unnecessary will usually be the first to go.

In addition, it is well-recognised that healthcare complaints and litigation tend to increase in times of recession or economic downturn, perhaps because patients are less willing to accept and tolerate a sub-optimal outcome for which they have paid money, that (in their view) could have been put to better use.

Possibly now more than ever the practice owner should consider carefully the explanations given by patients who are slow in settling their account for treatment provided earlier. It is important to distinguish between the patient situation, who finds difficulty in paying and the one who is reluctant to pay for treatment that is not satisfactory.

Payment overdue
Consider the case of a dentist who wrote to a patient demanding payment of an account overdue by one month. The patient had ignored a previous request, but had also indicated on the phone to the practice manager, that she was unhappy with treatment.

The dentist, who was of the view that his treatment was beyond criticism, considered this complaint to be a delaying tactic on the part of the patient. He instructed the practice manager to inform the patient that she would be taken to Court within seven days if the payment was not received. He also refused to talk to the patient about her concerns until the debt was cleared. A summons was issued in a Small Claims Court.

The patient counter-claimed for damages and also complained to the General Dental Council. Subsequently, the dentist was reprimanded for failing to deal with the patient’s complaint properly and issued a written warning. In addition, an expert report was provided during the hearing, which criticised the standard of care that had been provided by the dentist.

Disputes about payment are frustrating, but it is important to explore the situation carefully to ensure that the patient has not lodged a complaint that needs investigation and formulate a suitable response before pursuing the financial side of things.

Watch out for another Learning Curve from Dental Protection in future editions of Dental Tribune UK.

Selling your dental practice - Who is your buyer?

It is widely acknowledged that the open-market approach to selling a dental practice often generates the most interest and therefore the highest price paid.

However this is not always the case, especially when you intend to sell to:

• Dentists within the practice
• Body Corporates

Price setting, negotiating and managing the sales process are equally important to practice owners who don’t go for the full open-market option. PFM offer support in this instance, helping to avoid numerous potential complications arising from the practice sale. Sales agencies such as PFM deal with the sale of dental practices day in day out, whereas the majority of practice owners sell a practice once in their career.

Our experience and skills have allowed us to develop and launch two new services for dentists who have already identified a buyer for their practice.

Selling to existing associates or partners
We have come across a number of dentists over the last 12 months experiencing difficulties with the internal sale of their practice. Common problems include uncertainty on how to price goodwill and resolving contractual intricacies as the sales process evolves.

PFM now offers a service to remove this burden and the potential problems from practice owners. The service includes:

• A goodwill and equipment valuation
• Negotiation handling until completion.

The aim of this service is to promote a smooth sales process. By offering this third party element, PFM can reduce potential problems in the relationship between the purchaser and seller.

This is a comprehensive service which includes a meeting at the practice, valuation report and advice on the partnership structure as well as negotiation handling. A fixed fee is charged for this service.

Corporate Sales
‘Body Corporates’ regularly employ a scattergun approach, sending indiscriminate mailings to practices with enticements to sell. PFM have experienced cases where a practice owner has accepted a much lower direct offer from a Corporate Body than could have been achieved with the help of a professional agent.

The experience and skills of an agent will identify which Body Corporate will be most suited for the practice, what price could be achieved and deal with all important tie-ins and terms. PFM are proud to be independent and will consider all Corporate Bodies to ensure the best sales terms are achieved.

In addition, the majority of Corporate Bodies will pay the agent’s costs as part of the offer (i.e. you can accept the proceeds you receive). A better price and expert advice can therefore be gained at no additional cost.

About the author

Martyn Bradshaw BA (Hons) Dip PFS is a director of Practice Financial Management (PFM), one of the UK’s leading dental practice sales agents. Further information about PFM’s practice valuations and sales services can be found at www.pfmdental.co.uk.

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