Beginners in business

If you are thinking of taking the plunge, and are keen to start and run your own practice, business guru and life coach Simon Hocken offers tips for success

I n 1989, at the beginning of the last recession, I started a private-squat practice in a small Devon town. I had no idea what I was doing and I succeeded in growing my business through a mixture of fear, naivety, determination, a little charm and some inherent skills in selling private dentistry!

I had spent the previous 10 years, as an associate, improving my clinical skills but the only business skill I had acquired was that of negotiating my percentage with my principals. My new practice diary was filling up (the only way I had of judging success) and in the spirit of, if one new practice is a good thing, then two must be even better, I opened a second private squat practice in Exeter in 1994, with two colleagues.

Learning the ropes

I still hadn’t considered much about business except that the banks were willing to lend dentists money. Despite my ignorance I found myself with two growing private practices, two business partners, three associates and three hygienists.

My two practices consumed all of my time, my thyroid, my marriage, my hairline and most of the joy in owning my own businesses. I appeared to be making some money, but every year the Inland Revenue surprised me by increasing their practice and personal debt.

I’m not ashamed to admit that I ran my practices like a lot of principals I meet who come to Breathe Business for guidance. Like me, at this time, they:

• Only have a vague idea of the day-to-day financial health of their practice, relying on their bank statements to monitor and control their practice finances.
• Make poor financial decisions, worry about the financial health of their practice, and provide unprofitable treatment options, increasing their practice and personal debt.
• Have a twice-yearly struggle to pay their tax bills.
• Have no plan in place of how to exit their practice and insufficient retirement planning.

A better way?

In the last five years of owning my practices, I realised that there must be a better way of doing things. I began to seek out gurus and mentors to ask the right questions about running a business. Having worked closely with a lot of dentists in the last seven years who are buying a practice or starting one from scratch, I now know the right questions to ask and I have a hard-drive full of solutions that have been shown to work. There are few books on this subject, only hard won experience. So, if you are thinking of taking the plunge, and lots of younger dentists I meet seem to be very keen on running their own practice, here’s a 20 point checklist:

1. Find a friend or colleague who has done what you are planning to do and ask them about how it was for them and what they would do differently.
2. Go visit some practices. You can learn a lot from those you like and those you don’t! Dentists generally love showing off their practices to colleagues.
3. Remember that the two commonest limiting factors are planning permission and raising enough money. (Don’t forget the working capital element of any monies needed to start/run a practice.)
4. Set yourself a realistic time scale. Twelve to 18 months to concept and business plan; six to 12 months to find a practice to buy and buy it.
5. Remember a key attribute of an entrepreneur is to take great care of your confidence. So be wary of the doom and gloom merchants!

Support is key

As you can see from my list, it’s a lot to consider, decide on and plan and put on the kitchen table at weekends, (while in most cases holding down a full-time associate job). My advice is to get help, I know, I know, I would say that wouldn’t it? But even in the absence of a good business coach here are five suggestions:

• Dental fit-out. (Managing the suppliers.)
• Branding?
• Marketing?
• Office systems?
• Clinical systems?
• How to recruit your team.
• Compliance and regulations.
• Key Performance Indicators. (How to assess whether your new practice is performing.)