We are in the midst of the worst global recession in living memory, so the idea of starting up (or even for making changes to improve) your own dental practice or business might seem risky in the extreme. Yet, surprisingly as it may seem, if you are thinking of starting your own practice, or improving and redeveloping it, a recession can provide opportunities that, by the time they come to fruition, will be there and ready with wheels churning to take advantage of the industry upturn. Setting up on your own will not be easy, but if you start your planning process right now, you will be ready when the time is more auspicious.

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Steps to follow
The following are 10 steps recommended by Business Link* that you need to follow:

1. Research your idea, and choose your business name
2. Understand the special needs of your business sector
3. Finalise your business plan
4. Choose your source of funding; raise finance and manage your money
5. Set up your premises; set up your operations
6. Employ people
7. Promote and sell your product or service
8. Protect your business
9. Set up your IT and e-commerce
10. Sort out your tax and record keeping.

Research your idea
It is vital that in the first instance you create a mental image of the type of practice/surgery/business you want to create. Are you looking to be in single-handed practice or in association with others? City, town or country? High street or suburban? Serving family or business-folk? Decide on the area, and investigate the demographics. What is the breakdown in percentage terms of the local population age-wise? Blue collar or white? Children or elderly or the bit in-between?

Although it seems premature to be choosing a name this early on, the thought process required will help to crystallise your ideas and aims. The name encapsulates in a single word what is going on in your mind. Smile = cosmetic; health = prevention; clinic = medical; spa = beauty; and so it goes. You can always change it later.

Understand needs
Dentistry is entirely service-based. Unless you consider inlays, crowns and bridges to be objects that dentists sell, we do not actually sell stuff, the odd toothbrush excluded.

We generally do not carry...
an inventory of goods except for those that assist us in carrying out the services. The number of staff we employ relative to the number of patients/customers we serve at any given time is high, compared to, say, a restaurant. We have to spend a high percentage of our income for equipment and for subcontracting services such as dental technicians. All of these factors will exert substantial impact on our ability to offer services effectively.

Finalise business plan
Going into a new venture without a carefully considered business plan is like going into the desert without a compass and water. Your chances of survival are significantly impaired. The plan needs to be realistic and achievable, rather than a summation of your ultimate dreams.

Within it should be a realistic cash flow forecast and projected income and expenditure for at least three years. It needs to reflect best-, expected- and worst-case scenarios.

It needs to look at the ‘What If?’ factors: What if we don’t grow as quickly as I expect? What if setting up costs me more than I have budgeted? It needs to be looked at in terms of strengths and weaknesses, those of the business and your own.

All this having been said, it should not be full of unnecessary words and should not exceed say six pages in length. You should present it to your bank manager neatly bound – first impressions count, as we well know.

Managing money
There are only three sources of money/capital: i) inherited; ii) already earned (ie, from the sale of your last practice) and iii) borrowed. It is most likely that we will have to borrow at least a proportion of our set-up and initial running costs. This will come from a building society, a bank, or through a dedicated leasing company. Research the costs and benefits of each, and employ a financial advisor and/or accountant to assist you. Never underestimate how much you will need. Indeed, the opposite is sensible. Your business plan, including budgets and cash-flow forecast will get you what you need.

Promising your business
We are an example of a small business operation, therefore we need to do what businesses do: tell others what we do. A business that does not tell the undeserved masses out there what it does will watch as the masses go to businesses that do. A business that does not actively ‘sell’ its products and services will fail.

Protect your business
Whilst I find over-insurance foolish, we do need at least minimal cover in terms of protecting our health and property; there’s a computerised diagnostics; there’s a computerised system for everything. Spend the money and use the time and information it creates to earn even more than it costs.

Tax and record keeping
In addition to your family and employees, there is another person whom, whether you like it or not, you have to support: the Collector of Taxes. So take it on the chin, look for the loopholes, but above all keep good records and plan ahead. Get an accountant or financial advisor who dislikes the taxman as much as you do.

Taking these steps will ensure that you remain ahead of the game, and that your venture will prosper. Conversely, just sailing on and hoping for the best will see you foundering against unanticipated rocks, which is not a heap of fun. Also remember that like any vessel owner, having a captain who has done it before is a very wise move; so don’t fear the cost of seeking advice, because, when push comes to shove, it can save you a shed-load of money.

IT & e-commerce
It is not a question of whether you can afford to go digital, rather of whether you can afford not to. Digital recording and storage of data, electronic banking, diagnostics; there’s a computerised system for everything. Spend the money and use the time and information it creates to earn even more than it costs.

About the authors
Adrienne Morris is a success coach whose aim is to get people from where they are now to where they want to be. She has owned many practices and now consults with and coaches dentists and their staff to achieve their potential. If you are interested in attending a seminar entitled, “Busting a Profitable, Successful Practice” for practice owners and managers in November, would like a free consultation, or to subscribe to The Power of 10 e-zine, feel free to contact Adrienne at alplifecoach@yahoo.com.

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