Becoming a principal, now what?

By Amanda Maskery, UK

Buying your first dental practice is a major milestone in your career and your life. But while it brings opportunities, becoming the owner of your own business also brings challenges for which you must ensure you are prepared. It is enormously important that you be aware of what you are taking on before you decide to become a principal and entrepreneur, and it is essential you seek advice if in any doubt.

From the moment you begin to consider taking on your own practice, you need to be considering your position. Can you secure sufficient funding to purchase your own practice? Beware of the pitfalls of a ‘cheap’ practice. Thorough due diligence is crucial and your lender will require assurance of this. Exiting your current practice also needs careful consideration, can you commit to handing in your notice before you exchange contracts? This may affect the timescale of the transaction if not planned properly.

There is also the issue of the outgoing principal and whether to retain his or her services. Fraught with potential problems, the exit of a principal must be planned properly. You must have a set of clarity in a position to immediately begin working and be able to start seeing patients and treat patients as soon as possible.

From the moment you begin to consider taking on your own practice, the considerations are ongoing. Much more of your time will be taken up with administration, which is something that is often underestimated. If you have targets, whether units of dental activity or purely financial, you must ensure you are continuing to maintain the level and quality of treatment.

There are also the risks and requirements of being a business owner. Are policies of insurance up to date? Are you aware of the key commercial contracts at your practice and their terms? Do you know your duties to your employees and associates and their entitlements under their contracts of employment? Furthermore, if you are a sole trader, you will have personal liability for business debts to your creditors. Financial planning is also crucially important, on both a business and personal level.

Regulation is another area of responsibility, and you must ensure you can maintain your practice and treatment to the requisite regulatory standards. You must have a set of policies in place should the local area team or Care Quality Commission come calling.

What may seem like a minefield of considerations and obligations need not be if you enter into your journey to principal with your eyes open, fully aware of what is to come. Should you ever be in doubt about any aspect, it is essential you seek specialist advice.

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