The importance of a professional advisor

Alun Rees provides his top 10 tips to finding and working with an accountant

One of the phrases that I find myself using when I write analysis reports for my clients goes along the lines of: “Practice ownership can be a lonely place; being a medical professional has unique innate pressures, having to make immediate decisions with patients that are awake and where you have a finite time to complete procedures produces even more pressure.”

Being the owner and main producer of a small business is lonely too. Dentists, in common with a lot of solopreneurs, are notoriously poor leaders; they have problems separating management from leadership. They find it difficult to keep themselves in a position where they are able to make decisions about their businesses in a dispassionate way.

I then encourage them to read (and re-read) ‘The E-Myth Revised’ by Michael Gerber. That said, I don’t offer any easy solutions; I encourage practice owners to try to ensure there is balance in their lives (that’s another article). I request that they get away from their surgeries and go home at a reasonable hour and, in the words that Roy Higson taught me, “mentally wipe their feet on leaving their surgery”.

In recent weeks I have come to realise once again how important it is to have a support network of straightforward and thoroughly professional advisers. By these I mean accountants, solicitors, bank managers and IFAs (and business consultants). The need for a business owner to be able to share the non-clinical problems of their practice is vital. Too many principals march (or should that be trudge?) on, day after day, knowing that they have significant challenges that they have neither the training nor the natural aptitude to handle.

The lesson I have learned is to ensure that all my clients have advisers in place rather than to presume. It’s vital for them to know exactly what they are able to assist them so they have to understand the breadth and depth of the adviser’s talents. In turn the adviser, like all professionals, need to have a network of back up people who can be relied upon when and if the problems become really complex.

So let’s start with the money and Rees’s Top Ten Tips to finding and working with an accountant.

Get used to the idea that you have to have an accountant and that you are going to have to pay them for what they do; any accountant worth their salt will save you more money than they cost and will also prevent premature grey hair!

1. Find the most successful dentists working in a similar manner to how you wish to work and ask them who they use. Research three or so and be prepared to interview them (and vice versa).

2. Ensure the accountant is fully qualified; anyone can set up a business and call themselves an accountant without so much as a GCSE in maths. You’re looking for a chartered or certified accountant, check that they are what they say they are by visiting their professional body’s website.

3. Get to meet them, and ensure
that you respect the way they operate that you feel some empathy with them and that you know you can trust them. There’s more to this than a brass plate and a firm handshake. In spite of their reputation they do have personalities.

4 Sort out your questions before you meet your prospective accountant, take as many as you can and ensure that they are welcomed - you’re the client, they are the ones with the knowledge and expertise and should welcome your input.

5 Do they understand your business? They don’t have to be “specialist” dental accountants but they must know and understand the background economy in which you are working and appreciate the changes that will affect your business.

6 Make sure that you are 100 per cent open with them and that you can be trusted too. If there are any skeletons in your cupboard, or even if you think there might be, make sure they know so that there are no surprises down the track. You wouldn’t want to operate in the dark, why should they?

7 Sort out their fees. Cheap is not always good. How do they operate, fixed fee or hourly rate? Some accountants can’t and won’t give you a quote up front - they simply tell you what the hourly rate for whichever member(s) of staff will be involved in preparing your accounts and roughly how many hours will be involved. They’ll know soon enough if you’re short of cash to pay them and will probably be proactive in helping you spread the cost, perhaps on a monthly standing order. Don’t haggle – unless you’re the sort of dentist who happily knocks their own fees down (and if you are then give me a call and I’ll put you right) then ask yourself how well disposed you are towards haggling patients.

8 Can they do everything that you will want of them? Are they happy to do your tax returns? Can they do payroll? Will they produce monthly management accounts for you and the bank if required? Will they advise on incorporation and handle the process without fuss? Will they advise you regularly on changes in legislation that will affect you?

9 How can you help them? How do they want the information from you? Will they send a bookkeeper to show you and your business manager exactly what records to keep, how they should be kept and when they should be submitted? Will they help train you? Will they show you how to prepare budgets? Remember the less work that you have to give them the better all round and the lower the bills. Files of invoices in date order and numbered to correspond with bank statements, cheque books make an accountant heart glow and helps them feel far better disposed towards you than a cardboard box full of paper in no particular order.

10 Timing. My own particular bugbear. If your year-end is (for instance) the end of October then your records ought to be with the accountant within a fortnight of the year-end. They, for their part should have written and let you know that your books are expected, that there is time put aside for the work and who from the firm will be dealing with it. You need to know your tax bill well in advance to be prepared.

It’s not what you earn that matters, it’s what you keep that counts, and for that a good accountant is essential.

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About the author
Alun Rees trained at Newcastle University and started his career as an oral surgery resident, before working as an associate in a range of different practices. With this solid foundation, Alun went on to launch two practices in the space of just 15 months, a challenge in the toughest economic conditions. After years of hard work, Alun finally sold his award-winning businesses in 2005. Alun's background and experience give him a strong understanding of what others go through to build a successful practice. He has seen many different approaches and learned his own lessons in the real world. Alun now runs Dental Business Partners to offer a specific and specialised support for dentists, by dentists. He has served as a media representative for both the BDA and BDHF and is an ardent campaigner funded by the media, and has featured on BBC2, Sky TV and various radio stations. www.dentalbusinesspartners.co.uk alun@dentalbusinesspartners.co.uk

For more information email Alun at alunrees@mac.com, or alternatively call 07778 148583 or 01242 511927.