

Starting a Private Practice

Preamble

Many practitioners, engaged in group practices or as contractors/licensees, contemplate establishing their own practice at some time in their working careers.

The new venture, properly orchestrated from start-up to ongoing management, can be very rewarding, provided plans are put in place to ensure high quality patient services while administrative functions of the 'practice business' operate efficiently, cost effectively and in synergy with clinical aspects, including personal objectives of new owners.

Preliminaries

Before deciding to start a practice, certain prerequisites should be undertaken:

- *Business Plan & Feasibility Study:* A 'road map' of the owner's plans for the venture, including financial analysis of necessary elements (staff, client volumes, revenue, expense) to ensure breakeven and profitability (return for owners' endeavours); it will also support any application for bank loans;
- *Area/Premises Selection:* While the Business Plan details pertinent aspects of practice goals, target client segments etc, identification of the best physical premises/location is achieved through demographic research of local statistics – age, ethnic makeup, income levels, demand, competition – to determine whether the service fits the target area.

Completing these steps should give aspiring new owners greater confidence in their decision, ensure funding is in place, and that the new venture is afforded every opportunity to succeed.

Start Up Actions

A myriad of requirements will ensure the practice is 'ready to go' from 'day one'. Success will hinge on selection of qualified, experienced suppliers and meticulous project planning to ensure the following activities, not exhaustive in themselves, are performed in correct order:

- *Business Structure:* Many clients fail to secure premises due to absence of an appropriate business structure as the selected 'entity' is likely to purchase or lease premises and apply for bank finance;
- *Sourcing Premises:* Exploring options and site assessment is the next step. Legal aspects and negotiating skills play an important role in securing best deals;
- *Design & Construction:* Suppliers with previous experience will ensure the practice look and feel matches owners' personal preferences, while also appealing to clients;
- *IT & Telecommunications:* Telephone systems, appropriately networked, and internet access to support e-mail and other applications. Maintenance contracts will be necessary to ensure service continuity;
- *Hardware and Software:* Recognised suppliers will provide trouble free availability of appropriately networked systems;
- *Recruitment:* Engagement of staff, clerical or clinical, should be undertaken with diligence;
- *Other:* A host of miscellaneous requirements (e.g. medical/office supplies, equipment, furniture, insurance, security, signage) require attention.



Finally, practitioners should consider two key issues:

- the transition to business owner and manager; and
- to co-ordinate start-up activities themselves or engage an organisation experienced in project managing various tradesmen and suppliers.

This year, through our monthly column, we flesh out these various aspects of setting up your own private practice.

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