

STARTING A PRIVATE PRACTICE

Off to a flying start

Our essential series for new starters – that established independent practitioners like to read too – continues with some top tips from **Ian Tongue** for getting going



STARTING OUT in private practice can be very daunting. As hard-working professionals, it can be easy to overlook certain aspects that could leave you on the back foot later on.

Inevitably, there will be certain aspects specific to you, but there are a number of areas applicable to most consultants, so here are some tips for starting out.

Speak with colleagues and professional advisers

This is one of the most effective ways of learning about private practice. Your circumstances are unique, but many colleagues will have experiences that you can draw on.

Specialist firms of accountants have a wealth of experience and can ensure that the new world of running a business is as painless as possible and your new accounting and taxation obligations are fulfilled.

Attend seminars

A variety of organisations run regional seminars about starting in private practice. Having attended and spoken at several of

these, I can vouch for how useful they can be. It is always interesting to listen to real-life experience to learn of success stories and the potential pitfalls ahead.

Understand your market

Private practice can vary considerably between region and speciality so you must know your market in order that you set realistic expectations.

The market is usually determined by your region and the private hospitals in the area.

If there is capacity within the market, you should be able to penetrate the market and establish yourself. If the market is saturated, you may need to consider how you can differentiate your services or consider other nearby regions which overlap your 'patch'.

Don't over-commit yourself financially if you are uncertain of the size of your market. Frequently, newly appointed consultants take on a more expensive house or car which is a satisfying reward for all the hard work.

But you must ensure that the sums add up. These commitments

can quickly become a millstone if things do not work out as expected.

Promote yourself

Getting your name across is vital. Colleagues will have experiences of what works and what does not.

Speaking at seminars can be an excellent way of networking with GPs and getting your name known. Writing articles is also a good way of getting your message heard.

With the growth of the worldwide web, a website is almost essential, especially if you are expecting a significant proportion of self-payers. Having a professional website is a real asset when starting out and gives the first impression to a prospective private patient.

There are many portal-type sites which pull together specialties and can be a great way of getting more exposure for your private practice.

Set an advertising budget and review the success of this spend frequently. If paying for search engine key words or 'pay per click'-

type arrangements, it is important that this spend is monitored closely, as the costs for these services can soon mount up.

There are certain restrictions on how you can advertise your services, which you must adhere to. Further information can be obtained from the GMC or BMA.

Get the admin right

There will be a significant amount of preparation before you can engage in private practice and you should put sufficient time aside to understand the scope of work required. These areas include:

- Obtaining admitting rights;
- Getting recognition with private medical insurers;
- Obtaining indemnity insurance;
- Seeking assistance with practice management using a secretary or spouse;
- Speaking with an accountant before commencing.

Choose the most appropriate trading structure

Your accountant will discuss the most appropriate trading structure for your circumstances. This

may be different from your colleagues and therefore full consideration of your circumstances is necessary.

Often individuals focus solely on the tax treatment, but each trading structure will have differences in relation to how you run the business, how much admin there is and how you extract your hard-earned money.

Clearly, the tax position is very important, but do not make the mistake of letting the 'tax tail wag the dog', as you could get into a difficult position if your chosen structure is not administered correctly.

Speak to your accountant and ensure you understand the full implications of any recommended trading structure.

Consider your payment terms

When you were a trainee doctor, it is unlikely that you would have

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ever needed to chase people for payment of fees. But if you are undertaking work, in particular for self-paying patients, it is important that you will get paid! Frequently, this will involve payment up front for any treatment for non-insured patients.

If you are in a position where money is owing to you by a patient, it can be a difficult moral dilemma if they are unable to pay for any reason. Clearly, it would be better not to be in this position in the first place and therefore considering your payment terms beforehand should help avoid this.

Use a good secretary

Many consultants will testify that their practice would be not function effectively without their secretary.

Using the services of a good secretary will, no doubt, make your life easier and will enable you to

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spend more time earning money rather than performing administration tasks. For most consultants, it is a false economy to perform too much administration due to the 'opportunity cost' of not performing clinical work.

Private hospitals frequently offer secretarial services and there are a number of separate practice management businesses who can provide you with a quality service.

The tips above are not an exhaustive list but should give you a good head-start with regard to a number of practical aspects.

Being prepared for what lies ahead will, no doubt, save you time and money and will certainly make your life easier.

■ Next month – Capital allowances explained

Ian Tongue is a partner at Sandison Easson & Co, specialist medical chartered accountants

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