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Business Development for Private Practice

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**Michael Concannon**

Senior Lecturer

Business Development

1 

**Is self employment right for you?**

- Business Failure Rates
- 
- Between Two-thirds and 80% of new businesses fail in the first year.
- 
- Why?
- 
- 1. Answer = Planning and development – from the outset!
- 2. Self awareness!

2 

**Common denominators that differentiate those who enjoy success from those who don't.**

1. Developing The Business Mindset
2. Preparation – The Business Plan
3. Disciplined - To the Plan
4. Pro-Active Marketing – To increase sales
5. Harnessing Resources
6. Closing the Gap Between Knowing And Doing

3 

**Cost vs Benefits analysis**

- 1 Positives
- 2 • Write down all the reasons you think would encourage you to have your own business
- 3 Negatives
- 4 • Write down all the negatives you would think would discourage you from having your own business

4 

**Essentials in Business**

- 1 Before you start a business
- 2 • Prepare a business plan
  - Contact the HMRC
  - See a Solicitor
  - See an accountant
  - Market Research
  - Pricing formula
  - 
  -
- 3 For point of commencement
- 4 • Inform the HMRC
  - Register for VAT (if required)
  - Open a business bank account
  - Arrange adequate insurance cover
  - Selective advertising, marketing & PR
  - 
  - 
  -

5 

***From the outset = Making it Legal***

- 1 Business Status ??
- 2 • Sole Trader
  - Partnership
  - Limited Company
  - Limited liability partnership
  - Franchises & Co Operative
- 3 Legal Requirements !!

- 4 • Licences
- Acts
- Regulations
- Insurance
- Tax/VAT
- NI class 2, class 4

6  **Pause for Thought**

- Why are you thinking of starting your own business?
- Are you self motivated and disciplined?
- Are you willing to work long and perhaps unsocial hours?
- Are you prepared to sell your products and services?
- Do you have the full support of your family?
- Could you ask someone for money that is owed to you?
- Can you do basic bookkeeping?
- What are your personal and business objectives and ambitions?

7  **Marketing – What is it?**


- 'The right product / service, at the right place', at the right time, and at the right price.
- 

Ask yourself not:

What can I make or provide and sell?

But more importantly:

What do customers want to buy now, and what will they want to buy in the future?

8  **Marketing – Not Just Selling**

The purpose of marketing is twofold.

1. To promote the service you offer and attracting new customers.
2. Keeping existing customers by delivering satisfaction – customer lifetime value (PR)

Remember:


- Satisfied customers come back and might tell a few friends.

But!

Dissatisfied customers are sure to tell many people.

9  **Sales and marketing for Podiatrists**

**Keeping your P's & C's**

1  Providers Perspective

2  1. Product

2.


2. Price


3.

3. Place

4.

4. Promotion

3  Customers Consider

4  1. Customer satisfaction/ effectiveness

2. Cost

3.

3. Convenience

4.

4. Communication

10  **PRODUCT**

- A Podiatrists' product is the service they provide i.e. themselves et al!
- Identify the needs of patients and how these needs can be met at a profit to you. Need to know the needs in order to deliver what they want. There are often many ways to satisfy the needs.
- Multinational companies spend billions on market research – in order to identify needs.

- How do customers choose – Perception of value, gain v's cost.

11 

12 

**PRICE**

- Pricing should reflect – time, expertise, costs – to be revised regularly. What is the typical formula?
- "I think Mrs Smith and charges £21:75 so I will charge £20"!

- Pricing formula 365 days minus Sat – Sun – Bank Hols – Illness – 4 Weeks Hols =230 Days.

- 15 Patients per day x 230 = 3450 appointments minus 200 DNA's = 3250 appointments.

•

- Desirable net income & overhead expenses divided by 3250 = FEE assuming you can fill ALL the 3250 appointments!?

•

- Extra charges for specialist services – nail surgery and biomechanics.

•

- Sale of consumables + mark up.

13 

**PLACE**

- Area
  - Affluent or high unemployment.
  - Population density
  - Competition – how saturated is the area.

- Premises

Accessibility – bus routes, parking, ground level.

Visible Premises?

Other surrounding draws - bingo, post office, schools etc.

14 

**PROMOTION**

- Not just advertising.
- Name A – Z in Yellow Pages etc.
- Advertising – why advertise?
- - To increase awareness of who and what you are about.

- To increase patient numbers.

- To out shine competitors.

15 

**Advertising Mediums**

16 

**Advertising Mediums**

- Newspapers –  
Display adverts, general information, new service, notice of changes, promote a new practice.

! Editorial article – foot health week !

- At a decided time will you try to reduce costs by not advertising?

•

- Question?

- What is the most important thing you do after deciding on a BUDGETED advertising plan?

- Answer = Audit!

- Question? What will enable your audit?

- Answer = A good monitoring strategy!


17 

**Marketing or PR**

- So far... Marketing has been discussed through ideas of promotion and through advertising mediums etc.

•

- Public Relations = Do not neglect old customers – they are at least return income and most often your best source of new referrals.
- Communications through referrers is another PR and Marketing exercise that can prove fruitful.

18  **Selling – In A Nutshell**

- Carefully target who you speak to.
- 
- Find out your customers' needs.
- 
- Sell by asking, not telling.
- 
- Sell the benefits, not the features of your product / service.
- 
- Close the sale. Ask for the contract.
- 
- The only vital factor in selling is YOU

19  **A Business Plan Is Most Important As: -**

- An action / working document
- An identification of markets / customers, through marketing research
- A forecast of business and financial activity


20  **A Business Plan Can Be Used For:-**

- Clearly defining what you are going to do and how
- Monitoring and control
- Raising / Discussing Financial Help
- For experts to get objectivity and help you if things are not working out

21  **To be Effective The Business Plan Must Be Supported By: -**

- 
- Up to date book keeping – once you are in business

✓ Which paves the way for: - monitoring and control

22  **You will need to know at all times:-**

- How much you have sold,
- How much you have spent,
- How much profit you are making,
- How much you owe (Creditors),
- How much is owed to you (Debtors),
- Your cash flow.
- 
- You should be able to explain why your actual's disagree with your forecasts, and where appropriate react decisively and positively (and in good time to either catch more of the same or save yourself from a fall!)
- 

23  **A Business Plan Is A Statement Of:-**

- Exactly what you are trying / intending to do.
- Your target markets / customers (typical customer).
- The competitive situation.
- Your pricing policy.
- Your sales forecast.
- Your expenditure forecast.
- What resources are required (human and financial)


- How are you going to organise and regularly monitor them.

24  **REMEMBER**

1. QUALITY
- 2.
2. SERVICE
- 3.
3. PRICE

25  **Many Businesses Fail Because They:**

- Do Not Plan = How can you prove your business idea is viable?
- Do Not Understand The Key Financial Issues = Do not appreciate the importance of monitoring and control
- Do Not Understand The Market = How can you prepare yourself to sell correctly?
- 

26  **Also = remember**

- The basic business idea is not viable – it won't work!
- 
- Without a plan there can be no effective or objective monitoring or control
- 
- There is no appreciation of the need to sell or change anything related to sales (income!)

27  **Take home message**

Do a course and write a solid business plan!

Any Questions?

28 

Thank you

29  **When logged onto the SCP web go on the link below for:**

- Professional Practice Handbook
- <http://www.members.feetforlife.org/cgi-bin/item.cgi?id=1491>
- Code of Practice
- [http://www.members.feetforlife.org/cgi-bin/library.cgi?action=detail&id=5532&dir\\_publisher\\_varid=17](http://www.members.feetforlife.org/cgi-bin/library.cgi?action=detail&id=5532&dir_publisher_varid=17)
- Minimum Standards
- <http://www.members.feetforlife.org/cgi-bin/item.cgi?ap=1&id=748>