

The realities of owning your own dental practice



Kunal Patel gives advice and a step by step guide into how he built his dental



Many of us start dreaming of owning our own dental clinic whilst still at university. We have relatives, friends or see dentists on social media who have owned their own clinic for many years and are living a comfortable life, some of whom own multiple clinics. This in turn is giving us the desire to want to do the same. **So if they did it, why can't I?**

My father was searching the dental market before I had even graduated in the hope I would replicate my elder cousin, Dr Chirag Patel, who now, 13 years later, runs a practice chain of 34 clinics.

The days of owning multiple clinics and creating an empire seem to be over. Setting up a squat in hope of applying for an NHS contract is no longer something we even think about.

'New age' difficulties

1. It is virtually impossible to obtain a new NHS contract when setting up a new clinic. Whereas 'back in the day' the NHS had funding to give new contracts
2. Bank loans – it is much more difficult to get a loan – especially when the asking prices for clinics are so high (150-200% of turnover and 300% NHS contract value)
3. There is a large number of dental corporates in the market now.

Dr Kunal Patel is the principal of Love Teeth Dental Practice. His primary focus is aesthetic dentistry.

However, there is still hope. I very quickly realised that I wasn't going to be able to accomplish 34 clinics in 13 years without winning the lottery or finding wealthy investors. So I decided to learn what the dental market climate was like firsthand and what patients wanted. My plan was to find an alternative way to reach the profit margins obtained by the corporates, but with a lower turnover and investment.

This led me to work as an associate. Luckily, I got a place at a corporate (multiple clinic owner, Dr Chirag Patel) and also with a single practice (experienced single clinic owner, Dr Jignesh Patel). Both clinic owners were living happy, comfortable family lives with all the added perks. And here I would learn how I could do what they did many years ago, but in the 'new age' of overpriced clinics and strapped NHS funding.

A year or so in, I realised that I had visions as to where the clinics could improve. I began to work with the owners to grow the business and improve patient care and in doing this I felt the rewards for the first time. I knew I wanted my own clinic to provide care with freedom. Four years as a successful associate (low treatment failure, employer happy with your service), seeing my ideas actually working and both myself and clinic owners seeing benefits, I knew it was time to find my clinic.

The vision

Before buying your practice it is important to write down your vision and create a plan on how



Dr Kunal Patel, principal of Love Teeth Dental Practice

you will achieve this. My vision was to provide a personal service to each individual patient from when they arrive to when they leave, but with the business framework of expanding and being top of the game in technology and techniques.

Trust – I knew this was key, with trust comes success. By having the highest patient care labelled to our name and the thought of being able to create a clinic that patients, as well as staff, would be proud to be a part of was my motivation.

I knew I wouldn't have an expendable income like I once did when I was an associate nor see money like I once did for at least a few years. So my motivation was **not** money, it was respect and future security. ▶

Associate to principle

In stepping from associate to principle, I learnt the following positives and negatives about role.

Associate

- **Positive:**
 - Work ends when the day end
 - Low stress
 - No financial and life commitments
 - More free to change life plan
 - More time to study further.
- **Negative:**
 - Security (could lose job)
 - Give away a percentage of earnings
 - Restricted on reaching your vision
 - You are living the principals vision.

Principal

- **Positive:**
 - Freedom to create your vision
 - Security of employment
 - Clinic reflects you
 - Long term investment for the future
 - Good foundation to grow other potential businesses.
- **Negative:**
 - High stress
 - Work seems like it never ends – less time to plan holidays in advance
 - Large financial commitment – repayments
 - If it fails = you fail?
 - Can take time from personal life if vision is big.

I had a dream of creating a clinic that was well heard of with a great reputation. And a small part of me thought ‘what if I could be the best dental practice in Surrey?’

The correct clinic

The decision has been made to buy and so it's time to search for a clinic. **My first top tip is to not rush!** I never stopped looking for potential dental clinics to purchase even as an associate. This inevitably keeps you in the game, allowing you to keep track on how the market is moving. The best thing to do is to register with a dental broker, such as Dental Elite and Frank Taylor and Associates. I used Dental Elite in my own clinic purchase – Frank Taylor and Associates are recommended as they seal bids rather than disclosing them with other clients.

Ask friends or family if they know of a dentist looking to retire, local dentists or even your current principals if they are wanting to sell. Retirement sales are usually the best way to go, as there are no hidden reasons other than the ‘new age’ dental world being more computer/ technology based with stricter legalities. The dentist may feel that it's no longer worth while for the lower profit levels.

I saw many clinics, but didn't rush as I knew that if I wanted to create this clinic with the vision I had, I had to be patient.

Factors needed from the potential clinic

- An NHS Contract (the bread and butter) – it pays staff wages, bills, etc. Makes you tick along,

even if it's a bad time of year or if you have made a marketing mistake

- Potential to grow into a private practice (explored but not fully committed). This is key
- Distance – easily accessible and doesn't disrupt your family life. Short commute. You can't give your full attention and your everything to something that has an underlying negative as it soon catches up on you
- Price – wasn't too much of an issue, as if it had all of the above I had confidence that I would make it grow and the price tag would be worthwhile.

After viewing approximately 10 clinics in three months – none of which fell into my selection criteria – a local clinic appeared. The local clinic was a seven minute commute from my home and is in the same area as my associate position. It ticked all of the boxes and the current principal was fine with me working close by.

Finances and the purchase

The simple advice is to just go with the bank that gives you the best rate. You will be required to present your financial information to the bank (at least three years' historical accounts for the clinic with your business plan [always impresses]). The banks now usually require you to put in 25-30% of the money.

From personal experience, Julie Haggerty and Martin Warwick from Lloyds Bank are extremely helpful. My family had history of business banking with Lloyds, but I only had financial history of being an associate. This wasn't enough, as may be the case for a lot of dentists starting this ▶

Top tip – ‘Do not rush when looking for the perfect clinic to purchase’



‘The potential to grow into a private practice (explored but not fully committed)’



'When selecting which products you provide in your practice, it is imperative to provide the trusted and proven services. This in turn will result in trust in you'



'The purchase can be very complicated, so hiring an experienced dental solicitor is strongly advised'

venture, but there is still hope. Lloyds gave me a loan offer based on a guarantor.

When you have your finances organised, place a bid at the asking price (especially if it is an NHS clinic in London). When the sealed-bid process begins (all bids in) the broker will contact you for your final bid (the broker can usually give you an idea of where the bid is lying).

The days of calculating valuations on turnover are in the past and now it's calculated using EBITDA (earnings before interest, tax, depreciation and amortisation) ie, the goodwill value.

Over 10 years ago, clinics were sold based roughly on 1.4 times turnover value (140%), but in valuations today, that would be 200% (new age prices). Now, in terms of EBITDA, a clinic will be sold at six times EBITDA. If you manage to get a deal at 5.5 times EBITDA you have managed a good deal.

The purchase can be very complicated, so hiring an experienced dental solicitor is strongly advised and can make a big difference in your purchase experience. I went with the solicitors used by my parents for over 35 years. But in hindsight, I would have chosen a specialist dental solicitor such as

Lockharts Solicitors. Lockharts is whom the seller used when I bought my practice and I found they had better knowledge than my general solicitors. They are able to advise on all aspects of the legislative framework which regulates dentistry, as well as contractual documents and variations.

And finally, the practice is yours! Once purchased it's time to start as you mean to go on – never change from your vision and goals.

Rebranding and renovation

As we are in a highly competitive industry, it is important to ensure that you stand out, that it is clear what kind of service you are providing and that you are caring and look welcoming. To stand out from the crowd I created the brand 'Love Teeth Dental'. In doing this, I was able to increase brand

awareness by showcasing large clear signage.

I made my practice look new, bringing the 'American' dental clinics to England. You can see this from the images. Putting money into your practice gives the patient reason to invest in the experience you provide them. This helps to build patient trust and loyalty. It also helps your team feel part of a brand to be proud of.

Products and services

When selecting which products you provide in your practice, it is imperative to provide the trusted and proven services. This in turn will result in trust in you. Find well marketed products as they will help to build your brand.

I would firstly recommend Enlighten Teeth Whitening and Invisalign Clear Aligners. Both of these products are very well branded and marketed. It is important to choose one or two brands for each service you provide and stick by them.

Enlighten managed to turn my clinic from a one whitening a week clinic to over one a day. This in return helped me double my turnover in my first year! Find a company who you can work well with and care for you as you care for your patients. Enlighten is definitely that.

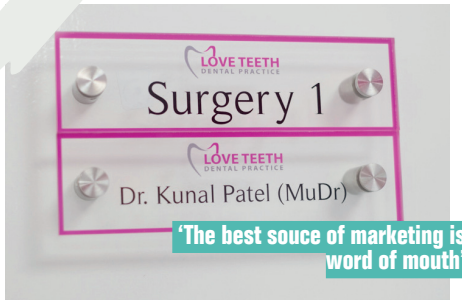
Equipment to invest in

- Digital radiography – I use Kodak R4. This is an instant and clear way to communicate with patients
- Rotary endodontics – available from Dentsply – Wave one gold – rotary is the future. The advantages of this product are: it reduces file fracture (patient safety), covers a wide range of canal morphologies and it shortens the shaping time (patient time in chair reduced)
- Cavitron Scaler – available from Dentsply, the Cavitron Touch Ultrasonic Scaling System is designed to be user friendly, while providing options for an improved scaling experience

No 1 in team

- You cannot do it all yourself
- Be selective with who you bring on board as they will reflect your brand inside and outside the clinic
- It's up to you to make sure they are trained in your vision – aided by a regular training meeting
- Take your time in training the team, as they will be in the patients/public eye the most. If they fail, it's most likely because you failed to train them correctly
- The three A's of hiring (attitude, appearance and aptitude) – advised by Payman Langroudi
- It is always better to be over staffed than under. Patients shouldn't ever feel an inconvenience and should always have a team member to assist their needs.

Little details like this will set you miles apart from the competitors.



- A digital SLR camera – I have a Canon 80D with a macro lens and ring flash. Excellent method of showing patients before and after pictures and also building a clinic treatment portfolio

- Practice management software – we use Carestream R4 as known by most in the dental field. It is easy for new staff members to adapt to

- Go paperless – instant Fujitsu duplex scanner so no over filled filing cabinets

- Itero 3D teeth scanner – this was to help provide a service no other clinic locally can. It was purchased through Invisalign and is the future.

Dental wholesalers

I enjoy working with both Dental Sky and The Dental Directory. I would recommend going with whoever makes the effort with you. I enjoy working with Dental Sky as the rep (Jo Emin) always does her best to keep our prices low, is easy to communicate with and very helpful. And The Dental Directory (Zara Vickers) provides me with a wide range of products, has an easy online order system and quick delivery. Look out for their 'Pink Thursday' discounts and the cosmetic beauty range.

Consumables

- **Renamel Microfill** by Cosmedent is the only composite that truly mimics the enamel surface. Where enamel is to be replicated, Renamel Microfill is the composite resin of choice. When applied, sculpted, finished and polished accurately, no other composite resin can match

its lifelike, natural appearance. In essence, it is the artistic dentist's dream material. I would highly recommend Dr Dipesh Parmar's Hands on training course

- **Enlighten Teeth Whitening:** guarantees B1 shade, the complete package. Excellent branding. Best customer care team I have worked with. It's about us and the customer being happy. Speak to Georgiana Bala

- **Venus Pearl** (Heraeus Kulzer) is my general composite of choice. Reliable and easy to work with. You can usually get good deals when you order in bulk from reps – speak with Allan Cameron

- **Scotchbond Universal Adhesive** (3M ESPE). My bond of choice. I feel confident every time I use it and have never had an issue

- **RelyX Ultimate Adhesive Resin Cement** (3M ESPE) – ideal for CAD/CAM and glass ceramic restorations. Fast and easy, as well as versatile. For total-etch, selective-etch or self-etch procedures. Is very reliable.

The perfect lab

Pick the correct labs for prosthetic work as it builds trust and your reputation. I advise finding a local reliable lab for your general day to day work. Turn over time is good (one week ideally). I also prefer to use a lab who have daily pick up and drop off drivers. If local, then patients are usually happy to go directly to the lab for a shade match (very helpful for anterior prosthetics work).

For your top end aesthetic and cosmetic work, I would advise to find a well reputable lab. I recommend Knight Dental Design from personal experience, as it meets the expectations being a six times UK Dental Laboratory of the Year winner.

Marketing

This can be very expensive and you will make mistakes, but you will learn from them. I believe that the best source of marketing is word of mouth. If the clinic is in a good location, then 'passing by' is a very simple, inexpensive and

valuable method of marketing.

A website is important, but remember just a professional informative site is enough for patients, as it will probably only be looked at in depth by your competitors. Pay per click is important and I would strongly recommend using Spartan Production. They are fair priced and you are not neglected either.

Lastly, social media is the new age marketing campaign. Excellent if done correctly. Mostly seen by competitors and other dentists but as it is free (unless you pay for ads or boost posts on Facebook) it is worth a go. It has proven to be very successful by the Singing Dentist (on the front cover!) and Nilesch Parmar with his Facebook group – Dentists for Dentists.

The end is always coming – retirement

Always have thought of the end in mind. Keep an eye on the market and surrounding developments for a good time to sell and cash in. When you are ready for retirement, see if your associates are interested as they will potentially have the same or similar ethos as you and continue your success. Whereas somebody new may start from scratch and undo all of your hard work. In saying this, you must be prepared to let go of your baby (clinic).

Many slow down and work part-time to help the transition process which helps both yourself and the new practice owner.

A lot, has to be considered in regards to actual retirement plan, most of us would have been contributing monthly to our NHS pension scheme, which is ever changing. So my advise would be to get in touch with a specialised dental retirement firm such as New Life Financial Planning.

Conclusion top tips

- Aim for quality, not quantity when purchasing in the new age dental climate
- Create a plan for your vision and stick to it. I still aim to be 'The Best Clinic in Surrey' and always believe it is achievable
- Try and achieve a good balance in the image of being a single clinic step-up and a corporate
- Remember that most clinic owners are in slight envy of their associates low stress, free lifestyle with more expendable income. But that's when you have to ask yourself if you want to be a sheep or the shepherd who creates their own path in their vision.

Final thought: Being a successful clinic owner is for someone who enjoys business, if you enjoy teeth over business be an associate. 