

Business Planning Helpsheet

A business plan is essential if you are thinking of setting up in practice, buying a practice or simply running your own practice. The business plan identifies where you are now, and plans how you are going to get to where you want to be. You should create a plan for a three to five year period, although the plan should be regularly reviewed, updated and modified to ensure it is always relevant to your business.

A business plan has many functions, but the two most useful are to create focus and to help banks and other lenders make decisions involving your business, for example in raising finance.

The Samera Ltd framework of a business plan is as follows:

1. Coverpage
2. Executive summary
3. Business Description, including description of practice, vision, strategic goals, aims and objectives, history, organisation and products and services
4. Business environment, including a description of the industry, identification of opportunities and threats, and regulatory or security issues.
5. Marketing and Sales strategy – target market, competitor analysis, promotional vehicles, strategic partnerships
6. The operational plan – infrastructure, business processes, safety health and environmental concerns, supply chain management
7. The Financial plan, including cash forecasting, predicted cash flow and financial controls
8. Human resources – the staff and their needs
9. Summary

General Points:

- Depending on the size of the project, the average business plan for a dental practice is between 8 and 15 pages long
- Be clear, concise and detailed throughout the business plan.
- Focus on the opportunities available to you
- Include an assessment of the risks
- Don't use dental abbreviations and jargon
- Be realistic

1. Coverpage

Keep this relatively simple. All you need on the coverpage is the name, address and contact numbers of the business and/or any partners.

2. Executive Summary

The executive summary is exactly that – a summary of all the major points in the business plan. It should include:

- The service you will be providing and the type of practice you want to set up
- Your aims and objectives
- Your target market
- Your key financial forecasts
- Any funding or grants (eg NHS)
- A profile of the business owners and management team

3. Business Description

In this section begin with your aims and objectives, vision and goals for the practice. You may then like to summarise the history of the practice.

Under the heading of Business Organisation insert an organisational chart of the practice, describing the roles of each person in the team. The more detail you can use the better.

Under critical success factors list the things you must get right in the practice to ensure you succeed in your chosen field. Similarly, under the heading of limiting factors, list the factors which may cause problems or pose a threat to your practice.

4. Business Environment

Begin this section with a description of the UK dental industry and the factors affecting your practice, including an overview of private and NHS dentistry. Then focus on your practice and use this space to detail your core competencies – what are you really good at, e.g. implants, cosmetic, paediatric dentistry etc.

When then recommend you perform a benchmarking activity, comparing your prices and practice with the local competitors, to give yourself a better idea of where your practice is positioned.

Next perform a SWOT (Strengths, Weaknesses, Opportunities and Threats) test. Under each heading list the strengths of your practice, areas in which you, your team or the practice is weak, the opportunities in your marketplace and threats to the profitability of your practice.

The last part of this section should list regulatory and security concerns.

5. Marketing and Sales Strategy

Your first step in the area of marketing your practice is to analyse the market where you are opening your practice.

You should build up a detailed profile of the area, covering the social and demographic groups in the area, the economic profile and trends among the population – for example, is it an area with a high concentration of very young families?

Think about trends for the future and how the area is developing – what is it like now and what is it likely to be like in 5, 10, 15 years?

Are there any special requirements or anything particularly missing in the area, a gap in the market you may be able to fill? Where will your patients come from? Gyms, housing developments, cafes?

Who are your competitors, what are their strengths and weaknesses, how will you succeed against them?

Once you have answered the questions above you can begin to build your marketing strategy and summaries this in the business plan. You will need to outline:

- Who you are targeting, how you will target them, where and when
- Anticipated costs of implementing the marketing strategy
- Materials you will require – stationary, printing costs, postage etc
- Strategic partnerships (local gyms, beauty centres)
- Website

6. The Operational Plan

The operational plan will begin with the infrastructure of the practice and the necessary costs to set up the surgery, reception, and other facilities. You should list any health and safety concerns and outline any business management tools you intend to use.

A list of the products and supplies you will need and your preferred supplier can be included in this section.

7. The Financial Plan

This is perhaps the most important section of your business plans, certainly in the eyes of the investors and so it must be clear and rational.

If you are starting up in practice begin with a section on your predicted start-up costs. Provide information on the cost of the premises – the total cost if it is freehold or if it is leasehold, the monthly rent - and the cost of refurbishment, including interior and exterior alterations and design.

List the expected costs for each surgery based on equipment and fittings. You may not be in a position to give a definitive cost and so a realistic estimate will do.

List your projected revenue – how many dentists will be working in your practice, what sort of treatments will they be doing for what sort of fees, etc. List the predicted costs of materials, lab fees, and predicted associate costs.

Add the staff costs and any other predicted expenses – training course, marketing spend, accountancy and legal fees etc.

The lender will understand that these are just estimates but as long as you are realistic they won't be too surprised if the actual figures vary slightly.

8. Human Resources

By Human Resources we mean the staff. For those setting up in practice this includes the staff you expect you'll require initially and forecasts of the staff you think you're likely to need in the future, and for those updating a business plan you can add the details of current staff roles and responsibilities.

You need to outline the following:

- The roles of staff in the practice – clear job descriptions are essential
- The number of staff you employ and whether they are part time or full time
- Skills and experience necessary for each role
- How you are going to recruit the staff

9. Summary

This is not an essential part of the business plan, however, you may like to summarise your business plan with an overview of the main points and a statement as to why you think your practice would be a success.

Conclusion

A business plan is central to the success of any business, and for dental practices in any stage of their life cycle, be it new, established, expanding or starting up. There are many different ways of presenting your business plan, and this document is merely meant as a guide. At Samera Ltd we have extensive experience in devising business plans for dentists and dental practices. If you require any further help, advice, or clarification, please do not hesitate to contact us on 0870 446 0620 or info@samera.co.uk.