

Private Dentistry

ESSENTIAL READING FOR PRIVATE PRACTICE DEVELOPMENT

NOVEMBER 2017

CO-OWNERSHIP A model for dentists asking, 'what next?'

DENTEX



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Dentex Healthcare Group

DENTAL WEALTH PLANNING

Private Dentistry interviewed William Bowen-Davies, the creator of Dental WealthMAP

‘Dentistry is potentially a high earning profession - the goal of wealth planning is to help dentists to convert earning power into wealth creation,’ explains William Bowen-Davies, architect of Dental WealthMAP.

Dental WealthMAP is a programme for dentists to maximise their wealth over their entire clinical careers. It provides a personal service, focused on implementation and trust, and works with their clients to make smart decisions about money in order to achieve long-term goals.

William explains his view on the difference between wealth planning, financial advice and wealth management:

- Financial advice is the regulated advice on financial products, traditionally provided by IFAs.
- Wealth management is the process of managing investments.
- Wealth planning is all about matching clients’ needs and objectives with a plan for wealth creation and preservation.

Dental WealthMAP’s focus is on wealth planning; to meet the dentist’s financial objectives with a plan that is realistic, implementable and owned by the dentist. ‘The dentist must be comfortable with the plan, and most importantly, must understand any risks and be disciplined to maximise wealth creation opportunities,’ adds William. He explains that the wealth planner can act as a navigator helping to maintain the right course for the desired end result - but the dentist remains firmly in the driving seat. In order



to successfully plan for prosperity, they start by assessing the dentist’s current position through the WealthCHECK process. This discovery process helps assess the dentist’s career potential, clarify objectives and considers changes in their clinical earnings. The planner and dentist work together to discover his/her life goals before creating a map for success. Once the draft plan is discussed, ownership of it passes to the dentist with mutual commitment to work together to implement it. Regular meetings help monitor results and progress towards the desired financial targets and work-life balance.

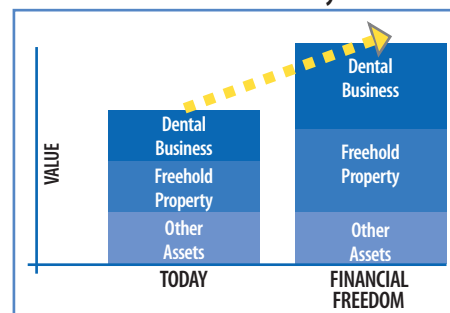
William stresses that investment returns and investment risks are linked. Dentists have the ability to successfully manage investment risks in dental assets, like their goodwill and dental freehold, as they know the assets well. They can therefore achieve attractive returns by investing in dentistry. Dental WealthMAP helps dentists consider how they manage their exposures in these dental assets to maximise their upside.

“The Dental WealthMAP programme has helped me to understand my key 6 Numbers and develop my WealthMAP for financial success. I am well on my way to achieving my financial dreams.”

Pieter Claassen – Hanover House Dental Group

Implementing the plan takes time, so while the dentist’s skills and experience develop, risk exposures needs to be managed more carefully. A key part of this process is managing liquidity so the dentist always has sufficient cash to fund their lifestyle. There is also a focus on keeping all external costs as low as possible. William recommended a complete ‘holistic’ approach to wealth planning for dentists by looking at three distinct asset pots:

WealthMAP Journey



1. Goodwill of dentist’s practice or associate earning potential.
2. Their dental freehold assets.
3. All other assets – both liquid and illiquid.

The dentist’s wealth should be considered in two parts - passive (investments) and active (business and clinical) to ensure that the dentist can eventually achieve “Freedom from the Chair” by replacing his/her clinical income with investment income.

Wealth planning is a lifelong and continuous undertaking. The earlier a dentist starts the better the results. Dental WealthMAP follows a process to help dentists know where they want to get to and how to get there – just like a map. The process forces dentists to realise their strengths and aids decision-making. Success is achieved through detailed initial planning, continuous monitoring and objective reviews. William concludes ‘Having a plan is important because the better the planning the higher the likelihood of the desired end result. The dentist needs to take ownership and responsibility for the plan, but a good planner should be there with the dentist every step of the way to help - providing encouragement, support and accountability.’

SPECIAL OFFER TO DENTISTS

Global WealthMAP offers the opportunity for dentists to attend a wealth planning day in London followed by a networking dinner. All attendees will be offered a bespoke Dental WealthMAP created through the six weeks “WealthCHECK” discovery process.

This planning day and WealthCHECK are valuable, providing extensive access to professional planners, but if you register before the 15th November 2017, you will receive the Wealth Planning Day, the WealthCHECK including your own bespoke Dental WealthMAP and dinner with other like-minded dentists all at DWM’s expense.

Please visit www.globalwealthmap.com/DentalWealthPlanning2018 to see if you qualify. Places will be limited as the sessions work better with smaller groups.



6 Key Numbers

Personal Assets (1)
less Personal Liabilities (2)

WEALTH

Personal Income (3)
less Personal Expenditure (4)

PROFIT

Inward Cash Flow (5)
less Outward Cash Flow (6)

LIQUIDITY

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WHAT IS DRIVING THE NEED FOR PARTNERSHIPS

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We have witnessed a reduction in the number of UK single-owned practices in recent years. Principals have been faced with increasing litigation, costs of compliance, bureaucracy involved in running a practice and have really struggled. For many, the only option has been to sell up. However, nowadays selling to a corporate is not the only alternative to independent ownership.

Those wanting to remain involved in their practice and continue to benefit from its growth are opting for co-ownership. It offers much greater opportunity for long-term wealth creation compared to typical dental corporates.

This supplement explores the concept of co-ownership; how it works and when it is appropriate for those in the dental profession. The benefits of partnership groups are numerous and intricate, needing careful explanation. Within these 12 pages we aim to discuss in detail this compelling business model and why many high-profile practice-owners have chosen to join Dentex.

Dentex is a UK partnership group for the dental profession. Offering a unique co-ownership model, which encourages clinical excellence, growth in profitability and sharing of the growth value - we provide the support that independent dental practitioners need to achieve their full potential, without encroaching on their clinical independence.

Whether you're looking to grow your practice, build your own group of practices, spend more time with patients practising the skills you trained so long to acquire, or shift the scales in your work-life balance, Dentex can enable you to focus on the parts of the dentistry that you enjoy.

On page two we talk about Dental WealthMAP, explaining the difference between a financial consultant and a wealth manager to a dental professional, as well as highlighting the importance of growing goodwill. Goodwill of course is a key element in the Dentex model and what makes it work well for the dental professional.

Earlier I mentioned high-profile practice owners have chosen Dentex. On page six of this supplement we interview Drs Rahul and Bhavna Doshi, who joined Dentex recently and offer some of their experience to date.

On page nine we look at the increasing complexity and cost of dental compliance and review solutions to this relentless issue. Pat Langley is also Dentex's Chief Dental Officer - Dentex partners have access to Apolline's service using a combination of in-practice support and highly innovative web-based IT tools for measuring and achieving compliance and customer service excellence.

Also in this supplement is a feature from Moore Stephens Chartered Accountants (page 10) on the challenges in the profession and how best to prepare for a practice transaction.

The final article is from Software of Excellence on its practice management software and the business modules encapsulated in the software package that can dramatically aid business management of a dental practice.

I hope you enjoy what follows and should you have any queries please do not hesitate to contact me at info@dentexhealth.co.uk.

Barry Lanesman
Chief Executive Officer



DENTEX

BARRY LANESMAN

Barry is a qualified dentist with a MBA from the University of Cape Town. Over the last 26 years, he successfully developed two specialist finance and banking businesses with a focus on the medical, dental and accounting markets in Australia. One of these businesses became a full transactional banking operation with a unique value proposition. Barry moved to the UK in 2015 after the sale of his business and is again developing a unique business, this time for UK dentists.

WHAT IS DENTEX

Private Dentistry details the Dentex co-ownership model



Dentex already works with many high profile dentists. From left to right: Rahul Doshi, Bhavna Doshi, Mark Hughes, Elaine Halley, Pieter Claasson, Stuart Bowen-Davies and Mitesh Badiani

Dentex is forming an inclusive co-ownership dental business that inspires growth and high standards of clinical care, while enabling its dentists

to create value and achieve more of what they want in life. The Dentex co-ownership model is truly unique in the benefits they offer their partners and looks to address some of the restrictions dentists have experienced as part of corporates in the past. These include:

- Much greater long-term wealth creation
- Retaining what makes the practice unique, including individual practice identity
- More time and freedom to focus on the parts of the business they find interesting
- Improved running of the practice, with operational and regulatory support
- Retained equity in their practice
- Work closely with other dentists, sharing knowledge and experiences
- Clinical freedom

Dentex is a way for dentists to extract equity from their practice, but continue to stay involved and benefit from the growth whilst preserving their clinical independence. Dentex provides support to dentists as partners, enabling growth without removing a practice's autonomy; so, dentists continue to run their practice,

while knowing that there is help at hand to guide them through thorny issues. Rob Paxman, Director of Partnering said 'Trust is key in how we work with partnering dentists. It's important from the onset

In my opinion Dentex are the only investment vehicle that offers true partnership in growing our businesses together.

Mark Hughes, SD Dentco Group

that we understand our partners' needs, hopes and future expectations. It's equally important that we find the right dentists to join our network. Integrity, respect for each other and highest ethical standards are just a few of the values that make up Dentex's foundations.

THERE ARE TWO WAYS DENTISTS CAN PARTNER WITH DENTEX

The first is as a **Regional Partner**. This is when a principal has ambitions to grow their business, but needs support in order to expand. Dentex provides funding and the centralised resources – mentoring, guidance, technical, financial, compliance, legal and clinical support – necessary to drive growth.

The second approach enables a principal

who wants to continue to be involved in the business, but would like to relinquish some of the burden of day-to-day management by becoming a **Practice Partner**. Here the practice will benefit from the mentorship and support that comes from being part of a Regional Partner's group.

Regardless of which option you choose, Dentex will allow you to retain an investment in your practice. As a true partner, you will share in the value created in your practice, so that you continue to enjoy the rewards of growing whilst having all the financial and operational support you need.

SUMMARY

Dentex has shown significant growth thanks to its unique offering. They have ambitious growth expectations and are so far on track to hit their target of 150 practices by 2022. ●

TO FIND OUT MORE

about partnering with Dentex, please email or visit the website.

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WEBSITE: www.dentexhealth.co.uk



REASONS TO CHOOSE CO-OWNERSHIP

WEALTH IS SHARED WITH PARTNERS

Dentex differs from traditional dental corporates by offering dentists considerably better long-term wealth creation opportunities through retained equity in their practice. The model is designed to share the value created with partners, meaning they benefit more from the growth of the group.

WORK ALONGSIDE RENOWNED DENTISTS AS YOUR PARTNERS

Dentex is not about running a business model that's dictatorial, it's about helping dentists work together. Dentists often face similar challenges, so Dentex encourages their partners to build and grow in a collegiate way. The company already boast a great dental partner roster including Elaine Halley, Rahul and Bhavna Doshi, Mitesh Badiani, Stephen Tarr, Mark Hughes and Tidu Mankoo.

RETAIN PRACTICE IDENTITY

Co-ownership means the practice retains its identity. Individual identity is what makes the practice unique and sets it apart from others. Keeping the practitioners, team and patients at the core of Dentex is paramount to the success of the group.

REALISE EQUITY FROM YOUR PRACTICE

Dentists are able to extract equity from their practices enabling them to invest in other areas of their lives, providing greater flexibility and more options for the practitioner.

The Dentex model with its clinical bias and partnership ethos is unique and I'm proud to be part of it.

Elaine Halley, Cherrybank Dental Spa

BETTER LIFESTYLE OPTIONS

Co-ownership releases equity in the business which can enhance lifestyle. Reduced burden of administration and the support network can reduce stress and enhance the work-life balance.

ASSISTANCE WITH COMPLIANCE AND REGULATION

Apolline provides tailored, hands-on support to dental practices with all matters relating to regulatory compliance. Dentex partners have access to Apolline's support and guidance using a combination of in-practice support and highly innovative web-based IT tools for measuring and achieving compliance and customer service excellence.

CLINICAL MENTORING

Alleviating some of the burdensome administrative tasks through a centralised support team i.e. legal, compliance, marketing, HR, finance, leaves dentists free to focus on clinical practice and developing specialist skills. Member dentists have access to a clinical support structure with specialist advice, as well as being part of a national network of clinicians.

LONG-TERM FOCUS, RATHER THAN SHORT-TERM PROFITS

Many corporate groups are looking only for short-term profits rather than long-term growth. Dentists are often 'encouraged' to use cheaper materials and certain laboratories. At Dentex the focus is on long-term growth and improved performance rather than short-term profiteering. Dentex practitioners have complete clinical freedom, meaning they use the materials and laboratories they want. This strong focus on clinical freedom creates an environment in which co-ownership can really flourish.

FINANCIALLY MORE ACCESSIBLE FOR YOUNG DENTISTS

Dentex is currently focused on growing a group of principals and at the same time is working with associates to develop ways to support those who want to progress, but can't get funding or lack confidence to take the next steps.

LESS RISK

Dentex has long-term shareholders who are focused on creating a sustainable and profitable business for the future, giving all shareholders the opportunity to remain long-term investors, or provide liquidity as needed. ●

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CLINICAL FREEDOM WITH DENTEX

Julian English interviewed renowned dentist Rahul Doshi
exploring his decision to join Dentex



JE: What challenges does a principal typically experience?

RD: The independent dental practitioner is unique in the demands they face. They have to marry clinical care with the demands of running a business. This must be done while exercising the strong interpersonal skills demanded to help practices and run a team. It's a difficult balancing act which can often leave even the most successful practitioners wondering if there is an easier way. This was exactly how I felt.

In the past we won multiple awards including most recently 'Outstanding Contribution to Cosmetic Dentistry' in March 2017 at Aesthetic Dentistry Awards. We considered ourselves very experienced and yet there were times when running a practice got in the way of being a dentist. This is what drove us to join Dentex.

The reason we became dentists was to provide exceptional patient care and do as much great clinical dentistry as possible. I remember when I was an associate feeling compromised because I had to operate within the rules of the practice. I had to use the materials provided by the practice, which sometimes were not those I would have chosen. To gain more clinical freedom, I purchased a practice. But the demands of running my own business created a different set of problems inhibiting pure clinical freedom.



Growing the practice demanded communication skills, marketing, team building, leadership, and bureaucracy and compliance understanding. These new skills took time to develop and directly turned my head away from clinical care. With Dentex, I have the ability to use these skills with their support to grow my own group. I can share these skills with those in my regional group allowing them the time they need to focus on their patients.

JE: What led you to consider co-ownership as the way forward for your practice?

RD: For a quarter of a century, my wife Bhavna and I have developed and run multiple practices, gaining a wealth of knowledge and experience in all aspects of dentistry. We provided support to colleagues in the profession and even set up an advanced training institute on Functional Aesthetics, coaching and mentoring dentists in clinical dentistry and the business side. This has enabled us to understand the intricacies of establishing a successful dental practice that is based upon quality dentistry and cohesive teamwork.

JE: How and why did you come to choose Dentex?

RD: In recent times we looked for a realistic way to expand and replicate the business model we set up. This was tricky. We were introduced to Dentex who provided a genuine partnership with an extensive vehicle of support and finance that has enabled us to continue to grow exponentially. They have an amazing support structure of forward-thinking innovative people who make growth and acquisition far simpler than it would have been otherwise.

BENEFITS OF BEING ONE A REGIONAL PARTNER

- Significantly improve the value of your practice
- Retain ownership and autonomy in your practice
 - Take your business to the next level
- Superior support with business planning, finance and administration
- Partner with a network of good clinicians
- Be part of a growing national network who can support your expansion

Dentex is a partner that has allowed us to preserve our ethos and way of business, and provide a collaboration of mastermind. We have been able to keep our business identity, leadership philosophy, quality of dentistry and exceptional patient care. At the same time they have given us the financial and business support to grow our group of practices.

JE: How does Dentex work?

RD: Dentex creates freedom through a unique co-ownership model in which partners get the support of being part of a larger network of dentists, while still being able to preserve independence and pursue their individual interests. Although Bhavna and I understand the intricacies of establishing a successful dental practice based upon quality dentistry and cohesive teamwork, we were looking for a viable way to expand. We wanted to replicate the business expertise we have acquired, and that is needed to drive practices forward.

Dentex provides us with genuine partnership, lots of support and sufficient finance to enable us to grow significantly. They have an amazing support structure of dynamic colleagues who use their skills and expertise to make the acquisition process easy.

Regional Partners tend to be ambitious, forward thinking, motivated and already have successful businesses. Partnering with Dentex can help those looking to expand, achieve greater levels of success than they could have on their own.

JE: How do negotiations/deals work?

RD: Even though there are three parties involved when putting a deal together the process is actually very simple. Dentex has a clear and transparent process of working and of the way it values practices. The valuation is presented to the seller, as long as that is accepted, Dentex does the vast amount of due diligence needed to ensure there are no hidden surprises. If there are any issues, they are identified early and can be addressed, giving me absolute confidence that the deal will



be a good one. The biggest drawback in acquiring a practice on your own can be the time taken for the legal and financial aspects to be completed. Dentex can complete a transaction in as little as 16-weeks assuming no CQC changes. There can still be delays of course, but they're less likely with a dedicated team supporting the seller through the process.

Dentex is a partner that has allowed us to preserve our ethos and way of business, and provide a collaboration of mastermind. We have been able to keep our business identity, leadership philosophy, quality of dentistry and exceptional patient care. At the same time, they have given us the financial and business support to grow our group of practices.

JE: What were the challenges in achieving your overall aim?

RD: My ultimate aim is to have a group of between 12 and 15 practices, which I'm looking to build up to over the next few years. I have the capacity to look after a group that size and I enjoy developing businesses. I find the non-clinical aspects of dentistry very interesting and am looking forward to moving into a different phase of my career. I'm expecting the new challenges to energise me. There will be a build-up of asset value, which creates a defined exit strategy for the future.

What also excites me is that I will be able to mentor dentists clinically in many aspects, whether this is in treatment planning, occlusion, treating difficult cases or cosmetic dentistry. Teaching and mentoring has been my passion for the last 17 years and Dentex's model enables me to spend more time chairside mentoring and personally teaching the dentists in my group.

CONCLUSIONS

Dentex's unique co-ownership model means it partners with dentists for the long-term, to build a sustainable business.

It was set up by and is run by dentists, so they know first-hand what it takes to maintain clinical excellence and run a successful business. Dentex can also put you in touch with other Regional Partners across the UK, giving you access to a network of other ambitious and dedicated professionals who can support you to grow.

Clinical excellence is at the front and centre

of the Dentex culture. The group already works with several established and renowned practices and this number is growing rapidly.

Rahul and Bhavna Doshi and a number of other high profile dental practitioners have chosen this model for their future.

It is definitely worth considering. ●

RAHUL DOSHI

Rahul Doshi is a partner at The Perfect Smile Studio and a Dentex Regional Partner.

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It's ideal for dentists who love their work, want to remain invested in their practice, but wish to be relieved of the full responsibility of managing the practice.

CO-OWNERSHIP WORKS FOR DENTISTS ASKING, 'WHAT NEXT'?

This article explores some of the challenges in UK dentistry, and the opportunities co-ownership might present

UK dentistry nowadays is both complicated and increasingly expensive. Many dentists struggle to keep up with financial and compliance obligations whilst striving to be focused clinicians and continuing to grow their skills.

Dentists study hard to acquire the necessary knowledge and skills required to provide great patient care. Added to this, many now choose to invest in enhancing their clinical skills and additional qualifications.

The huge pressures involved in managing a successful practice can be a distraction from creating value and lead to reduced enjoyment of clinical practice.

SO WHAT'S THE ANSWER FOR DENTISTS WHO WANT TO CONTINUE TO EVOLVE?

As a co-ownership partnership model, Dentex can provide dentists with the opportunity to realise significant value by building a group of practices where they maintain clinical freedom and importantly continue under their personal independent brand, collaborating with leading dental professionals as a group.

Because co-ownership aims to reduce the burdens of practice administration, provide clinical mentoring and support, inspire practice growth and reduce the risk of running a practice, the model has obvious benefits to dental professionals.

A typical Dentex partner wants to share growth, not sell and leave after three years, so it's different to your typical dental corporate. These partners are motivated and enthused about clinical dentistry. They still want to work in dentistry, but feel restricted by growing regulatory, compliance and administration.

RELEVANT TO PRACTICE PRINCIPALS WANTING TO GROW THEIR OWN GROUP

Regional Partners are supported to grow and create wealth with a co-investor – Dentex. Regional Partners typically want to develop five to 10 practices and are already very strong clinically and financially. They often aspire to grow their leadership and mentoring capabilities. The key element is that the new

associates operating in UK dentistry is growing. Many of these aspire to grow their wealth, or business skills alongside their clinical skills. Dentex is building this into its model, creating a career path for specific associates wanting to develop into Practice Partners.

BENEFITS TO THE PRACTICE TEAM

The practice team enjoys the benefits of being part of a larger group, such as improved job security and a larger group of colleagues with whom to consult and share ideas.

BENEFITS FOR PATIENTS

Patients benefit through being treated by dentists who are more focused on clinical care than previously, because the 'group' is taking care of a lot of the time-consuming

administration, worries, compliance issues and everything that goes into running a business. The best ways of caring for patients within a practice are shared throughout the group, to enhance the patient experience.

SUMMARY

Many Dentex partners are already experiencing the benefits of this collaborative model. They continue to work clinically in one or two practices and to be connected to a group of dentists and share their clinical insights.

Dentex is a convincing model, already making a positive impact on the UK dental market. ●

A typical Dentex partner wants to share growth, not sell and leave after three years, so it's different to your typical dental corporate. These partners are motivated and enthused about clinical dentistry. They still want to work in dentistry, but feel restricted by growing regulatory, compliance and administration.

partner, whether Practice Partner or Regional Partner, remains a partner with clinical autonomy and retains the ability to earn well clinically and participate in a very attractive investment that they know and understand well (i.e. dentistry and their own practice.) The new Regional Partner will also be part of a growing network of renowned dentists, sharing knowledge and resources.

RELEVANT TO PRACTICE PRINCIPALS WHO WANT MORE TIME TO FOCUS ON CLINICAL CARE

By joining a Regional Partner's group, the principal is given time to concentrate on clinical dentistry, enjoy a more relaxed lifestyle, but still have an input into how the business moves forward. Dentex won't impose on the everyday operation of a practice, but helps with mentoring, guidance, technical, financial, legal, regulatory and clinical support. This benefit is unique to Dentex.

RELEVANT TO ASSOCIATES

Co-ownership offers a smaller and safer step to being a practice owner. The number of

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FIVE THINGS YOU DIDN'T KNOW ABOUT COMPLIANCE

Written by **Pat Langley**

Pat Langley of Apolline and Dentex informs us of several facts about compliance

It is not an understatement to say that 'compliance' is a word that never fails to elicit vociferous views. Mostly these are negative; but why is that?

The answer I believe lies in fear of the unknown. So why, even after all this time is compliance still a subject feared by most, if not all?

We need look no further than the dramatically altered regulatory landscape throughout the whole of the UK for our answer to this.

While many laws and regulatory requirements have been in place for many years, the difference now is that all dental practices, whether funded through private contract or through the NHS are required to *demonstrate* their compliance. They must also be able to demonstrate that they comply with all the new laws and regulations which seem to change with alarming regularity.

As a profession, understanding the detail of all the myriad of regulatory requirements is not something to which we have always applied the same vigour or enthusiasm as say understanding the latest advances in dental technology and treatment possibilities. The result of which is that compliance has remained a subject we don't really understand, hence our fear of the unknown.

But that's not all that creates fear of the unknown, because regulatory inspections to check on compliance are undertaken by human inspectors who, however well-trained and calibrated they are, always have the potential to interpret the regulations in slightly different ways.

The regulators all talk to each other and share information meaning that the consequences of 'getting it wrong' can be catastrophic with compliance failure leading to problems with either or all of NHS England, GDC, CQC and other regulators.

Sadly, many practices feel so overwhelmed by compliance that they resort to firmly planting their heads in the sand and hoping 'someone' (usually the



Pat Langley is co-founder of Apolline Ltd

Practice Manager) will fix it. There is no doubt that 'chasing' compliance has added to increased stress and early retirement in the profession.

The cost of dental compliance has risen 25% in real terms in the last five years (BDA research) and the cost of HR mistakes can plunge a practice into administration.

So, this leads me to our opening question, what are the five things you didn't know about compliance?

1. COMPLIANCE MAKES GOOD BUSINESS SENSE

The CQC requires practices to demonstrate that they provide care that is safe and effective, that they are caring and responsive to their patients' needs and that the team is well-led. These are also the things that define a successful practice.

2. COMPLIANCE IS FOR LIFE AND NOT JUST FOR YOUR INSPECTION

Compliance requires constant vigilance and investment and it doesn't just happen on its own. It is essential that practices have some means of measuring their compliance and ensuring that compliance tasks are actioned. Practices that do this will then always be more or less where they need to be at all times rather than having a complete meltdown when they receive notice that 'an inspector will be calling'. They will also have a calm, efficient patient-focussed practice, which is good for business.

3. COMPLIANCE IS NOT JUST ABOUT HAVING DOZENS OF POLICIES THAT SIT ON A SHELF AND

....are never looked at. It's about having up to date, relevant policies and protocols that describe what actually happens in your practice that the whole team live and breathe. They must be dated with a review date and must be signed by every member of the team to signify they have read and understood them.

4. COMPLIANCE IS EVERYONE'S RESPONSIBILITY

The whole team must be trained in and involved in compliance. The days when compliance was something the Practice Manager 'does' on a Friday afternoon are gone because it is too big a job for one person to do. Compliance tasks should be delegated to the most appropriate team member who is then accountable for completion of their tasks on a daily, weekly, monthly basis.

5. COMPLIANT PRACTICES ARE HAPPY PRACTICES!

Compliant practices communicate effectively with their patients and staff, have fewer complaints, are safe, calm places to work, have systems that run smoothly most of the time, have less stress, better team morale and are less likely to be involved in litigation.

Compliance should be welcomed and not feared - I rest my case! ●

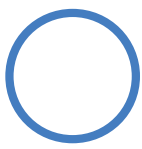
ABOUT PAT LANGLEY

Pat provides clinical support and guidance to Dentex partners and clinical leadership to the Dentex team. She is co-founder and Chief Executive of Apolline Ltd, a company that provides tailored, hands-on support to dental practices with all matters relating to regulatory compliance.



FINANCIAL CHALLENGES FACING DENTISTS TODAY

Pete Simons, Partner at Moore Stephens, discusses the current challenges dentists face and explains how Moore Stephens can assist



One of the main challenges facing principals today is succession planning or an exit strategy for their dental practice. The attractiveness

of a practice is normally dependent on its size and location. However, we help our clients on a range of other additional issues, which can also have great influence on the value of a practice.

PREPARING FOR A TRANSACTION

Traditionally, an effective way to prepare for sale was to hire associates, carefully choosing people who may want to take over the business after a few years. 'This approach offers stable succession with knowledgeable and experienced colleagues joining and subsequently taking over the business. But this approach is becoming more of a challenge, as it is more difficult to find associates with the entrepreneurial aspirations needed to take over the business. For a range of reasons, we have witnessed a drop in the number of entrepreneurial dentist then we've had in the past,' explains Pete.

GOODWILL VALUATIONS

Goodwill is still a major factor, with rates varying across the country. In the past, we valued goodwill as a percentage of gross fees, with practices typically achieving 30-50 percent. But in recent times and for a very profitable business, owners are commanding a multiple of adjusted profit – earnings before interest, tax, depreciation and amortisation (EBITDA). These days the multiples can be as high as five to eight times EBITDA which can equate to 100%-200% of gross fees.

ADVISING SELLERS AND PURCHASERS

'When advising a purchaser, I normally look at the profitability of a desired practice, rather than get over-excited about paying too much based on gross fees,' explains Pete. When advising a seller, we try to improve the profits of the business to get the profit multiple as high as possible. Increasing profitability can be done in a number of ways. For example, having the principals take on more of the clinical treatment load for a period of time, or providing more specialist services can increase profits and make the

Goodwill is still a major factor, with rates varying across the country.

practice valuation higher. Purchasers can be willing to pay a premium where they can see opportunities to expand the services and profitability of the practice. If a business and their personal interactions need to expand, we'll make it happen.'

NHS UNCERTAINTY

NHS uncertainty is another challenge for dental practices. Worries about NHS contracts coming up for re-tender or alterations to contract terms are commonplace. To mitigate against this, Moore Stephens advises clients to build up the private side of the business to give more protection.

MOORE STEPHENS' SERVICES

Pete concluded by saying 'Most of our new clients come from recommendations within the profession, through existing clients

or professional contacts. We have many specialists in tax, acquisitions, dentistry and so on. These people are called on throughout our global network whenever their specialist advice is needed.' Pete adds 'By working with a broad spectrum of clients, we're able to share best practice from other industries too – a fresh perspective can be invaluable.'

Moore Stephens' services to the dental sector include:

- Superannuation and pension contributions
- Compliance work: completion of accounts and self-assessment tax returns
- Retirement planning
- Advice to practices on VAT issues
- Advice on surgery premises, including notional rent and borrowing costs
- Leasing to third party tenants
- Practice mergers
- Partnership changes: profit projections and implications of partners joining and leaving
- Financial and tax implications of leasing vs buying
- Advice on booking systems & record keeping
- Expense claims and deferment forms
- Cashflow projections and business plans
- Capital allowances surveys.

Moore Stephens chartered accountants work with Dentex and provide accounting and tax support to UK dentists. ●

FOR MORE INFORMATION

To learn about the services of accountants Moore Stephens, contact David Anderson or Pete Simons.

EMAIL: david.anderson@moorestephens.com

EMAIL: pete.simons@moorestephens.com

WEBSITE: www.moorestephens.co.uk

MOORE STEPHENS

THE KEY TO GROWTH AND IMPROVED PERFORMANCE

Sustained growth is a vital component in every business and as the dental market becomes ever more competitive the drive for differentiation is crucial. Dentists often choose EXACT, from Software of Excellence, a Henry Schein company, as their practice management system, for the core reason being that it is a complete business tool. Guy Meyers Head of Customer Success at Software of Excellence explains more.



The difference between a good practice and a great practice is not always immediately obvious. Although there are differences in size and nuances in the types of services offered, both see patients and provide appropriate treatments. However, our work with thousands of practices over the past five years has revealed some dramatic underlying differences between 'good' and 'great' in relation to certain key performance indicators.

Software of Excellence's drive to provide complete business solutions came from our realisation that the data held with a practice management system was extremely powerful. We understood that there were aspects of our software that could drive business outcomes, while at the same time improving the service provided to patients. By analysing this data and helping practices to understand where they had performance shortfalls and growth opportunities, we knew we could become an important cog in their success.

There are three key elements that have helped us determine the principles that underpin a successful practice:

- 1. Automation:** we remove the human element from administrative functions and processes wherever possible. Practices that have embraced this philosophy have been extremely successful in terms of recall success, reminders, and online booking and have found that this has given them more time to spend on patient care.
- 2. Workflow management:** where automation is not possible, we implement workflow management. This means that each team member knows what is required of them to achieve success and follows defined processes to ensure the desired outcomes are achieved.
- 3. Behavioural change:** finally, we look to change behaviour. We do this by providing reports that indicate where changes in team behaviour can impact business performance and the patient's experience. We help customers to use targets to manage team and overall business performance each day, week

and month to achieve success.

Tracking data and understanding progress is vital for every business, and dental practices are no exception. However, the vast majority of dentists tend to assess their business performance purely based on gut feeling. We encourage practices to track performance progress on a regular basis, affording the opportunity to improve the processes that affect results, and make changes before it's too late.

THE VALUE OF EVIDENCE-BASED DATA

It's clear that having access to evidence-based data is immensely valuable in enabling owners and managers to take remedial action to improve results. For example, if one measurement of patient satisfaction is patient referrals, the practice needs a process by which this data can be captured on a regular basis. This process needs to be understood and followed by every member of the team. In the same way, another measurement of success might be the value of incomplete treatment plans. This type of info gathering is one factor in determining the difference between a good practice and a great business.

BUY-IN TO PRACTICE TARGETS

It's crucial to get team 'buy-in' to practice targets, because this creates a culture of accountability. If weekly or monthly targets are occasionally missed it isn't the end of the world, but it is important that the reasons for the under-performance are understood, so that continuous improvement can be maintained and overall targets can still be met. In the same way, there must be rewards when targets are achieved that enable the team to celebrate success together. Having a daily huddle for five minutes is a useful tool for reminding the team of key objectives and the role they can play during that day in helping achieve them.

MARKETING MANAGER MODULE

Our latest software release, EXACT V12, incorporates a Marketing Manager module that

enables practices to tackle the important task of marketing services to both potential and existing patients. Whether the communication is digital or print, Marketing Manager can be formatted to target specific patient groups with relevant campaigns at pre-defined intervals. A unique 'set and forget' function means that campaigns can be devised to run automatically unless interrupted by a response from the patient.

In addition, Marketing Manager contains a return on investment dashboard that automatically tracks responses in terms of phone calls, booked appointments and treatment uptake. Such detailed reporting enables practice owners and managers to understand which communication is most effective and if there is breakdown in the process, where this occurs.

CONCLUSIONS

From the outset, practice management systems were designed to enhance the efficiency of dental practices but EXACT has now taken this drive for efficiency to a new level, taking care not only of the internal processes that deliver best practice efficiency, but also tackling some of the most common issues of marketing.

Transforming a practice from good to great doesn't happen overnight, but nor is it an over-complicated or unachievable aim for the vast majority of dental practices. Knowing which tools can make the transformation possible and understanding how to use them is of course a pre-requisite, but once understood and with the right guidance, it is a simple path to follow. ●

FOR MORE INFORMATION

To learn more about turning your practice from good to great with Software of Excellence,

TELEPHONE: 0845 3455767 or visit

WEBSITE: www.softwareofexcellence.com.

**SOFTWARE OF
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MOORE STEPHENS

Accountancy and advisory services provided with care

Moore Stephens' dedicated Healthcare team has a wealth of experience in the dental sector. We have the professional resources to help you stay more connected and can provide as little or as much support as needed, to help you, and your dental practice, thrive in a changing world.

For more information, contact David Anderson on +44 (0)20 8366 4331 or email david.anderson@moorestephens.com

www.moorestephens.co.uk/healthcare

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