



Are you ready **to go it alone?**

A guide for Medical Practitioners

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Introduction

Congratulations on making the decision to open your own practice. Regardless of speciality, it is a major step in your life - both professional and personal.

It's not just a new phase in your medical career, it's a big step in your business career. You're opening a business, not just a medical practice. Unless you approach it as a business, you will more than likely struggle to succeed.

It's a very different lifestyle to working for a hospital or medical centre. Be realistic about the challenge, as you need to be sure you want to work for yourself. Talk with others who have started their own practice and get an understanding of the hidden workload involved in managing people, budgets, property, accounting and more.

To help you cover all the bases before you open your doors, we've talked with specialists who have already taken the step and set up their own practice. They've shared their experience and given us real-world advice on what to expect. We suggest you also meet with your peers for their thoughts and to get referrals for suppliers of services and equipment. This will save you time and possibly money, as well as motivate you to get started.

You have three options when going it alone:

- Join a collective of specialists where you share resources, patients and revenue
- Rent a room in an existing practice, paying for support services but managing your patients and any overload from the primary specialist
- Open your own practice

Very few specialists go out on their own in the first instance. They usually start by renting a room in an existing practice and doing other medical work to generate income, until their practice grows. You will have your own ideas and objectives, so we trust this information is useful in helping you open your practice.

The appendix includes a list of industry suppliers and services.

Before you start

You'll need to decide if you are going it alone and opening your own practice, or going to start working in an existing practice.

You can learn the ropes working with others while growing your business, then start your own later. Experienced specialists advise to work where there isn't a saturation of your services.

The real estate adage of "location, location, location" applies. Your patients must be able to get to you easily, either with local parking or by public transport. Is there wheelchair access and toilet facilities for patients? Your staff amenities and staff parking also need to be considered.

If you're opening a new practice you'll need to **fit-out** the whole space from reception to patient rooms and day-surgery. There are organisations that specialise in medical practice fit-outs. They can guide and advise you on the best solutions, based on your budget. Unless you're blessed with a large bank balance, you'll have to consider finance for the fit-out.

Consider the location and the potential demand for your services. If you're an obstetrician, there's not much opportunity to grow your business if your practice is located in an area dominated by retirees. If you don't speak a foreign language then you'll struggle to get patients in a suburban enclave where English is a second language. Conversely if you speak a language other than English it may be to your advantage to open in an area where English is a second language.

Assess the population, the number of existing specialists and GPs serving the community and determine if there is room for growth for your specialty. One option is to find a specialist considering retirement and see if you can start working with them, with a view to taking over their practice.

The early days of your practice are obviously the quietest on the revenue front. It may be worth starting out by renting a room from another specialist one or two days a week, work a couple of days in hospital, or even as a locum, to supplement your income until your practice grows.

Business plan

When you've decided where the market is for your services, the first thing you do is write your business plan.

This is the playbook for your business, a guide to what's involved in running it, so you can deliver against your objectives. It is essential, not just to help you focus and keep on track to make a profit, but also for getting finance from your bank. There are business advisors to help you, or online tutorials and templates you can use.

Your plan will include all your financials, particularly start-up costs, ongoing and recurring expenses, marketing and more. You should refer to it regularly in the first year and will most likely refine it along the way, as reality starts to direct your business.

The plan should also include your exit strategy. While it may seem a little early to be planning how to sell your practice, it is good idea to consider your long term plan. For example, capital gains tax can hurt you if not planned for up front.

Advisors and business partners

One common trap many small business owners fall into, is trying to do everything on their own, often under the false belief it saves them money.

Just as your patients come to you for advice, you need to get business advisors of your own. Joining industry organisations such as the Royal Australasian College of Surgeons (RACS) and the Royal Australasian College of Physicians (RACP) give you access to continuing professional development, support services, advice and much more through their **Fellowship** programmes.

A **business coach** or **mentor** may seem a luxury, but they will generally help you become more productive sooner, than if you try to do it all yourself learning, as you go. You'll also need to develop relationships with essential partners, such as your banker, accountant, bookkeeper, insurance provider, lawyer and more.

There is one advisor worth consulting before you start your business, a **tax accountant**. They will help you establish your practice in the most tax-effective way, help with ABN and setting up the company legal structure for you. They can also help you with getting any of the government's small business incentives and tax breaks. A good tax accountant will help you make the most of your taxable income and asset management.

Your tax accountant will help you manage taxes, BAS, GST, annual returns and provide advice relating to financial decisions, such as leasing, financing or ownership of assets. You will need a bookkeeper to manage the books, most likely on a weekly basis. The bookkeeper liaises with your accountant to ensure all ATO payments are made on time. Alternatively, you can look for a practice manager with book keeping skills.

Superannuation is a compulsory payment for every employee. Your accountant will advise you on whether to set up your own self-managed super fund (SMSF), or contribute to an existing retail fund. You'll need to determine the fund you pay your employee salaries into, particularly if they don't have an existing fund. This could be done with your financial planner too.

Engage an independent **financial planner** to help you with your personal investment plan including superannuation, investments, mortgage and estate planning, life insurance and your last will and testament.

It is always worth getting to know your **bank manager**, rather than the rotating loan officers at your local branch. You will be better off if you join the bank's private banking arm, or at least the small business banking area. This way you can develop a stronger relationship with your bank manager, which can help in tough times or when you need finance to grow.

If you don't have a **business lawyer**, find one you can trust, most likely by referral. Try to establish a relationship where they don't charge you for every minute you meet or talk. **Compliance** is another area where there is compulsory and voluntary business expenses. These include: Medicare Provider Number, AHPRA notifications, ABN, GST registration and General Practice Accreditation. You need to sort your various registrations out before you start your practice, not on the day you open your doors. The paperwork can take a few weeks, so it's best to make this one of your early priorities, otherwise you cannot work.

There are different types of **business insurance**, including the compulsory insurances such as workers compensation, public liability, medical indemnity and more. You can shop around and negotiate your premiums, or you can contract an insurance broker to do it for you. Try to package your insurance with one supplier to get better discounts on premiums. If you work outside your practice make sure you get the right out-of-office coverage. Put a disaster recovery plan in place as well, in case of fire or other disaster.

Unlike the consumer market, there are no aggregation sites for medical practice or business insurance. You will have to do some online searching, or ask your accountant or other specialists who they can recommend.

Financials

Nothing kills a business faster than lack of cash flow. This is why the budget in your business plan is so important. Your practice manager is also key to ensure your payments and receipts are managed positively.

Make sure you have enough cash to cover operating expenses until your practice becomes liquid. If you're financing your practice with a loan, structure your repayments to reflect your cash flow projections. You may be able to negotiate interest-only repayments for a period until your business gets a critical mass of patients and regular revenue.

In most specialist practices you are paid at the time of consultation, which is excellent for cash flow. But if you are also working in surgery in hospitals you may have disruptions to your income. Planning cash flow in advance will save you getting caught out unable to pay salaries or suppliers. Establishing payment terms with suppliers also helps you manage better.

Government incentives may also be available. Check with the Department of Human Services or the Australian Medical Association, as you may get financial assistance for equipment, rural loadings or staff professional development.

Systems

The more you can run your practice using systems the easier it is for you, your staff and your patients.

From how you process and file patient payments and receipts, to opening new patient records, booking patients, backing-up computers, closing the office, using kitchen facilities, even cleaning the bathrooms requires a system so staff understand how to run the practice appropriately. Everything needs to be documented and easily accessible – particularly emergency procedures in the event of a fire or building evacuation.

One of the most important systems you'll need is your IT system. Computer hardware and software, printer, scanner, internet, telephone and payment systems are all essential to running your practice. If you are starting out in someone else's practice, then you only need to pay for services and use the existing systems. But if you are starting out from scratch, you must give strong consideration to your IT and practice management systems. You can damage your practice's reputation if your IT systems frustrate your patients.

Medical software is now available as cloud-based service, including back-up, so you may not need to install software onto hard drives, rather just pay a subscription. This Software as a Service (SaaS) is an operational expense, not a capital expense, so is easier on your cash flow. Specialist medical software companies like Genie Solutions can provide all the practice software you'll need and are integrated with Medicare and accounting systems.

Genie Solutions provides a choice of Cloud-based SaaS (Gentu) or a desktop system (Genie). Gentu gives you the ability to access your software anywhere, anytime. Co-designed with practitioners, it provides an intuitive suite of features designed to optimise each user's workflow. While Genie has been perfected over 20 years and has thousands of intelligent features that provide a complete workflow for your practice.

You will need to buy hardware, so check out local IT service providers. Make sure they are available on call, should you need emergency support due to a breakdown. You'll find it easier if there is an IT problem if you buy your hardware and services from a single supplier. Make sure you can access your systems remotely when you travel or work from home.

You may also install free Wi-Fi for patients to use while they wait in reception to see you.

Support staff

Apart from yourself, the most important role in your business is that of the Practice Manager.

The difference between a good and bad practice manager can be thousands of dollars in revenue per annum, not to mention more satisfied patients. They are the face of your business and their attitude and professionalism can make or break you, as they are effectively your life manager.

Try to hire someone with experience in your field of medical expertise, or at least someone with experience running a practice. Tertiary qualifications aren't necessary, but there are a number of Certificate 3, Certificate 4 and Diplomas available to further the skill set of your practice manager. Typically, you need someone with good communication and interpersonal skills, who is efficient, a good time manager and upholds the standards of your practice.

Recruitment companies such as Australian Medical Placements can find experienced staff, or you can use a job board on the AAPM and AMA websites, or place your own ad on employment sites.

As you grow you may need additional support staff to run the practice. Establish procedures for hiring, on-boarding and ongoing training. Clear **policies** will help your staff understand what is required of them for both internal and external-facing behaviour. You should also establish policies for patient behaviour and make sure they are clearly displayed. For example, this can include payment terms, use of mobile phones in reception and use of hand-sanitiser before meeting with the doctor.

Other **outsourced services** include overall cleaning of the practice, sanitary services for female bathrooms, security and alarm systems, plant hire or garden maintenance if applicable and pest control. These can be the responsibility of your practice manager, as you don't need to be concerned with them.

Marketing

Don't wait until you have opened your doors to start your marketing. Patients won't immediately flock to you on day one.

If you're a specialist, be prepared to have a lot of coffees with local GPs, as they are your clients. It is their referrals that will grow your business. Make contact with them well before you start your practice, to get a feel for the local market. You will be making cold calls, so make each one memorable. Keep in touch with them so they don't forget you. Maybe send them a reminder of your opening date a couple of weeks beforehand.

Find a local marketing consultancy that can design your logo, website, stationery and signage. You might even produce some merchandise with your logo on it to give to GPs, suppliers and even your patients. It all helps build your brand.

Think about what makes you different and why GPs should refer patients to you?

Publish an email newsletter for GPs, as well as one for patients to keep them up to date on local health issues and other relevant news. You can also print a version of your newsletter to distribute through your reception.

Just before you launch, take the local newspaper editor to lunch. Tell them about your practice and why you set up in the local area. Local papers always want local news. They will need a photograph of you and possibly one of your staff and practice, so build a library of professional images you can send the editor. If you have a talent for writing, offer to write a guest medical column for the paper.

Check social media as there are some specialist LinkedIn and Facebook groups that may provide advice. Industry associations also run advisory workshops, as do some of the industry suppliers. Remember to invest time in your marketing before you open your doors, so you hit the ground running.

Part of your marketing will require you to analyse your local competitors to assess their strengths and weaknesses. You want to stand out from competitors, so learn if they do anything different and why you believe they are successful, or otherwise.

It also pays to know who your competitors are, as you never know when either of you may need the help of the other with a patient, or during a holiday or leave of absence.

Another key part of your business is the local pharmacy. Get to know your nearest pharmacist(s) as you will be sending patients to them for subscriptions or over-the-counter services. A good relationship means referrals go both ways between you. This applies less to specialists, but the local pharmacist knows more locals in the community than you do, so having them onside can only be a good thing.

Ask questions

The early months of your practice will be a steep learning curve in all parts of the business.

You must be prepared to change your plans as reality will differ to your initial thinking. Don't feel you are on your own. All specialists and GPs have been in the same situation at some stage in their career and will have advice to help you. Ask questions. Talk with suppliers like Genie Solutions, as they do business with doctors and specialists similar to you, so have hands-on expertise to share and will be keen to help you succeed.

Appendix 1 – Medical Industry Suppliers and Services

Genie Solutions does not accept any liability or responsibility for errors, defects, data loss, or any other unexpected or unexplained results whilst providing this information. For the full disclaimer please [visit our website](#).

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Recruitment

[AMA](#)

[Seek](#)

[Indeed](#)

Medical Practice Fit-Out Services

[Perfect Practice](#)

[Medifit](#)

[Levitch Design Australia](#)

[Prescribe Practice Management](#)

[VMORE](#)

Business Advisors

[Business.gov.au – Expertise & Advice](#)

[Doctor Connect – Ongoing professional support](#)

Professional Development

[AMA – Continuing Professional Development](#)

[Medical Board of Australia – Specialist Registration](#)

[AHPRA – Continuing Professional Development](#)

[RACGP – Education and professional development](#)

[RACP – Becoming a Fellow](#)

[RANZCOG – Training](#)

[RACS – Education and Training](#)

[AAPM](#)

Insurance

[AMA Insurance Brokers](#)

[Doctors Indemnity Insurance](#)

Business Planning

[Business.gov.au – How to write a business plan](#)

[Bplans – Family Medicine Clinic Business Plan](#)

[Affluence Private Wealth – Medical Marketing](#)

Legal Services

[You Legal](#)

Accounting Services

[TTO Chartered Accountants](#)

[MEDIQ Medical Financial Services](#)

Financial Growth

[Medico CFO](#)

Government Grants

[AGDHS – Practice Incentives Program](#)

[AMA – Grants to Help Country Practices](#)

Practice Managers

[MJA – Choosing a practice manager](#)

[Open Colleges](#)

[RACGP – Management in Practice](#)

[UNE Partnerships – Health Practices](#)



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