

STARTING UP | NEW PRACTICE FROM SCRATCH



DID YOU KNOW?

A multiyear survey of dental students at the Ohio State University has shown that only about **15%** of dental students have an interest in starting up new dental practices. **The balance of the dental students prefer to purchase practices.**

In the past, starting up a new practices from scratch was one of the primary ways that dentists became practice owners. Those days are gone. Most metropolitan areas have a saturation of dental practices and dental practitioners are less likely to serve rural communities.

With population to general practitioner ratios below 2000: 1, it is difficult to find good new start-up locations in metropolitan areas. It is possible in high population growth areas that new start-ups can be successful in retail environments.

You should rely on dental realty specialists with experience in new start-ups to assist you. It's easy to rely on dental equipment people or others in the dental industry who want to sell you something but you need to rely on specialists. Too much risk is involved to make mistakes.

Don't succumb to the Hotel California Syndrome, "You can check out anytime you like but you can never leave." If you invest \$600,000+ into what you thought was a great new start-up location and it turns out not to be, you might want to leave but you can't. You will owe the bank a lot of money and you have too much invested in your build-out to relocate. So you might mentally check out but you'll be there for many years and stuck in a bad situation.

GET PROPER ASSISTANCE TO CHOOSE A GOOD LOCATION.

If your advisor does not give you population to practitioner ratios for various prospective new start-up locations without you asking, then find a new advisor.

ADVANTAGES & DISADVANTAGES of starting up a new practice



Ability to choose the exact location of your new practice



New or newer facility and equipment
Better than what is available in practices for sale



Ability to hire and train new staff
No inheritance of past HR issues



Potential higher earnings
With a superior location, good management & clinical skills



Complete autonomy & control over the practice and the environment



Highest risk option
Out of all the options



Lack of initial patient & cash flow



High chance of being more expensive
Than purchasing an existing practice



Lack of internal systems
With lower initial earnings & untrained staff