Canadian Academy of Audiology
Academie Canadienne d'audiologie

Moncton, New Brunswick, Canada

Establishing A Private Practice



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Canadian Academy of Audiology
Academie Canadienne d'audiologie



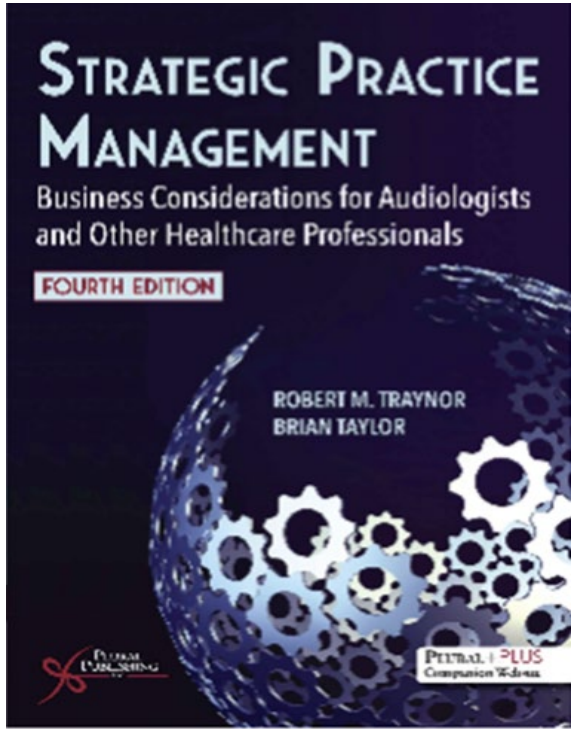
Moncton, NB is a Special Place

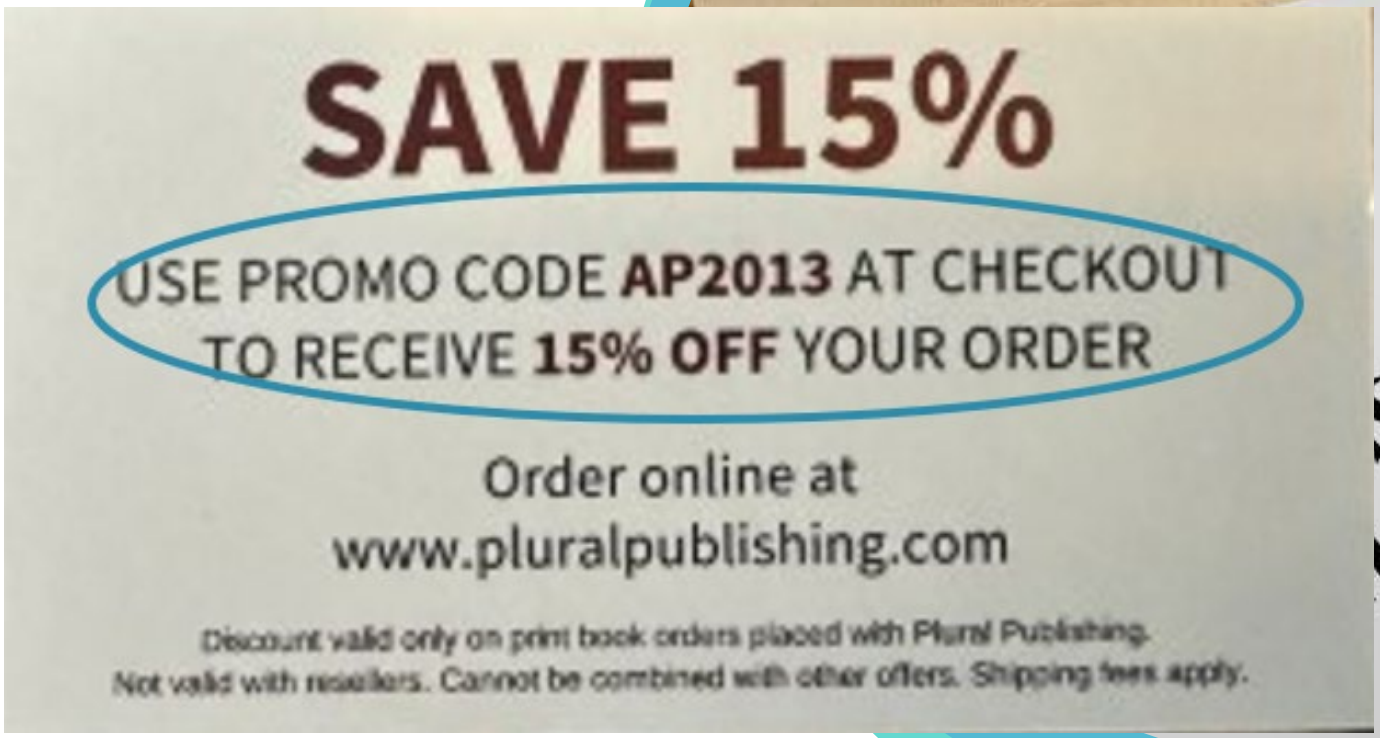
Where cars actually roll uphill.....



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Canadian Audiologist

Establishing Private Practice

Overview



01 Common Misconceptions

02 Entrepreneurship

03 Economics

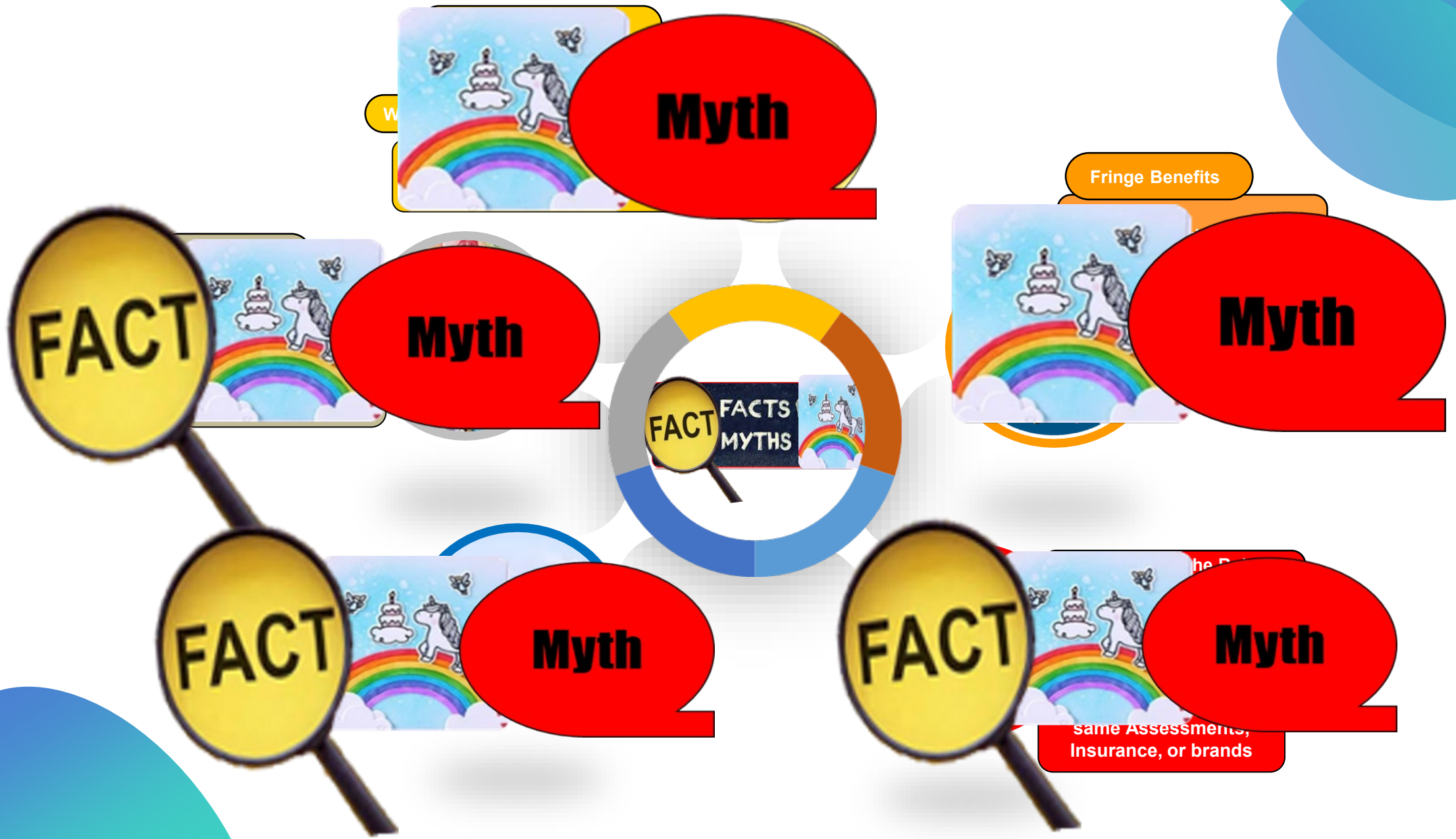
04 Pre - Planning

05 Formal Business Planning



Practice Ownership Misconceptions

Common *Misconceptions* of Practice Ownership



START UP CANADA

Entrepreneurship



Who is an Entrepreneur?

- An entrepreneur is someone who develops a business model.
- Has an innovative vision for the success of their business model.
- Acquires the necessary physical and human capital to start a new venture.
- Operationalizes this venture.
- They take the blame for failure as well as reap the rewards in case of success.



Who is an Entrepreneur?

- Time Management.
- Task Prioritization.
- Decision Making – Choice Evaluation.
- Active Listening
  Engaged Communication.
- Budgeting – Financial Management.
- Collaboration - Teamwork Enhancement.



Who is an Entrepreneur?

- Problem Solving.
- Critical Thinking Ability.
- Leadership – Effective Team Guidance.
- Management – Organizational Capability
- Networking – Relationship Building.

7 Characteristics of Successful Entrepreneurs



Vision



Business Environment Sensitivity



Environmental Sensitivity



Self Confidence



Strong conviction about their Vision



Extraordinary Personality



Influence and Lead the charge



Economics

Economic Cycles



- Boom, Peak, Recession, Recovery…..Repeat.
- Best to begin a business in the boom portion of the cycle.



Economic Indicators



- With some variations, the same are used in virtually most Countries.
- Politicians add/delete information from these economic indicators to make themselves look good.
- A good economy is good for elections for those in charge in any country.



Economic Indicators

- Leading Indicators
- Lagging Indicators
- Coincident Indicators









Economic Indicators

Leading Indicators

- Leading indicators signal future changes.
- These usually change before the economy itself changes.
- Leading Indicators:
  - Stock Market
  - Housing Market
  - Retail Sales
  - Manufacturing Activity



Economic Indicators

Lagging Indicators

- Lagging indicators usually change after the whole economy changes.
- They cannot directly be used to predict economic changes.
- Lagging Indicators:
  - Gross Domestic Product (GDP)
  - Consumer Price Index (CPI)
  - Business Inventories
  - Unemployment

Economic Indicators



Coincidental Indicators

- Coincident indicators occur at about the same time as the changes they signal.
- Coincident Indicators:
  - Personal Income
  - Taxes
- Personal Income. If the economy is strong and business is going well, personal income rates will increase at about the same time.
- Taxes. Can the people pay their taxes?

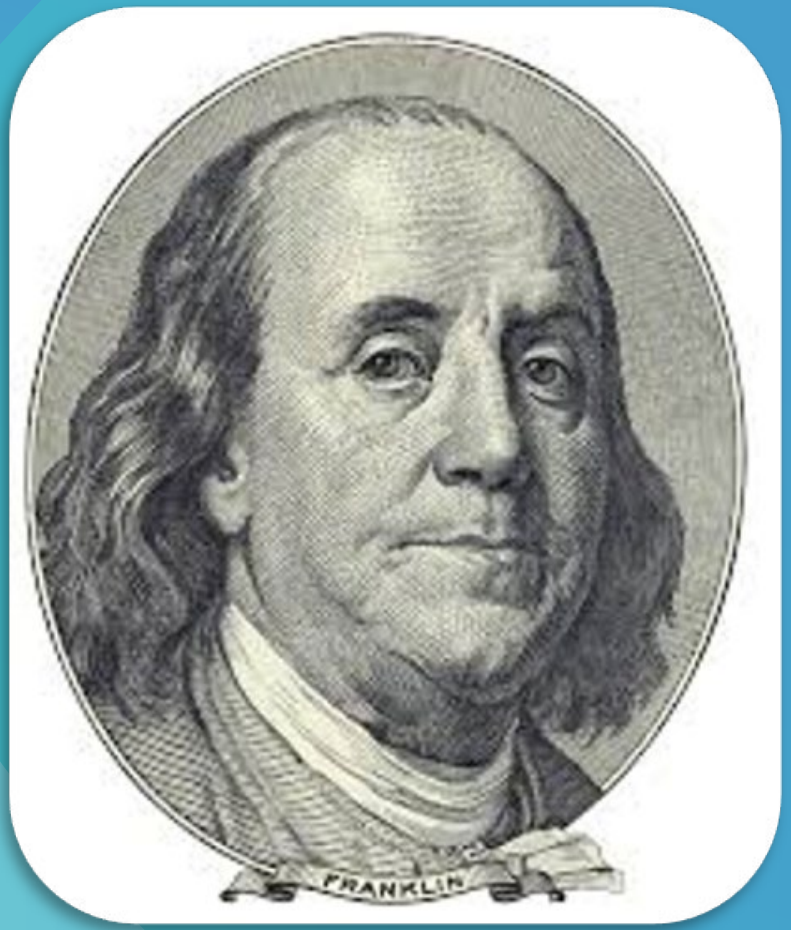


Business Planning

The Basics of Establishing a Private Practice

Why Plan?





If You Fail to Plan...
You are Planning to Fail!

Why Plan?





It's a Roadmap to
How to Get There!

It's a Blueprint For
How to Build It!

Why Plan?



13 Good Reasons

- Sets Specific Objectives for Managers
- Shares Strategies, Actions & Specifics
- Teaches to Deal with Displacement…
- Considers Space Requirements
- Considers/Organizes the Hiring of People
- What Assets are Required for this Business
- Shares and Explains Goals & Objectives w/ Team
- Selling the Business
- Valuation of the Business
- Seeking Investment in the Business
- Growing an Existing Business
- Selects and sets up Business Alliances with Suppliers
- Selects and sets up Business Alliances for Professionals.



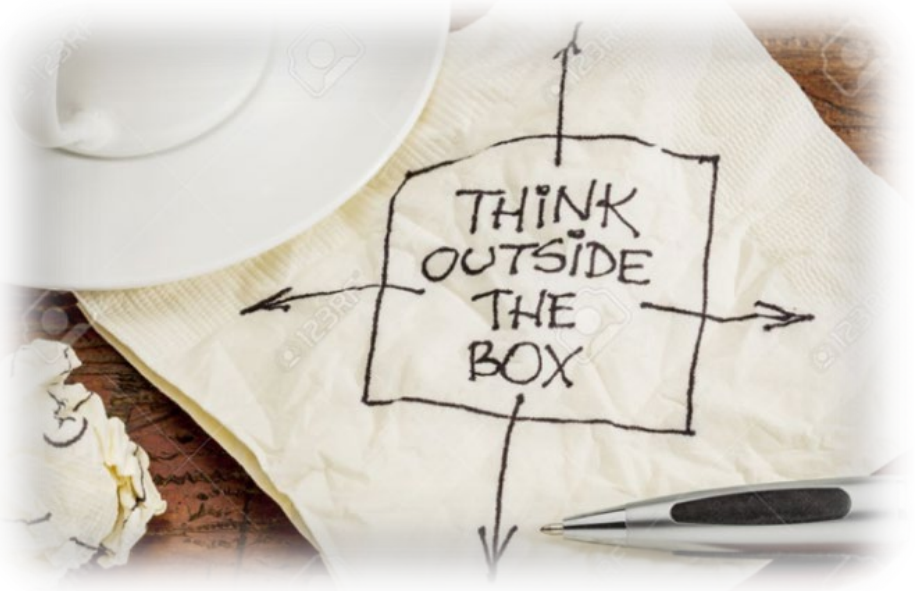
4 Essential Planning Questions

1. What service or product does your business provide and what need does it fill?
2. Who are the potential customers for your product or service and why will they buy from you?
3. How will you reach your potential customers ?
4. Where will you get the financial resources to start and run your business?

Pre-Planning



Informal Thoughts & Discussions of Starting an Audiology Business

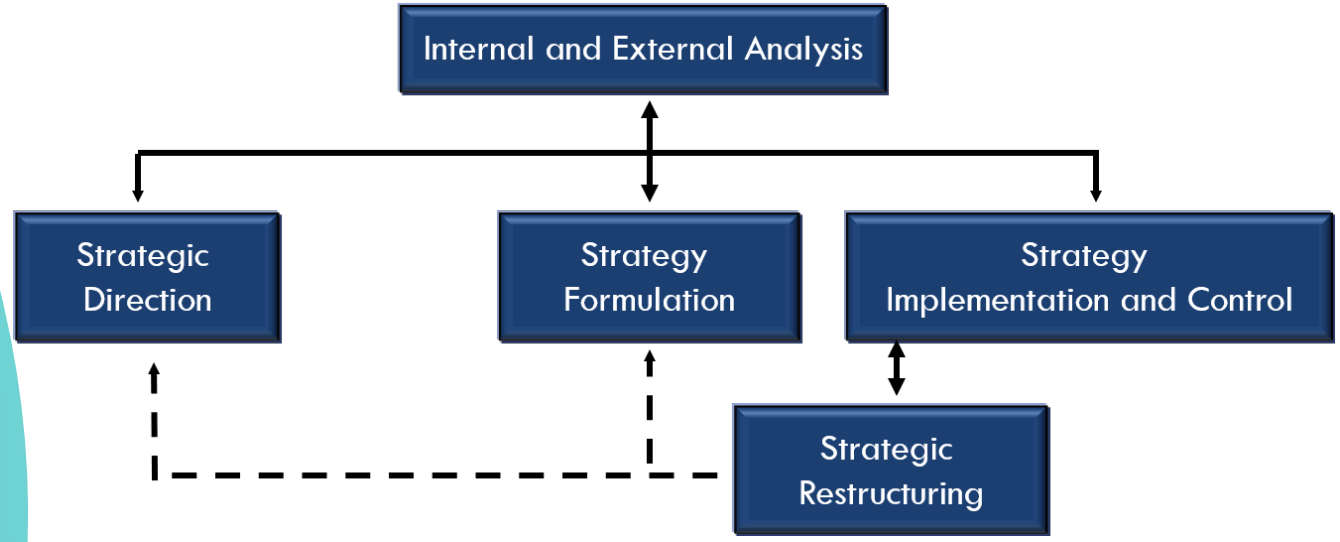


- **Informal discussion with friends, colleagues and relatives.**
- **Fine -Tuning the Idea & Vision.**

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



Formalize the Pre-Plan



Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



Formalize the Pre-Plan

Internal and External Analysis

A look at the External factors and Internal factors that influence your practice

External Factors
- Economy
- Competition - OTC
- Suppliers
- Referral Sources
- Insurance Companies

Internal Factors
- Personnel
- Office Policies
- Equipment
- Office Building
- Capital

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

Formalize the Pre-Plan



Internal and External Analysis

Strategic Direction

Stra
Form

Control

What kind of a practice?

General Audiology
Operative monitoring
Hearing Conservation
Pediatrics
Vestibular
ABR
Hearing Aids
OTC - Extended Wear - Implantable
Cochlear Implants
Forensics

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

malize the
e-Plan



How will you
practice to

Analysis

Strategy
Implementation and Control

Porter, 1980



Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 202

Formalize the Pre-Plan



Internal and External Analysis

Strategic Direction

Strategy Formulation

Strategy Implementation and Control

Actual implementation of the formulated strategy and Controlling the positive or negative result

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

Formalize the Pre-Plan



Internal and External Analysis

Adjusting the strategy or the formulation of a new one that conforms to market conditions

Strategic Restructuring

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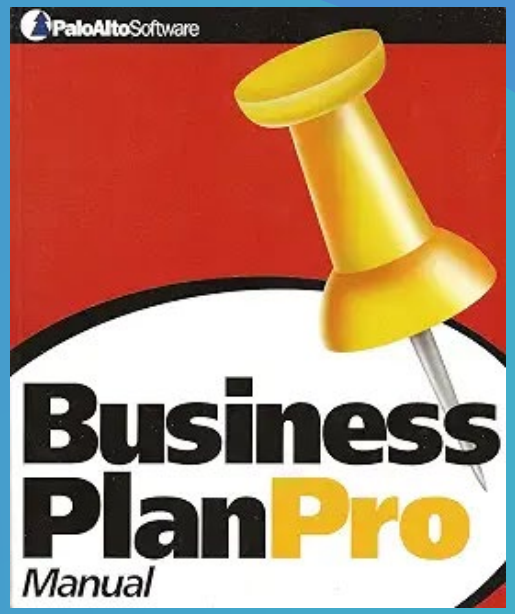


The Formal Business Plan

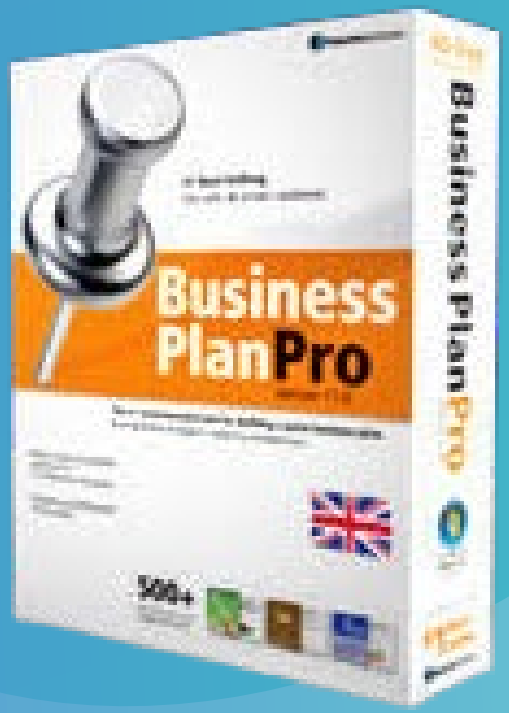
- Based upon the informal plan.
- Formats vary slightly from one plan to another, one project to another and the methods used.
- Business Plans are written in the *3rd Person* without We, Our, I, or My, etc.
- Use a computer program or Web Site, such as www.LivePlan.com to do your formal plan. Its easier, more precise, and results in a better end product.

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

The Formal Business Plan



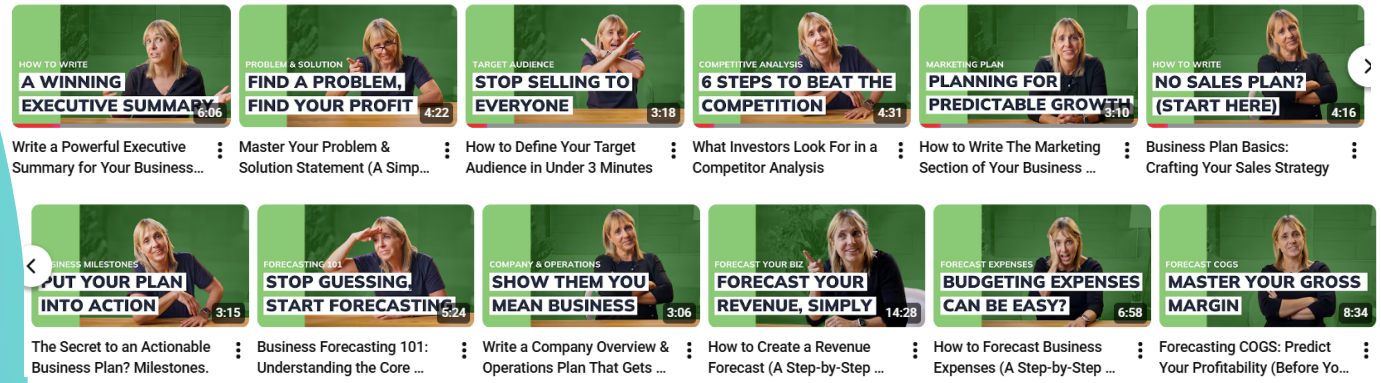
Tim Berry
Book
1999-2003



Computer Programs
2004-2010

LivePlan

Web- Based Program – 2011-2025 - now AI - 2026



Use https://LivePlan.com for your formal plan. Its easier, more precise, & results in a better end-product.

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

Dr. Traynor has no financial interest in Live Plan or Palo Alto Software

The Formal Business Plan









Mission & Vision Statement



Overview of the Hearing Industry, specifically the profession of Audiology



Market Assessment



Competitive Analysis



Operation Plan



Financial Planning



Appendix



The Formal Business Plan



Starting point for a Formal Business Plan.

- **The Purpose of the Practice.**
- **What measures the Success of the Practice.**
- **Digest Goals & Objectives: Powerful Statement**
- **Identify the *Human Value*.**

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan



Sample Mission Statement

The Practice Philosophy

"Audiology Associates will work honestly and diligently everyday to exceed the expectations of our patients and referral sources by providing the best hearing care in our community"

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan



Sample Vision Statement

Always very lofty goal.

"Each person we serve will engage fully in life and achieve their maximum potential"

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan

Practice Overview

- Overview of the Hearing Industry, specifically the profession of Audiology.
  - Current Trends
  - Futuristic Outlook – Demographics - Research
- History of the Practice & its Development to date.
- Office Locations, Web site, Business Structure, Principals and their Contributions.

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan

Practice Overview

- Narrative about services & products offered to the market.
- Describe contemporary services, treatment trends and

What makes you different?

- Reader should be able to develop a clear idea of services offered and what differentiates this practice from others in the marketplace.
- How & why will you get business and others will not!

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan



Market Assessment

- **Target Market?**
  - **Customers (Patients) with Shared Characteristics, Who & Where are they?**
  - **How many consumers require what you have to sell (products, services, other things).**
  - **Found by statistics offered from many sources, ASHA, AAA, ADA, State-Town and county statistics & others.**

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026





The Formal Business Plan



Market Assessment

The set of ***Marketing Tools*** that will be used to pursue its objectives in the ***Target Market***
McCarthy (1960)

AI tools are extremely beneficial here!

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026





Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

The Formal Business Plan



Competitive Analysis

- **Conducting Competitive Analysis to develop a Strategy is Essential.**
- ***KNOW* the Competition (inside and out) to Successfully Compete against them.**
- **Sometimes Called *"Competitive Intelligence"***



The Formal Business Plan



Human Resources

- **Clarification of administrative clinical positions**
  - **Qualifications**
  - **Specific Duties**
  - **Expected Contributions**
  - **Positions should be summarized**

- **Present the need for each position**
  - ***Qualifications Required***
  - ***Work Expectations for each position***

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan



- **Be Brief…despite a tendency to provide detailed Info..**
- **Relevant Information about:**
  - **How the practice will perform in the market**
  - **Immediate and long-term equipment needs**
  - **Lease or Purchase of Equipment**
  - **Office Environment**
  - **Treatment Regimen**
- **This is the easiest to write but tricky as you need to *write enough, but not too much*.**

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan



- What Impressive Levels will you reach in the next 3-5 years?
- How will that be measured?
- Who's responsible for that measurement?
- What criteria will constitute success and what will cause rethinking of the business plan?

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan



- Factual information not overstated or inflated.
- Projected revenues need to be tied to borrow dates.
- Realistic estimates of overhead, expenses, salary projections in a break-even analysis.
- How measureable key indicators can be used, such as Units, numbers of patients, revenue milestones.

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan

Appendix

- **Supportive Documentation to the Business Plan.**
  - **Detailed Financial Projections**
  - **Resumes of Key Management**
  - **Legal and Regulatory Documents**
  - **Market Research Data**
  - **Product Pictures or Technical Drawings**
  - **Letters of Intent (LOIs) and Contracts**
  - **Leases and Equipment Lists**

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan

EXECUTIVE SUMMARY

- Most important part of the Business Plan
- Determines if your Business Plan will be read or if the trash!
- Provides an enthusiastic snapshot of your Business Plan, explaining who you are, what you do and why
- Usually 1-2 pages, for long plans no longer than 10% of the pages

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan

EXECUTIVE SUMMARY

Critical Thinking Ability.

Executive Summaries are the FIRST thing read…

- **Easy t**
- **At the … reader should … of the company.**
- **It … *WANT* to k…**

….But the Executive Summary should be written LAST!

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026



The Formal Business Plan



The Roadmap through Your Business Plan.

- **The last Task in a Business Plan.**
- **Whenever the plan is 5-10+ pages long.**
- **Adds:**
  - **Easly Navigation through the plan.**
  - **Professional Atmosphere to the plan.**

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

The Formal Business Plan





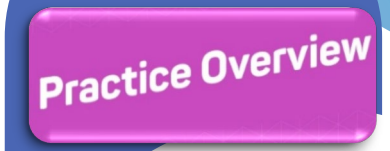
The Attention Grabber!



Keeps the Document Organized



Mission & Vision Statement



Overview of the Hearing Industry, specifically the profession of Audiology



Market Assessment



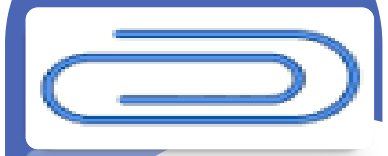
Competitive Analysis



Operation Plan



Financial Planning



Appendix



The Formal Business Plan

Common Business Planning Mistakes.

- Not considering successful competitive companies in the business decisions.
- Focusing too much on the future.
- Not tailoring the management team's biographies to the development phase.
- Unrealistic estimates of revenue, overhead, expenses, salary projections.
- No measurable key indicators, such as Units, numbers of patients, revenue milestones.

Harrison & St. John, 2004; Traynor, 2006, 2008, 2013, 2016, 2019, 2026

REMEMBER!!

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