**EXECUTIVE SUMMARY**

I am preparing this business plan to discuss the dental practice that I am planning to purchase upon my graduation from dental school. Upon graduating, I will do an associateship with the potential for buyout, in a practice in Nebraska. This will allow me to spend one year determining if Nebraska is where I want to live long-term and will familiarize me with the practice that I could possibly buy. After the year is over, if I am pleased with what the practice has to offer, I will buy it. If I am not satisfied with its performance, I will have spent time researching other practices that are or will be going up for sale. After approximately a year of my building up the current client base, my father, who is also a dentist, is planning to move to Nebraska to work with me as an associate. He will sell his current home and practice and work for me until he decides to retire. This arrangement works in both my father's and my favor. This allows me to work with a dentist who has over 25 years of experience in the practice and business of dentistry. This gives my father an opportunity to make a comparable living to what he is currently making without the responsibilities of an entrepreneur. As he nears retirement (he is currently 52 years old), he will reduce his hours and patients.

In evaluating a location for a dental practice we are looking for an area of growth and culture, namely an affluent, western suburb of Omaha, Nebraska. We have chosen this general area for various reasons. The main reason being that we love all that this area has to offer in raising a family. Further we feel strongly about living in a location that you would also desire to spend your retirement in. The suburbs of Omaha are growing rapidly and do not have enough dentists to meet the needs of the people. I plan to buy a practice in a highly traveled, suburban area of Omaha that has the patient and facility capacity for two active dentists. In 1995, almost 20 percent of all private dental practices were two-dentist practices, so this should not be too difficult to find ("Key Dental Facts," p. 17). Working with the retiring dentist will allow me to learn his practice management style and to foster a relationship with the client base. This is very important, as with many businesses, the client list and work force is the most valuable asset of a dental practice. Also this affords me the opportunity to understand the management philosophy of the past dentist, so I will be able to make gradual changes that do not cause too much dissension from the staff. If a dental practice with capacity for two dentists cannot be found, I will buy a single practice office and expand it to suit two dentists. I will use savings accumulated during my year as an associate to pay for the down payment of the business loan and finance the business through a bank, the Small Business Administration, or through a broker.

My father should not have great difficulty selling his practice, as his is the largest practice in the area. Also, there are dental brokers that buy practices to sell them at a higher price. In the worst-case scenario, my father could sell his practice to one of these brokers.

**Company Description**

**Purpose of the Service**

My goal is to provide high quality general dentistry with a moderate to high price using the highest technology possible. My prices will be justified by the advanced technology used and the lifestyle conveniences that the dental practice will offer. The dental practice will be positioned as a place one can get high quality dental work in an environment of convenience and technology. Due to the increase in two-income families, many service-oriented professions are leaning toward differentiating themselves on the basis of convenience. This is what I intend to do when I have completely taken over this business from its previous owner and have hired an associate, namely my father. For instance, we plan to have two shifts, an early morning shift and an evening shift in which the practice will be fully functional from 7 A.M. to 7 P.M. or later on various days of the week. We also plan to work rotating weekends to offer Saturday service twice a month. We feel that the main beneficiaries to these services are professional, high-income individuals that do not feel that they can take time out from work to go to the dentist. We are also considering hiring part-time help to do filing and various other work during the day and to act as a sitter so that parents can leave their kids while they are receiving dental care.

**Related Services and Spin-offs**

**Possible related services include:**

Tooth Whitening

Smoking Abstainment Treatments

Practice Management Seminars

Dental School Instruction

Tempromanibular Joint Disorder Treatment

Implant services

Free screenings for children in severely/profoundly retarded care centers and schools

Having a yearly "Sealant Day" and "Dental Awareness Day" at local grade schools

Nursing home screenings

Stage of Development

Stanley M. Kramer, DDS, LLC is still in the idea stage as I will not have my dental license until August 2001 and my father has not actively looked for a purchaser for his practice. Between now and when I graduate, I plan to accept a position with a retiring dentist with a contract giving me first option to buy the practice.

Service Limitations

A restrictive covenant will be included in my contract with the former dentist. This non-competitive clause will ensure that the dentist does not sell me the practice and then set up a practice next door. It also ensures that I do not work with the dentist and then set up a practice down the street using the patient base I have seen while working with him. Further, we will not participate in any HMOs or Managed Care Insurance, as it is my belief that these cost dentists more than it makes them and reduces their treatment alternatives (see Appendix).

Government Approvals

In June 2001, after passing the Central Regional Dental Test required by the American Dental Association, I will receive a license to practice dentistry in the central region of the United States, which includes Nebraska. My father has already applied for and received his Nebraska license. The practice will apply for any applicable city, county, or township licenses that apply, a Drug Enforcement Agency permit to prescribe controlled substances, and any applicable licenses for such items as administration of general anesthesia or conscious sedation. Compliance with the Occupational Safety and Health Association (OSHA) standards set by the previous owner must be maintained.

Service Liability

I will purchase malpractice insurance to protect myself against any malpractice suits raised. Even the best, most conscientious dentist can be sued; therefore, malpractice insurance is an essential part of dentistry. The type of malpractice or professional liability insurance I will buy is an occurrence policy. If the policy would expire before a claim arises, the insurance company will still defend the dentist and pay any settlement or court-awarded judgement that occurred while the policy was in force that does not exceed the limits of the policy. Disability insurance provides continuing income in the event that an injury or illness prevents me from practicing. Adequate amounts of disability income and medical expense insurance will be maintained to cover the costs of treatment and ongoing family expenses until re-entry into active practice is possible. The insurer will require proof that you are in good health, as no company will cover potentially disabling conditions present prior to the date coverage is issued. It is essential that I purchase as much non-term type disability insurance as possible while I am young and healthy—waiting until I am older could cause me to be uninsurable or cause my premiums to be astronomical. I will also carry business liability and property insurance and any other insurance we deem necessary after receiving counsel from my lawyer and insurance agent. Health insurance and workers' compensation will be provided for our employees and myself as part of their benefit package. We feel that this is mandatory to ensure that they do not leave the practice for one that does offer these benefits.

MARKETING PLAN

Current Market Size & Growth Potential

The dental profession is one with a very low failure rate and a high propensity for profit. These were two areas I examined before selecting a profession. According to the American Dental Association (ADA), dental offices are the third highest-ranking category of start-up business most likely to survive. The average income of a dentist is in the highest 8 percent of U.S. family income. As the growing population becomes better educated and more wealthy, people demand better dental care ("Starting Your Dental Practice," p. 4). Annual spending for dental services has risen from $13.3 to $45.8 billion, an increase of 244.4 percent, from 1980 to 1995 ("Key Dental Facts," p. 8). The advancements in cosmetic dentistry provide new venues of service for the general dentist to offer. Also, with the increase in non-capitation dental insurance, many people who could not previously afford dental work are now part of the patient pool. Of the total population over the age of 2, 40.5 percent are covered by private dental insurance. Sixty percent of those with dental insurance have an annual income of $35,000 or more and 51.4 percent have an education level of 13 or more years. Also, 45.4 percent of all American children ages 5-17 are covered by dental insurance ("Key Dental Facts," p. 9).

The average dentist to patient ratio is 1 to 1,600-1,700 ("Starting Your Dental Practice," 9). Nebraska as a state has a ratio of 1 to 2050 and an expected population growth of 11 percent by the year 2001. Further, 21 percent of the general dentists in Nebraska are over 55 years old and many are looking to sell their practices and retire. Nebraska is a very educated state with24.9 percent of its residents having a college degree and over 75 percent of its residents working in white-collar positions. The average household income in Nebraska was $34,938 in 1996 and is projected to increase by 10.8 percent by the year 2001 to $41,328 (ADA County Reports).

Read more: http://www.referenceforbusiness.com/business-plans/Business-Plans-Volume-08/Dentist.html#ixzz3njdSqa4r