If you are viewing this course as a recorded course after the live webinar, you can use the scroll bar at the bottom of the player window to pause and navigate the course.

This handout is for reference only. It may not include content identical to the powerpoint. Any links included in the handout are current at the time of the live webinar, but are subject to change and may not be current at a later date.
How Do I Know Private Practice Is For Me?

Denise Dougherty, MA, CCC-SLP
doughertysppath@gmail.com

Disclosures

Financial Disclosures
• Honorarium SpeechPathology.com
• Honorarium ASHA – Private Practice Essentials: A Practical Guide for Speech-Language Pathologists
• Private Practice Owner

Non-Financial Disclosures
• Past President AAPPSPSA – American Academy of Private Practice in Speech Pathology and Audiology
• Quality Insights of Pennsylvania
Objectives? Participations should be able to.....

- Identify and address questions that identify readiness to transition to private practice.
- Identify financial pitfalls and most common start up mistakes
- Identify skills needed to be successful in private practice
- List resources available for review in preparation for private practice.

Private Practice

Why now????

What is your motivation?

What is your vision?

How will you finance this?
Why now?

• Dissatisfied with your current workplace or employer?
• Productivity unrealistic?
• Caseload unrealistic?
• Underappreciated?

Motivation?

• Work for yourself!
• Flexible schedule!
• More time with family!
• In control!
• Do things your way!
• Make a difference!
• Specialize!
• Make more money!****
Vision – big picture?

What do you want your practice to look like?
• Specialty practice?
• Specific age/population?
• Full time vs. part time?
• Solo with growth potential vs. remain solo?
• Multi-disciplinary?

How......to finance?

• How will you pay for start up costs?
• How much will it cost to open the door?
• What is your financial health?
• Credit Cards?
• Savings Account?
• Cash reserve?
Time Frame?

ASAP!? Down the Road!
What’s the Rush??

REALITY CHECK!

• Need to have a heart to heart talk with... yourself!

• NOT FOR EVERYONE!

• Need passion for what you do, mental/physical stamina to put in long hours, and determination/drive to move forward

• Am I prepared to spend the time and money needed to get my business started?
Why now.... Dissatisfaction with current situation?

Productivity?  Caseload?

STILL Important in Private Practice

What is Motivation?

More time w family  In control; Do things your way

Flexible schedule  Specialize

Work for yourself  Make more money

Private Practice
What is your Vision

Solo vs. partnership
Solo vs. employees

Full time vs. part time
Age/population

Private Practice

ARE YOU......

• Comfortable taking risks?
  — YOU make the tough decisions and deal with uncertainty!

• Independent?
  — YOU trust your instincts and not afraid of rejection!

• Persuasive?
  — YOU engage people with ease!

• Able to Negotiate?
  — YOU need to negotiate everything!

• Creative?
  — YOU imagine new ways to solve problems and have insights to take advantage of new opportunities!

• Supported by others?
  — YOU utilize a Business mentor!
Juggling Act!

- Administration - office management
- Accounting – bookkeeping, taxes
- Human resources – hire, fire, manage employees
- Marketing – promote image, PR
- Sales
- Customer service – complaints!
- Information technology
- Physical plant – negotiate leases, maintain site

Need Money!

- Not enough cash reserve –
  - May take several quarters to realize steady income, let alone make profit

- Being plastic dependent -
  - Forced to use credit cards to survive if you haven’t planned properly (high interest charges and annual fees)
  - credit cards should only be used for efficient purchasing and paid monthly (2)
Need a Plan!

Get everything down on paper **BEFORE** you start the business greatly increases odds for success.

Work out crucial elements every business must have!

---

**Why DO Businesses Fail???</strong> (5)(1)(2)

**Flaws in entrepreneurial thinking** –
- Need **passion** for what you do, **mental/physical stamina** to put in long hours, and **determination/drive** to move forward

**Poor planning** –
- Get everything down on paper **BEFORE** you try to get the business started greatly increases odds for success. Work out the crucial elements every business must have!

**Lack of funding** –
- Start up costs **plus** costs of staying in business! Businesses can take 1-2 years to become profitable! It’s easy to underestimate the capital required!
Why DO Businesses Fail???

Wrong location -
• Where ARE your customers? Parking, lighting, safety, accessibility are critical to success!

Ineffective marketing -
• If customers don’t know who you are or even that your business exists, you have little hope to succeed.

Hiring the wrong people –
• Business will never prosper if your employees lack willingness to work hard and exhibit poor customer-service skills.

Miscalculating the competition -
• Any entrepreneur foolish enough to underestimate or ignore his competitors sets himself up for failure.

Believing you can do everything yourself -
• Recognize the need for mentors! There will always be parts of the business you shouldn’t handle yourself!

Overexpansion –
• Don’t confuse success with how fast you expand! Establish solid customer base and good cash flow first!

continued
Why DO Businesses Fail???

No website -
- Necessary for business today! Professional looking and well designed website enables users to find your business.

Didn’t change my business practice when it was clear things weren’t working -
- If you don’t fix what is broken, your business will not succeed.
- Don’t ignore problems!

Money Mistakes Small Businesses Make

Not enough cash reserve –
- May take several quarters to realize steady income, let alone make profit

Being plastic dependent -
- Forced to use credit cards to survive if you haven’t planned properly (high interest charges and annual fees)
- credit cards should only be used for efficient purchasing and paid monthly

Mixing personal and business finances –
- Keep separate for easier accounting, budgeting
- helps determine actual profit/loss for business
Money Mistakes Small Businesses Make (6)
5 Most Common!!!

Shorting yourself on compensation –
• Redistributing any/all profits back into business and not compensating yourself can harm personal finances and financial good standing

Not having organized accounts receivable system –
• Policy for payment at time of service
• Print payment terms on your invoice
• Follow clear processes in collecting payments
• Send prompt reminders

Why is ALL of this important?
• Must look at the BIG picture!
• 2/3 of new businesses survive 2 years!
• Only 44% are in business at least 4 years!
• A 50/50 chance you’ll be in business 5 yrs.! (1)
Still interested?

Navigate the Maize!

• Must be willing to do the work!
• Must be willing to LEARN what you don’t know!
• Work on your weaknesses!
• LISTEN to your mentors and consultants!
Discipline to Save! (2)

• Start up can be costly
• Once you decide private practice is your goal, SAVE!
• DON’T QUIT DAY JOB too quickly! Nest egg is critical to success!
• SURVIVAL CASH must be determined and arranged for when planning your business start up! NEED SEVERAL MONTHS AS CASH RESERVE
• Work on improving credit if necessary
• Establish relationship with bank/credit card company

Discipline to Research and Learn

• Office management and insurance issues
• Bookkeeping (payables/receivables)
• Human resources (hiring, firing, managing employees)
• Marketing (creating/promoting company image via PR, ads)
• Sales (new leads, cold calling, presentations)
• Customer service (handling complaints, building relationships)
• Information technology (choosing, purchasing technology)
Consultations! (3)

• 1404 firms surveyed – 340 responded

• Order of Importance!
  1 – Accountants
  2 – Lawyers
  3 – Bankers
  4 – Family Members
  5 – Trade Associations

Attorney IS Worth the Money!!!

Listen!!!!!!

• EIN number! Vs. Social Security Number!
  • Identify theft protection!

• Business name?
  • www.business.gov/register/business-name/dba.html
  • Fictitious name filings in 50 states
  • Does name need approval of state licensing board?
Attorney IS Worth the Money

- Investigate state rules/regulations
- Business structure – need to know your plans for the business – Growth? Employees? Partners?
  - Solo practitioner/proprietor?
  - Limited Liability Corporation
  - S Corp
  - C Corp
  - Partnership?
  - Prepare for “divorce”!

Attorney Services

- Review forms
  - Client agreements
  - Employee vs. Independent Contractor contracts
  - Service Provider contracts
- Review and advise on policies/procedures!!!!
- Documentation of employee performance
  - Especially critical when terminating employees
- Review leases
Tax ID or EIN # - Employer Identification Number /Federal www.irs.gov/businesses/small/article/0,,id=102767,00.html

Know your business structure

Accounting methods –

Small businesses tend to use cash basis

• Develop Chart of Accounts
• Set up books – computer software?
• Assist with taxes throughout year – estimates

• MAY need personal financial statements for bank if you are considering line of credit!
• Determine relationship
  • Who does what!
  • Monthly Bookkeeping? Taxes only? Statements?
    • Less they do, your costs are reduced!
    • Establish system to track expenses for taxes!

CPA
Pick Brains!

- Small Business Administration and SCORE
- Local College Business Departments
- Small Business Incubators
- Chamber of Commerce
- *Private Practice Essentials* – ASHA Press

**CAN you/DO you WANT to put the pieces together?**

- Private practice is **HARD** work!
- **BE HONEST WITH YOURSELF!**
- **NOT FOR EVERYONE!!!**
- **DO YOUR RESEARCH!**
- **THINK** this through before you move forward
- **DO NOT RUSH** the process!


