

STARTING YOUR OWN PRACTICE: DO YOU HAVE WHAT IT TAKES?

MNPA 2011 SPRING CONFERENCE

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OBJECTIVES

- Articulate individual motives to establish an autonomous practice
- List skills necessary to establish an autonomous practice
- Describe strategies to grow an autonomous practice
- Identify characteristics of a successful practice
- Describe joys and frustrations of owning a practice

What is Independent NP Practice?

- The delivery of nursing services provided by advanced practice nurses over which they have total control:
 - Financially and legally responsible for all aspects of client services
 - Define and control nature of services
 - Determine the nature of the client relationship
 - Responsible for the actions that occur during that relationship (Aydelotte, Hardy and Hope, Nurses in Private Practice, ANA 1988)

Independent

- Webster definition: Not influenced or controlled by others in matters of opinion or conduct; not relying on another or others for aid or support
- Is any health care provider in 2011 independent?

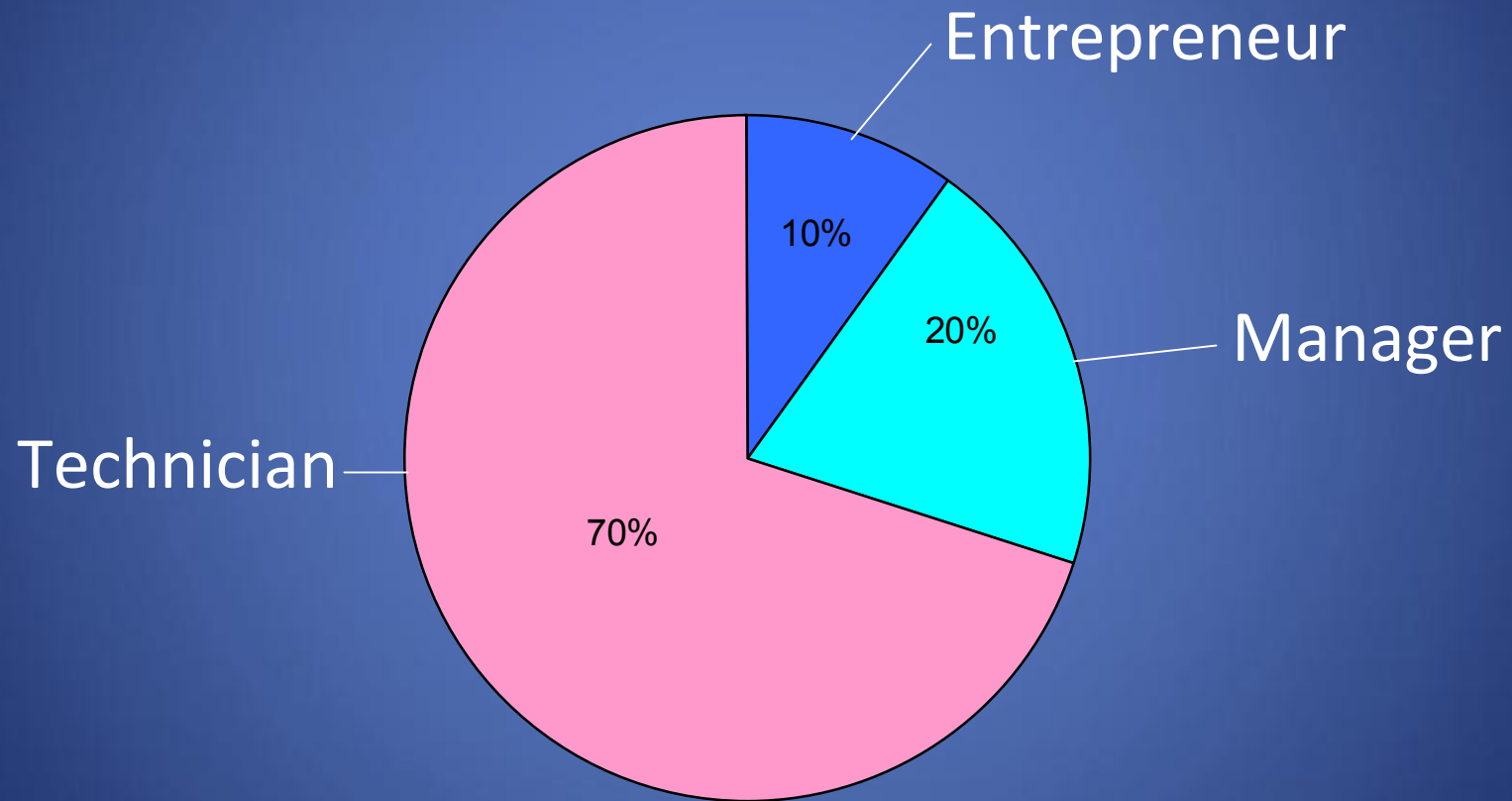
Autonomous

- Webster definition: Having the right or power of self-governance, undertaken without outside control
- A sense of freedom that is kept in check by a sense of responsibility

Collaborative

- Webster definition: To work one with another, cooperate
 - Results from all parties (including the patient) bringing their expertise to the discussion and each party respecting the expertise of the other

A Typical Small Business Owner:



(Gerber, 1986)

Balance

- “To the extent that we can balance the entrepreneur, the technician, and the manager inside us we can become extremely competent, deriving satisfaction from the challenge of what is demanded of us.”

(Gerber, 1986)

Skills Necessary To Start An Autonomous Practice: Questions

- Will I be able to live without a paycheck for a year or more?
- Do I have the unflagging support of those closest to me to help me through the hardest times with optimism and determination?
- Am I a highly organized person who has the ability to pay attention to even small details?

Skills - Questions (cont.)

- Do I have well-developed nurse practitioner skills, experience and common sense to make me safe and desirable to potential patients?
- Do I know a physician who might be willing to work with me as a consultant and referral source, and to collaborate with me to whatever level I need?
- Do I have or can I borrow \$80,000 to \$100,000 for start-up expenses?

(Calmelat, 1993, Nurse Practitioner 18:4, 58-64)

Common Sources of Early Failure

1. Undercapitalization

- 22% of working wealthy plan to start a second business, 32% of them would need a loan to pay for it – survey of 504 people with investable assets of at least \$1 million

(Smith Barney Survey, 2006)

2. Lack of business competence

3. Lack of management experience

Sources of Capital

- Your family and friends
- Banks
- Government and hybrid nonprofit groups
- Vendors and leasing companies
- Venture capitalists

Why Would I Want to Do This?

- Picture yourself in the first car of the roller coaster with your hands in the air
 - Answer honestly!
 - To get rich (find another niche)
 - To help people (there are many other ways without the risk)
 - Compelling desire to be your own boss and give yourself a better life (this may be for you)
- The final decision must be yours and yours alone – do not do it for someone else!

Next Step: Homework

- Focus, focus, focus
 - What is your vision?
 - What is your intention?
- Study every aspect
 - A higher percentage of women than men are successful entrepreneurs because women generally take more time to study the situation before embarking on a venture

(Gerber, 1986)

Use Your Resources

- SCORE
- Women's Business Development Corp.
- Other NP owners
- Literature: Zaumeyer, C., 2003.
How to Start an Independent Practice
- Web: Barbara Phillips NPBO
bcp@npbusiness.org
www.NursePractitionerBusinessOwner.com

Resource: The Web

www.medscape.com	Latest on business and legal topics for both new and experienced APNs
www.legalnurses.net/opportunity/homestudy	Homey site about working from home as an NP, helpful for working mothers
www.buppert.com/trainingmodules	Site describes training modules for purchase to start a business in the health care field
www.sba.gov	Help from the government to start your business
www.startupjournal.com	Information from the <i>Wall Street Journal</i> on how to start a business
www.business.com	Leading business search engine and business directory designed to help users find the information needed to make business decisions
www.businessknowhow.com	Lots of pertinent advice on real problems faced in starting and the early stages of a business
www.nfwbo.org (National Foundation for Women Business Owners – NFWBO)	Offers survey data, news and forums, plus opportunities to participate in ongoing research
www.membership.com/nase (National Association for the Self-Employed)	Advocacy for small business owners
www.advanceweb.com/np	<u>Advance Private Practice Tools</u> section – read profiles of successful NP entrepreneurs, links to helpful websites, how to start and finance a business

Skills for Establishing an Autonomous Practice

- Confidence in clinical skills
- Ability to articulate the value of your work
- Ability to articulate a vision
- Ability to write a business plan
- Ability to entertain risk
- Financial savvy
- Ability to establish collaborative relationships

Skills for Establishing an Autonomous Practice (cont.)

- Flexibility to function in a variety of additional roles:
 - Business person
 - Researcher
 - Consultant
 - Leader
 - Educator
 - Mentor
 - Maintenance Person
 - Laundry Person
 - Public Speaker
 - Laborer

Skills for Establishing an Autonomous Practice (cont.)

- Ability to remain current in the nursing field among
 - Changing technology
 - Changing standards
 - Educated patients
 - Devious insurance practices
 - Demanding credentialing
 - Explosion of information

Skills for Establishing an Autonomous Practice (cont.)

- Ability to document patient records
- Ability to document business transactions
- Willingness to try to set appropriate boundaries
 - Still in day job?
 - Parenting
 - Aging parents
 - Spouse
 - Community obligations

Skills to Maintain an Autonomous Practice

- Remember the mission statement
 - use it in decision-making
- Track marketing
 - Ask patients how they found the practice
- Examine all records, watch the checkbook
 - Beware of little expenses: 'a small leak will sink a great ship'
- Allow yourself adequate time to work ON the business
 - Distance yourself for perspective
 - Network
 - Renew your energy

Skills to Maintain an Autonomous Practice (cont.)

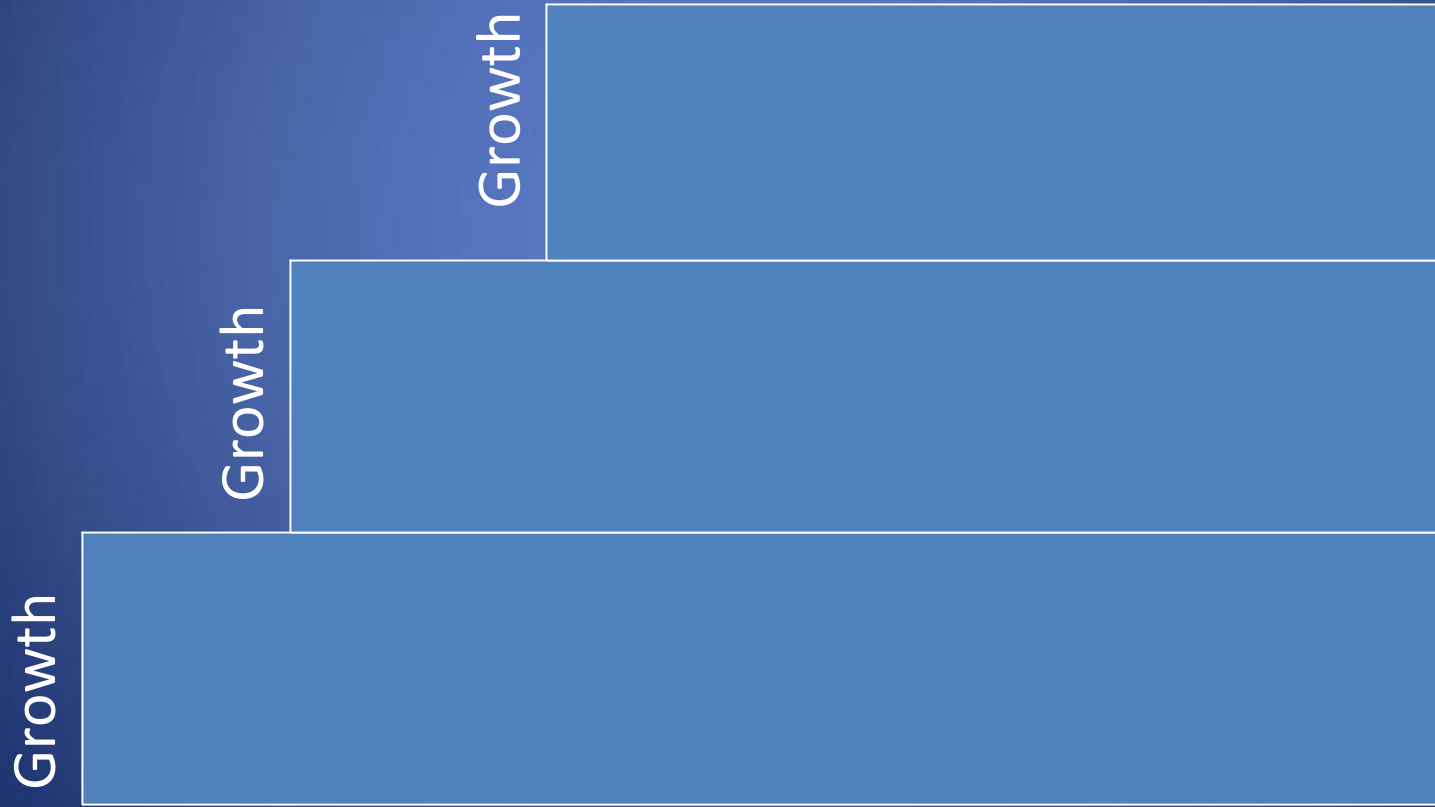
- Keep overhead down and income up
 - Fine line: penny wise, pound foolish v. do we really need it?
- Systematically pay off debt load
 - Avoid credit cards
 - Use home equity to deduct interest
 - Lease with option to buy
 - Monitor your line of credit carefully
- Remember to keep the SOUL in your practice.

Strategies to Deal With Risk

- Lighten your load
 - Take small bites!
- Get support when you need it
- Ask for help
- Protect your relationships
- Get clear on your goals and perspective
- Plan in phases
 - Set daily, weekly, bi-weekly or monthly goals
- Negotiate for what you want
 - Don't be afraid to ask for the impossible
- Have a contingency plan
 - Sometimes just knowing there's a Plan B can make all the difference

Rist, N. 2002. *Small Business Savvy: A Woman's Guide to Building A Business*

Remember the Steps of Business Development



Remember the Challenges (cont.)

- Always have a five year plan
 - Revise your business plan as the business evolves
 - Consult an organizational development expert periodically
 - Ask yourself: is it still fun? If not, plan your exit
 - Always have an exit plan

Remember the Challenges

- Don't take it personally
- "It's just business"
- Keep communication open and friendly: vendors, colleagues, staff
 - "People will forget what you said, people will forget what you did, but people will never forget how they felt when they were with you." –Anonymous
 - Communications skills need to be learned and practiced

Characteristics of a Successful Practice

“Your business is no more than a distinct reflection of who you are.” (Gerber, 1986)

- Reflects your vision
- Operates in the black
- Provides you with income
 - Opportunity to grow
 - Experiences you could not get any other way
- Uses feedback from your patients
- Reflects back on the profession with pride
- How would you define a successful practice?

McCall's: May 2000

8 reasons to switch doctors:

1. He always seems to keep me waiting
2. I call and call, and never hear back
3. I never get to finish what I'm saying
4. She blows off my questions
5. He acts as if I don't know anything
6. He refuses to make enough time for me
7. We just don't see things eye to eye
8. I can't trust her to get things right

How to Avoid Burnout

- Suggestions
 - Find work you love to do
 - Remember there's no "right" way to proceed in your career
 - Pay attention to experiences that bring you energy and fulfillment and recreate them in your work life
 - Remember, every work situation has positives and negatives
 - Take time to celebrate your successes, to nourish your life and your career

Lindeke, L. 2004. AJNP July-Aug.

- PANEL PRESENTATION

