

# Building the right team

**Lis Hughes** highlights the importance of having team members who deliver results and get the culture of your practice

## Lis Hughes

Managing director of Frank Taylor & Associates



Dentistry is a relatively small world with many of the providers and suppliers having supported the profession for many years. This is great as it provides a platform to develop meaningful relationships, however, it can sometimes impact on fresh thinking.

My co-director, Andy Acton, recently interviewed Simon Mundie, host of 'Don't Tell Me the Score' podcast, which uses sport to answer life's bigger questions.

Simon has interviewed the likes of Sir Chris Hoy MBE, Colonel Dame Kelly Holmes MBE and Michael Johnson, so Andy was keen to explore what business, and specifically dentistry, can learn from the world of sport.

In sport, the leadership of the team often trickles down through how that group behaves and performs. With strong leadership, you can build a tribe mentality where the team goes on to achieve incredible results.

This was highlighted by James Kerr in his book *Legacy* about the incredible success of the New Zealand rugby team. This book revealed 15 powerful and practical lessons for leadership and business.

## Focusing on the people

Interestingly, a key theme from sport into business is about harnessing the people in your team.

Simon Mundie talked about two specific individuals who epitomised this. Firstly, Mike Brearley who was England's cricket captain in the 1970s and was referred to as having a 'degree in people'. This deep interest in people helped shape his role as a leader.

Secondly, Andy and Simon talked about Will Carling OBE, England rugby captain, who had a similar approach. He took his military experience from being commissioned into the Royal Regiment of Wales through to his rugby career. It was his caring nature and genuine interest in people that contributed to his team winning multiple Five Nations Championships.

It's also worth noting that sports teams tend to be groups of five (basketball) up to 15 (rugby), and there is evidence that managing groups in this range tends to get the best results in business too.

Personally, I feel a team of 15 direct reports is too many – and eight to 10 is the sweet spot. To get good results from your team you need to take a personal interest in each member and ensure they feel valued as individuals and understand the cultural values in your business.

Being successful in sport, as in business, is assembling a team of high performers who can deliver results, but also buy into the bigger plan you have for your dental practice.

Those who deliver results and get the culture are the most valuable team members. Those who are struggling to get results, but buy into the culture require training.

If you have team members who do not get the culture nor deliver results, then they are probably a bad fit and would be better suited in another business.

The challenging team members are those who get results but do not get your culture. This is a personal judgement call as to whether you can tolerate these types.

I believe culture is critical for ongoing business success, so I would forgo the short-term pain of losing a performer to build a team for the long-term. **D**

**FOR MORE INFORMATION** about selling your dental practice or to obtain an up to date valuation, call Frank Taylor & Associates on 0330 088 1156.

## PRACTICE ONE - MIDLANDS

**Practice type** – this practice occupies a purpose built, one storey building in a predominantly residential area a short distance from a lively town centre. This is a three surgery, fully private practice which has been established over 50 years. It has been owned by the current principal for 30 years and is being sold to facilitate his retirement. This is being sold as leasehold and a new 20-year lease is being created.

**Practice financials** – the gross fee income from the management information for the past 12 months is in the region of £400,000 and is 80% private income and 20% capitation scheme. The gross has been generated by the principal working 32 hours a week, an associate working one day a week, two hygienists working a combined six days a week. The clinical team are supported by two part time receptionists working a combined five days a week, two full time dental nurses, and one apprentice dental nurse.

**Price achieved** – a price of £650,000 was achieved which was in line with the full asking price.

**Agent's comments** – this private practice benefited from the loyalty of patients on the capitation scheme who continued to maintain their subscription during the first lock down. The existing principal spent time during the first lock down exploring the most efficient methods to ensure a minimum fallow time and creating standard operating procedures to ensure maximum safety for both staff and patients. This resulted in a profitable bounce back from June 2020 which exceeded his expectations and satisfied the buyer and the lending bank.

## PRACTICE ONE - GREATER LONDON

**Practice type** – this practice occupies a prominent terraced property based on a busy high street with a mix of residential homes and local shops in close proximity. This is a three surgery, mixed practice that has been established more than 50 years and is being sold to allow the current principal to focus on other business interests. This is being sold as freehold, which has been valued by Royal Institution of Chartered Surveyors at £800,000.

**Practice financials** – the gross fee income from the management information for the past 12 months is in the region of £575,000 and is 50% private income and 50% NHS-GDS with a units of dental activity (UDA) value of £28.50 per UDA. The gross has been generated by the principal working four days a week, two associates working a combined six days a week, two hygienists working a combined three days a week. The clinical team is supported by a full-time practice manager, and three full-time dental nurses.

**Price achieved** – £1,900,000; slightly higher than the full asking price.

**Agent's comments** – in this region, there are currently 2,020 associates registered with us looking for a mixed practice and it was clear from the viewing requests that this would be a very popular practice. The owner wanted to sell the freehold as well as the business and this influenced his decision as to the purchaser. There are concerns that the next budget may introduce changes to business asset disposal relief as well as capital gains tax and most of our sellers are aware the impact these changes could have on their transactions.

## PRACTICE THREE - HOME COUNTIES

**Practice type** – this practice occupies a charming, terraced property based in a busy market town within the Home Counties. There is a mix of residential and shops within the area and ample free street parking. This is a five-surgery, mixed practice that has been established more than 70 years and is being sold to facilitate the retirement of the current principal. It is being sold as leasehold with a 20-year lease in place with 15 years remaining. The lease is within the Landlord and Tenant Act 1954.

**Practice financials** – the gross fee income from the management information for the past 12 months is in the region of £950,000 and is 50% private income and 50% NHS-GDS with a UDA value of £23.50 per UDA. The gross has been generated by the principal working four days a week, two associates working a combined six days a week, two hygienists working a combined two days a week. The clinical team is supported by a full-time practice manager, and five full-time dental nurses.

**Price achieved** – £1,300,00, which was in line with the asking price.

**Agent's comments** – both the buyer and seller were committed to this sale despite the delays caused by the pandemic. Again, we saw the current principal spending much of the first lockdown reviewing the efficiencies of the practice and in this case working closely with the buyer to ensure the profitability of the practice was maintained. In this case, the principal almost decided not to retire as there was renewed motivation after lockdown – luckily, his wife encouraged him to continue with the sale!

## PRACTICE FOUR - AVON AND SOMERSET

**Practice type** – this practice occupies a well-presented terraced property based in the centre of a busy town centre where there is a mix of residential and shops within the area there is both pay and display street parking and several car parks nearby. This is a three-surgery, mixed practice, which has been established more than 40 years, and is being sold to facilitate the retirement of the current principal. It is being sold as leasehold with a new 20-year lease being created.

**Practice financials** – the gross fee income from the management information for the past 12 months is in the region of £56,000 and is 50% private income, 40% capitation scheme, and 10% NHS-GDS with a UDA value of £24.80 per UDA. The gross has been generated by the principal working five days a week, two associates working a combined four days a week, two hygienists working a combined two days a week. The clinical team is supported by two full-time receptionists, and four full-time dental nurses.

**Price achieved** – £750,000, which was in line with the asking price.

**Agent's comments** – this practice sale moved so swiftly through the legal process it surprised most of the cynical team who had become used to long, drawn out transactions. The seller worked on his due diligence as soon as the buyer's offer had been accepted, which resulted in due diligence being almost complete before the heads of terms were issued. Likewise, the Care Quality Commission process moved on at an unrecognisable pace and the transaction completed within four months – the seller confirmed his main driver was the threat of the Budget in March and his determination to avoid any penalties, which may have reduced his pension pot!

