

Starting Your Veterinary Practice Checklist

- 1. First make a plan outlining goals that considers**
 - a. Desired geographic location
 - b. Type of practice (single specialty group, full service practice, large hospital, large animal, small animal, recovery services, academic setting, solo practice)
 - c. Compensation demands
 - d. Student debt load
 - e. Work-life balance and lifestyle demands
 - f. Importance of eventually becoming an owner or partial owner in a practice
 - g. If leaving an existing practice—what does your employment contract say, is there a non-compete clause, other practice restrictions?

- 2. Choose a type of veterinarian practice in which to work**
 - a. Join as an associate with an established private practice or governmental entity
 - b. Start up a solo or joint practice
 - c. Work in a less structured position, *e.g.*, mobile clinic, animal shelter, or relief work

- 3. Consider first joining an established private practice as an associate**
 - a. Working as an associate helps bring perspective, experience on what does and does not work, and might lead to the development of a specialization
 - b. A vet with experience is much more likely to gain clients' trust with their animals

- 4. Form a team of professionals to help effectuate your goal to start a new practice**
 - a. Attorney: assists with the lease or building purchase, contracts, business entity information and formation, and provides other legal guidance and protection as needed
 - b. Accountant: assists with projections and cash flows, and advises on what is financially feasible
 - c. Architect/Builder: designs your building or leasehold space, develops a floor plan, and guides you through permit acquisition during the building process
 - d. Lender: helps obtain financing at the best possible terms
 - e. Marketing consultant: helps develop a marketing campaign and strategy

- 5. Financing the new practice**
 - a. Use your own funds

- b. Borrow from family or trusted friends
- c. Borrow from a bank
 - i. Visit various banks to obtain information about necessary documentation and which banks are interested in making this type of loan
 - ii. Prepare a financial statement that provides income, debts, and savings over a certain period of time
 - iii. Develop a business plan outlining a proposal, your financial statement, projected income and expenses, demographics, and demonstrate to the bank your knowledge of the veterinary business
 - iv. Determine whether a co-signer, collateral, or maintaining insurance is required for the loan
 - v. If possible, shop around or try to negotiate the terms of the loan such as interest rate and repayment period

6. Creating the new practice

a. Determine where you want to practice

- i. Free standing facility or a shopping center clinic? What size of facility do you envision needing now and in five to ten years? Spending more money now on a larger facility reduces amount available for other expenditures
- ii. Determine geographic area you want to practice, *i.e.*, city and state and urban, suburban, or rural
- iii. Take extensive driving tours investigating the particular area and collecting information. Walk around to get a feel for the area and other businesses

b. Determine when to open the practice

- i. Summer is the busiest period which will help to pay the bills
- ii. Winter allows you time to get the business in a routine, concentrate on staff training, and work out any “kinks” before the busier season

c. Determine the quality of care and fee schedule for the practice

- i. High quality care (heavy on diagnostics, preventative medicine, pre-surgical lab tests), usually implies a smaller caseload but higher average client fee. Ensure clients know that you deliver high quality care
- ii. Lower quality care (heavy on treatment without diagnostics, low cost vaccinations, and spay/neuters), with a larger volume of clients and lower fees. This type of care is treated more like a commodity by clients
- iii. Determine the demographics of the area and which quality of care that the area can reasonably economically support
- iv. Construct a fee schedule by using various formulas, see what colleagues are charging, or adopt schedule of a former employer

d. Determine demographics of the area

- i. What is the traffic flow, ingress/egress, parking like at the location?
- ii. What is your competition and demand? Determine the locations of other vets in the area as well as pet stores and groomers. Marking the locations on a map helps to provide a visual depiction of the competition

in the area. Calculate an estimate for the number of pet-owning households in the area.

- iii. Determine the makeup of the surrounding community—is it residential or commercial? Are residents primarily renters or homeowners? What are the income levels and are home values increasing? Is the area growing? Are there bad neighborhoods between your site and potential clients?

e. Talk with real estate agents

- i. Find one with experience finding locations for veterinary practice

f. Name your practice appropriately

- i. Name the practice based on a location, this tells clients where the practice is located. Be careful of competitor vets with similar names or if clients could confuse the practice's location with other areas or streets
- ii. Name the practice based on your name
- iii. Give the practice a catchy name, e.g., "Paws & Claws" or "Noah's Ark"

g. Leasing the practice space

- i. Consider having an attorney review the lease to understand what you are agreeing to and draft any desired revisions
- ii. Does the new space require considerable improvements or alterations to create an appealing and functional veterinary practice?
- iii. How are odors or noises handled in the lease? Are you in violation if neighboring businesses complain?
- iv. Does the lease have provisions guaranteeing the working condition of the premises, *i.e.*, air conditioning, heating, electricity
- v. Determine the possibility of including a provision that would restrict new vet practices from opening in the complex and a restriction on a mobile vaccination clinic from using the shopping center

h. Buying an existing practice

- i. Purchasing both the practice and the land offers more control over practice and can benefit with the appreciation of property value
- ii. Purchasing a practice but not the land is similar to renting and offers an option to leave after lease ends
- iii. If your desire is to purchase an existing practice, as opposed to starting your own, consider working as an associate at a practice and gradually acquire a stake in that practice. One problem is finding a practice where there is a real possibility of an associate eventually becoming a partner with an ownership stake
- iv. Questions to ask: what does the purchase price include? Will the current owner assist you in retaining clients during the transition by reassuring them? How will you handle major changes with the staff or clients?

i. Developing a new site

- i. Utilize an architect to design, manage, and inspect the project and be intermediary between you and general contractor

- ii. Check to see if the property has any codes, covenants, or restrictions (CC&Rs) placed on it. Realtor or seller should let you know of any CC&Rs
- iii. Hire a surveyor to determine the boundaries of the property and if there are any easements or rights-of-way, which might inhibit construction or free access
- iv. Determine how to get access to utilities, sewers, fire protection, Internet, and whether there are any applicable impact fees
- v. Check with lender to determine if a Phase One environmental assessment is necessary to measure any environmental contamination
- vi. Contact applicable municipal authority to determine if there are any zoning issues with the site
- vii. Consult *Veterinary Economics* for design ideas including possible materials, practice arrangement, paint, flooring, etc.

7. Purchase necessary equipment, supplies, & pharmaceuticals

- a. Start taking notes early in your career about every drug, vaccine, and medical item that you prefer, including suppliers and price. This information will be valuable to you later if you start your own practice
- b. Reference veterinary literature, other vet colleagues, and even sales reps for ideas of necessary equipment and supplies for your first order
- c. Decide when, how much, and from whom to order. Consider purchasing used equipment to reduce costs
- d. Talk to your suppliers about getting delayed billing to defer your expenses
- e. Make sure you arrange to receive delivery and have adequate space for any items that require special storage, *i.e.*, refrigeration
- f. Purchase necessary practice-management software to manage billing, inventory, and scheduling
- g. Purchase or design your own business and record forms and stationary

8. Marketing your practice

- a. Spend the money to get at least one exterior sign that is visible from the road, stands out from surrounding signs, and is lit so it can advertise 24 hours a day. Consider creating a practice logo to include on the sign with practice name
- b. Advertise in the yellow pages, on the radio, and in the local newspaper
- c. Create fliers to distribute or door hangers with practice information
- d. Create a website, but be prepared to update it regularly
- e. Create visibility and name recognition by writing a regular column in a local newspaper, participate in community events, and host workshops or Q&A sessions to educate public on various topics
- f. Consider offering introductory coupons to attract new clients to the practice, these could be attached with fliers or included in the yellow pages
- g. Establish a good working relationship with local pet stores and perhaps get referrals of new clients from them

- h. Create magnets with the practice's name and information on it and ask real estate agents to include them with welcome packets given to new residents in the area
- i. Remember to utilize "internal marketing" by having existing clients schedule for routine checkups and immunizations and utilize personalized pet care by offering customized solutions and not treating all your clients' pets the same
- j. Check local laws to determine restrictions on solicitation and distribution of marketing materials

9. Obtain necessary licenses and regulatory approval

- a. Contact OSHA to determine compliance requirements (MSDS data sheet, training, etc...)
- b. If you will prescribe controlled substances, you will need a federal and state narcotics license from the DEA and State Department of Health or Public Safety
- c. Any radiology work may require state registration and employee training
- d. Keep up to date on your state board of veterinary examiners fee
- e. Determine if your state requires veterinarian items that you sell to be taxed
- f. Contact local animal control office to determine local laws pertaining to stray pets, leash laws, and rabies vaccinations. Many cities and counties require cat and dog owners to register their vaccinated pets with animal control
- g. Contact fire department to ensure facility is in compliance with fire code
- h. Ensure compliance with employment and tax laws

10. Staffing the office

- a. Hire a receptionist to answer phones, manage client affairs, and greet visitors. Having a receptionist also allows the practice to remain open while you take a break or leave for lunch.
- b. Determine if you will initially need other support staff or technicians
- c. Consider the additional costs through taxes, increased recordkeeping, insurance, and potential liability that hiring employees brings
- d. Prepare an employee handbook in advance that lists job descriptions, benefits, and rules of employment along with expected procedures and policies.
- e. Consult an attorney for issues relating to employment, insurance, and tax law