

An article in the Dental Tribune by Allan Weiner, Managing Director of CareCapital Limited, regarding CareCapital's role as a specialist provider of dental premises.



12 Practice Matters

DENTAL TRIBUNE United Kingdom Edition · September 14–20, 2007

The way forward?

Finding suitable business premises can be just as daunting as buying a home. But by using a practice-leasing service, you could find your perfect premises, without the worry and stress says Allan Weiner

In the UK, we have a culture of property ownership unlike other European nations where leasing plays a bigger role in both the business and domestic sectors. Not only does this option relieve the purchaser of the initial financial burden, in the commercial sector it has the advantage of bringing objective, specialist, and professional expertise to bear on any potential problems. In North America, Scandinavia and Germany the freehold of healthcare premises is very often in the hands of a third party.

However, UK culture is set to change. According to a report in *The Times* in June: "...sale and leaseback is gaining ground as a means of unlocking the latent value that many businesses hold in their property assets. There could hardly be a better time to take advantage of flexible and cost-effective ways of limiting property overheads."

A problem halved

CareCapital is one of a very few specialist providers of healthcare facilities offering a comprehensive practice-leasing service to dentists in the UK. While nobody could prevent problems occurring when creating a new practice, CareCapital assumes the responsibility for every phase of the purchasing and establishment process, from locating a suitable site and winning planning permission, to delivering a customised practice in line with the practitioner's original vision.

Specialist providers in continental Europe and elsewhere have achieved success through dedication to individual needs and delivering an end product which satisfies every client requirement, is ergonomically efficient, and financially viable. Reputable UK facility providers are equally committed to the dental industry and seek to establish long-term relationships with the dentists and other healthcare companies who become their leaseholders. A stable, enduring association between the tenant and the freeholder company brings benefits to both the contracted parties and also to the local community, which enjoys continuity of care.

Passing the buck

Most dentists are clinicians whose career ambitions tend towards developing their treatment skills, and whose training has been focused on patient care rather than entrepreneurial endeavour. Even after gaining access to the necessary funding, no easy task in the present economic climate, purchasing or creating a new practice demands

knowledge and property purchase or site management skills, which are generally outside their experience.

A partnership with a specialist provider solves the problems associated with finance and also provides the peace of mind that comes with the application of dedicated, professional project management. Whatever the size or scope of the proposed development, whether a single practice, a nationwide chain or an institution such as a dental college, a reputable specialist provider can respond to the challenge with flexibility and has access to the management skills and financial resources to bring about a successful resolution.

An added advantage of the leasing option is reduced exposure to financial risk for the individual dentist, whose capital is not committed to bricks and mortar with a value subject to the vagaries of both the property and the healthcare markets. The disconcerting possibility of negative equity, a deadly blight on business expansion or diversification, is entirely eliminated.

Experience has underlined the importance of communication throughout every phase of a development project. From the very first stages, the financing partner liaises with all the interested parties. A detailed schedule of operations is evolved in con-



A leasing firm will oversee the entire project, from design to finance.

the rising demand for private cosmetic procedures are changing the way dentists shape their careers. Increasing specialisation, and the growing number of referral practices, are offering opportunities to today's dental professionals, which were simply not available to their predecessors. Nevertheless, to fully exploit these new challenges to the benefit of both the patients and the clinicians, financial flexibility is required. In the current, relatively volatile dental mar-

ket practice principals cannot allow their businesses to stagnate through lack of access to adequate funding.



These are exciting times ahead.

sultation with the principals, embracing outline plans, floor plans and a projected timescale to enable future decisions on equipment ordering and delivery to be accomplished within budget and on time.

Good times ahead

These are exciting times—some would say too exciting in relation to the recent changes in the NHS contract—for dentistry in the UK. The advances in the application of digital technology in diagnosis and treatment, clinical developments such as improved implant protocols, and

ket practice principals cannot allow their businesses to stagnate through lack of access to adequate funding.

Most successful practices expand or diversify over time, and dissatisfaction with the terms of the NHS contract and the aggressive negotiating stance adopted by some PCTs have combined to persuade many practice owners to undertake more private work or cease NHS treatment altogether. In these circumstances an injection of capital to enhance the practice's facilities to meet the more sophisticated expecta-

A blank canvas

Perhaps the most daunting prospect is considering the creation of a new practice from scratch, with the first hurdle to be overcome the identification of a suitable location within the chosen area. Even at this primary stage, engagement with a specialist healthcare facilities provider with previous experience of land searches is advantageous. Once a site has been agreed, the provider undertakes the necessary negotiations with the local authority and any other affected interests and creates surgery designs in collaboration with the future practice principal. Access to adequate finance from the start enables the construction of a state-of-the-art healthcare facility tailored to the incoming principal's requirements and fulfils the expectations of even the most discriminating patient. There is also the added benefit of co-ordinated site management by a company with a continuing interest in the success of the project.

A commercial, structured and long-term relationship with a specialist healthcare facility provider, either from the outset or by releasing value trapped in the premises themselves, offers

the industry, as well as individual practitioners, a proven, alternative way forward. While an association with a specialist healthcare facilities provider may not be appropriate in all circumstances, it should never be discarded without careful consideration. ■

For additional information on CareCapital, contact Allan Weiner on 020 7054 1949, email aw Weiner@carecapital.co.uk or visit www.carecapital.co.uk

About the author



Allan Weiner is Executive Director of CareCapital Limited. After graduating from the Stockholm School of Economics with an MBA, he began his career in 1990 as a management consultant with Roland Berger & Partners. He worked here for seven years and gained experience in private equity, mainly with Speed Ventures, as an investment director in London and Stockholm. In 2001, Allan set up Euro Clinics, a London-based healthcare service operation, offering cardiovascular screening and echocardiography. Allan joined CareCapital in 2004.