

## **Q&A: Examine all options carefully**

*Since self-initiation, business opportunities dental hygienists have increased exponentially. The ability to practise independently has opened doors and presented choices on how and where dental hygienists can operate their own mobile dental hygiene business or stand-alone clinic.*

**Q:** What should I be aware of when making a decision to start a business on my own or find a company that offers this service?

**A:** The most important part of your decision-making process is to collect information and examine all options carefully. Whatever you decide, researching and developing a sound business plan is critical for the potential success of your business. If you miss this step, it could likely result in unexpected surprises and possibly the failure of your business venture.

Several companies are offering turnkey operations for starting your own dental hygiene clinic. Although this may seem like an easier way to start your own business, you still need to do your homework and research what you are signing up for.

While you have the convenience of buying into a turnkey operation, there are obligations you will need to meet once you sign on the dotted line. Businesses offering start-up, turnkey operations will require that you enter into a contract outlining what they will give you and in turn what you have to give them.

Examples of some of your financial obligations could be, but are not limited to, the following: commission fees paid to the company that are tied to your monthly sales numbers; the sale of predetermined products and services at your location; and of course the start-up fee, which may range from \$50,000 to \$200,000.

Other considerations when entering into a licensing or franchise agreement go beyond the financial component such as:

1. How do you get out of the deal should you desire to do so?
2. What exactly are you paying for - equipment, computer equipment and software, leasehold improvements at your location, business support?
3. Who is responsible for the lease and it's renewal, you or the company you have signed on with?
4. What are the terms of payment for the initial investment? Does the company want all the money up front, do you have to finance the whole amount yourself or will they give you repayment terms and at what rate and for how long? Most important, what collateral do you have to provide, e.g., personal guarantee, equipment, etc.?
5. What are the advantages and disadvantages of buying a turnkey operation as opposed to starting a business on your own?

These are just a few of the questions to ask before entering into any agreement of purchase with a licensee or franchisee. Seeking independent legal advice is a **MUST!** Your lawyer can sift through the legal implications of any contract you are given to ensure that your interests are protected and that you know and understand exactly what you are signing.

Even though a turnkey operation may provide you with the initial structure of your business, you should still develop your own business plan that will help identify the strengths and weaknesses of your business in your community. It will also allow you the time to self-assess whether being an entrepreneur is the right decision for you.

Buying into a franchise or licensing agreement still requires a dedication and commitment to hard work, long hours and a determination to succeed.

Remember, if something sounds too good to be true, it probably is.