

The Gender Driven Land Rush : Innovation to Optimise the tide of Female Professional Practice Ownership

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Principal Topic

The proportion of female graduates in the professions with a registerable qualification such as Pharmacy, Dentistry, Veterinary Science, Law and Accounting has steadily increased over the last 10 years such that females now account for over 60% in current graduate numbers. This is in professions where the practice level ownership is largely male and over 55 years of age reflecting the growth in suburban practices from 1970 to the mid 1990s. While the male practice ownership methodology is based around a traditional "whatever it takes" focus on the owner, female preference is for a more proportional work / life balance which leaves significant gaps if the female graduates are to be the next generation of professional practice owners. Where there are gaps in any market, there are entrepreneurial opportunities and this paper identifies the sources of new value in assisting the female professional practice owner. As the aging male owners retire and sell to the next generation, there will be a land rush of sales to females who have a superior operating system that meets both their work and life requirements.

Methodology/Key Propositions

Females enrolled in Law and Accounting in Australia represent 57% of students, Pharmacy has 65% female student enrolment and Dentistry has grown from 37% to 55% female since 1991. All these professions are protected from external entrants by State based registration requirements to practice creating a well defined marketplace. Focus group research with females with registerable qualifications with around 10 years experience (and yet to buy or secure a partnership) identified 5 main issues - 1. The investment to buy into a professional practice in dentistry, pharmacy and veterinary science can be as much as \$A500,000. Most 10 year out graduates are just emerging from HECS debt and are reluctant to return to this state without a business plan to emerge again which they find difficult to secure. 2. The graduates in law and accounting mostly work long hours in large firms and have an interest in running their own practice (often with 2 or more peers) having seen these professions as male dominated "boys only clubs" but lack the knowledge and support to make the change. 3. Most professional females have the confidence in their professional skills to run a successful practice but fear the burden and risks in administration, tax compliance, employee rights, OH&S, local council interference, state government red tape and being the owner 24 hours a day. 4. Many are in relationships with household financial commitments where the loss of their salary to start a new business or servicing the debt in buying into an existing one appears beyond their ability to overcome. 5. None of the existing practice business models provide them with their preferred life / work balance, and the financial institutions that they would have to borrow from to buy into a practice tends to want asset backing as security rather than the proven cash flow of a successful practice. The proposition drawn by the authors was to design a starting point in one profession (dentistry) that would in turn bring a financial institution to understand the need to loan against cash flow and in turn expand the system to a JV with that institution to grow to include all the professions targeted. This new business is described as an "AM / PM" dental practice where in effect two separate dental practices exist within one physical location that appear as a single seamless entity to their patients with external non clinical services provided.

Results and Implications

The logic of two practices within one location was designed to generate four key results - 1. A half day working day for female dentists who start at either 7 AM or 1 PM and finish at 1 PM or 7 PM leaving them the other half of the day for child minding or school pick up or any other preference they have. 2. A business

in which they only do their professional work with all supporting activities done off site in a larger scale operation including marketing and managing the practice. 3. A business in which they buy into over time at a cost agreed at the start with continual feedback to maximise their professional development. 4. A business with the lowest operating cost from use of the shared capital and running costs which maximises their life time earnings. The initial results from the first practice have shown that the lower operating cost targets can be secured reasonably quickly. Further the patients have not appeared to have identified the two separate entities and have accepted the practice a normal version of suburban healthcare just offering longer and a more convenient timetable. The paper covers the value proposition where this offer to female professionals overcomes identified negative issues and includes the assessment of a JV option with a financial institution lending only on practice cash flows.

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