COMMERCIAL BANKING

SUPPORTING GENERAL PRACTICE | Practice mergers – top tips

Advice on practice mergers – top tips

For many practices, merging with another can provide a solid base from which to continue providing primary care in response to the Government's Five Year Forward View. But what's the best way to achieve a successful merger – and what are the pitfalls to watch for? Robert Capper, a Partner at Harrison Clark Rickerbys, lists the major points.

General practice continues to change rapidly with patient demands, funding cuts and increasingly complex Care Quality Commission requirements affecting GPs' planning for the future. Practices are also facing succession challenges with retirements not being easy to replace and many younger doctors deciding not to invest within the partnership.

Many GPs are coming to the conclusion that size really does matter, and practice mergers into "super partnerships" are becoming increasingly common.

WHY MERGE?

- Mergers can allow for staff sharing, providing greater efficiencies and potential cost savings.
- Employees can benefit from more flexible hours.
- Mergers can stretch the working day to meet requirements for extended hours.
- A wider skill mix could enable new service development and specialisms.

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ROBERT CAPPER
Partner,
Harrison Clark Rickerbys

EARLY STAGE CONSIDERATIONS

There are a number of implications a GP needs to consider:

- **Do the partners get on?**
  The importance of relationships in GP partnerships should not be underestimated.
- **Do the financial benefits add up?**
  It is vital that the merging practices take specialist financial and accounting advice.
- **Who will project manage the merger?**
  You'll need clear roles and responsibilities and lines of communication.

PREPARE FOR SOME HARD WORK

Participating in a merger is likely to involve a lot of hard work, but it is possible, and encouraged, to step back and take the opportunity to enjoy the process. Factoring in some downtime after the completion of the merger gives you something to look forward to.

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10 top tips for your practice merger

There are a number of ways to help your merger run as smoothly as possible:

1

Ensure the relevant solicitors, accountants, tax advisers and banks are advised of the merger as soon as possible. Keep these professional advisers regularly updated during the merger process.

2

Agree a "go live" date, then work backwards to agree a timetable for the project – but be realistic with your timings. Decide what the most critical milestones are to ensure you have clear metrics to work against, and undertake regular reviews of the progress being made against the timetable.

3

Agree who is doing what and when to avoid duplication and to save time and money, especially among the professional network.

4

Appoint a key representative from each of the merging practices. These key contacts should be able to represent the whole practice and have enough time to dedicate to the project.

5

Agree a regular meeting plan with these key representatives from each practice, and factor in more meetings rather than fewer. Even if the meetings get cancelled, it focuses attention on the agreed timetable.

6

Keep the wider partnership up to date generally, but avoid giving too much detail because the finer details will regularly change.

7

Arrange a few key meetings with the wider partners of each practice to provide feedback to them. This is particularly important for the partnership agreement.

8

Involve patient representatives if you consider it appropriate.

9

Be aware that the final weeks of the process are likely to be the most time-consuming so factor in additional time to manage the completion of the merger.

10

Consider preparing Powers of Attorney to alleviate pressure on the day of completion.

Robert Capper is a Partner and Head of the Commercial Department at Harrison Clark Rickerbys Solicitors, one of the UK's largest law firms.
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