



Succession Planning Workbook

A tool for Physicians looking to make a change to their practice

Developed as part of the A GP for Me Project

March 2016

SUCCESSION PLANNING CONSIDERATIONS

As small business owners, physicians are responsible for their own retirement, sabbatical, and parental leave planning. While advice on the financial considerations of changes to a business can be gleaned from accountants, lawyers, and colleagues, the practicalities, both on a personal and practice level, can be overwhelming.

The New South Wales Rural Doctors Network (www.nswrdn.com.au) developed a comprehensive Succession Planning Manual and model for rural GPs as a pilot project in 2004 to provide support to its member physicians who were looking to make a change to their rural practice. This model has been adapted for the South Island Division, and we are grateful to the NSW Rural Doctors Network for their generosity in sharing their work.

Why bother with succession planning?

When a GP decides to make changes to their practice, this decision affects not only the physician, but also their family, their patients, their staff, and the community. Succession planning is a concept commonly used in corporations to ensure that no gaps exist when executives and managers retire, are promoted, or leave a company. Given the important role physicians play in many peoples' lives, succession planning is a key tool to ensure a smooth transition for everyone.

Physicians who piloted the NSW Succession Planning Manual reported that the process also had unexpected benefits:

- The discipline of assembling documentation provided a valuable opportunity to examine the practice as a business and subsequently to fill gaps in or reinforce existing systems
- Taking the time to plan for what the GP wanted allowed them to make tangible their dreams. The planning made it possible to see how goals could be achieved and in what timeframe.

The NSW Succession Planning Model has been adapted to 19 steps for the South Island Division.

Step 1: Define the change you want to make to your work circumstances.

Some options to consider:

- Retire – Here? Elsewhere?
- Relocate
- Reduce hours
 - How many hours?
 - What kind of work?
 - Partially retire here
 - Partially retire elsewhere
- Take a leave of absence
 - Extended annual - for how long?
 - Sabbatical – for how long?
 - Long service – for how long?
 - Maternity – for how long?
 - Upskilling – for how long?
- A combination or some or all of the above.

I wish to change my work circumstances in the following way:

You may wish to briefly outline the stage you are at in your life, as well as your current circumstances and work routine:

Step 2: Consult with significant others about the change in work circumstances you want to plan for.

Your significant others might include:

- Your life partner
- Your child or children
- Members of your extended family
- A friend or friends
- Your mentor
- Your preceptor

Issues you might discuss include:

- What would the implications of your decision to change your work mean to them?
- Do they have any preferences regarding your plans?
- What support can they or will they give you to complete your planning?
- If you implemented your plan, what do they consider might be the most suitable timing? What support can they/will they give you?
- Are there other options that might suit you or the family better?
- Do any of your significant others contribute to the practice (e.g. as practice manager)? If so, what special actions might be required?

To put this plan into action, I would need to do the following things for the benefit of my family:

To put this plan into action, my family members will help in the following ways:

Step 3: Decide on the timing you would prefer for changing your work circumstances.

Planning for a change you'd like to occur in 10 years' time will have different planning implications than a change you'd like to occur in 2 years' time. Longer term planning can include many steps, including gradually reducing hours, locuming, and mentoring. Consider what your wishes are and think about the implications that your wishes hold.

I would like this change in my work circumstances to happen in the following timeframe:

Step 4: Consult key stakeholders about your intentions to make a succession plan.

Take care with confidentiality and clear communication!

Key stakeholders might include:

- Practice partners
- Practice manager
- Service organization
- Other local colleagues
- Division of Family Practice Executive Director or staff
- Hospital personnel
- Medical division head

Issues you might discuss include:

- What do they see as the likely ramifications if you altered your work arrangements as planned?
- Do they have any preferences relating to your plan and the effect this is likely going to have on them?
- What support can/will they give you to make your succession plan?
- What support can/would they give you if you were to implement your succession plan?
- Do they see any options other than what you are planning that might suit you or your family better?

Consultation with my key stakeholders indicates I will need to do the following:

Step 6: Analyze your practice internally and externally.

Using the shortened South Island Division Practice Toolkit will help you focus your efforts on the different aspects of your practice that would be of interest to an incoming physician.

The Toolkit is available from the Division – please contact them for the most up-to-date version of the template. Chapters include:

- About the Practice
- Doctors
- Staff, Partners, and HR Considerations
- Privacy and Confidentiality
- Emergencies and Occupational Health and Safety
- Facility
- Administration and Operations
- Appendices - MOA and Office Manager Job Descriptions, EMR Guides, Privacy Statements.

Step 7: Consider what you would like to do with practice assets if you changed your work circumstances as planned.

These assets may include:

- Clinical workload
- Clinical equipment
- Patient records
- Practice staff
- Computer hardware and software
- Goodwill
- Practice furniture
- Practice location (lease or owned)
- Ongoing contracts or agreements (including EMR or office management)

I propose to handle practice assets in the following way:

| <i>Asset</i> | <i>Proposal</i> |
|--|-----------------|
| Clinical workload | |
| Clinical equipment | |
| Patient records | |
| Practice staff | |
| Computer hardware and software | |
| Goodwill | |
| Practice furniture | |
| Practice location | |
| Ongoing contracts or agreements | |

Step 8: Using decisions and information from the previous steps, consult key professionals about the implications of changing your work circumstances

These key professionals and topics may include:

- Accountant and/or Financial Planner:
 - Is the business viable for an incoming GP?
 - Review of the practice assets
 - Audit requirements
 - Estimate of the business costs/benefits if the plan were implemented
 - What would be the personal economic implications of implementing your plan be, especially for incorporated companies?
 - Superannuation
 - Personal tax implications
 - When would be an economically sound time to change work arrangements?
- Lawyer:
 - What are the legal implementations and/or requirements of implementing your plan?
 - Conditions and contract for an incoming GP
 - Insurance, particularly indemnity insurance
- Trusted colleagues:
 - How to obtain support for changing rosters
 - Impact on their workloads and on-call arrangements

Information from my accountant and/or financial planner that is pertinent to this plan includes:

Information from my lawyer that is pertinent to this plan includes:

Information from my trusted colleagues that is pertinent to this plan includes:

Step 9: Define your role and skills that you use in your practice as it is now. Also include the skills of anyone else who may be leaving their role (e.g. long-standing MOA, your partner who is also the office manager).

These may include:

- Qualifications
- Clinical skills
- Procedural skills – e.g. anesthetics, emergency, surgery, obstetrics
- Areas of special interest – e.g. mental health, sports medicine
- Management skills
- IT skills
- Hours of work and call requirements
- Role as a preceptor or mentor
- Gender-specific requirements
- Language skills, i.e. if your patient population has a specific language requirement

This table is for steps 9-13.

| | <i>Step 9: My role, skills, competencies</i> | <i>Step 10: Required roles, skills, competencies</i> | <i>Step 11: Roles, skills, competencies that will NOT be needed</i> | <i>Step 11: Roles that will be taken over by practice staff</i> | <i>Step 12: Qualifications, skills, competencies required in an incoming GP</i> |
|-------------------------------|--|--|---|---|---|
| Qualifications | | | | | |
| Clinical work | | | | | |
| Procedural work | | | | | |
| Management tasks | | | | | |
| Leadership tasks | | | | | |
| IT Skills | | | | | |
| Work hours/ call requirements | | | | | |
| Role as a preceptor or mentor | | | | | |
| Gender-specific requirements | | | | | |
| Language skills | | | | | |
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Step 10: Define the skills, attributes, and competencies that would be important for the practice to maintain when you enact your plan.

These may include the roles and skills defined in Step 9, as well as:

- Flexible
- Comfortable with technology and change
- Entrepreneurial orientation
- Global awareness and experience
- Ability to partner and build business alliances
- Ability to facilitate rather than direct
- Ability to work with a diverse group of individuals and organizations
- Ability to develop others
- Strong critical thinking and problem solving skills

Step 11: Determine which of these skills will not be needed going forward, as well as those that could be reallocated to others remaining in the practice. Also think about new roles that may have to be created, and who in the practice could take those on.

This step will allow you to assess which roles or tasks may remain unfilled in the practice, and therefore which specific skills should be brought into the practice.

Step 12: Taking steps 9-11 into consideration, determine what skills and attributes would be required in an incoming GP.

This gap analysis will provide the basis for an advertisement for an incoming GP.

You may need to consider if more than one GP would be required to cover the hours, skills, or workload. Mark in bold the skills and competencies that will be essential in an incoming GP. This will be your bottom line.

Step 11: Considering the skills defined in Step 11, draft a training plan for staff who need to refresh or learn new skills to take on the roles assigned to them in the previous step. Remember that training may, in fact, be knowledge transfer from you or another staff member who is leaving the practice.

Points to consider:

- What training is required?
- Where can that training be accessed?
- What would the training cost, and what budgetary constraints does the practice have for training?
- What are the workload constraints on training?
- How soon does the practice need the training to be completed?
- What outside financial assistance for the training may be available?
- What support mechanisms for the training will need to be put in place?

Training plan:

| <i>Skill or Competency to be trained</i> | <i>Staff member to be trained</i> | <i>Mechanism for training</i> | <i>Timeline for training</i> |
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Step 14: Draft a recruitment plan

There is a full recruitment plan guide available from the Division.

- Where would be the most appropriate place(s) to advertise for an incoming GP?
- What would be the timing of plan implementation – based on experience, Divisions recommends that you allow one year to complete the recruitment process. You may also wish to add in a period of orientation for the new GP.
- What is the budget allocated to the recruitment process?
- What processes will the practice use to cull and interview applicants?
- What role will you ask your Division of Family Practice to assume?
- Would you use a commercial recruitment agency?

Step 15: Draft a contingency plan.

This will give you a fallback position if, for some reason, you are unable to implement the steps of your plan when the time comes for you to move on. Since it is difficult to predict what challenges may arise when you implement your plan, it may be helpful to list probable and possible challenges, and give more attention to planning for those that are probable.

Some contingencies to consider include:

- You can't sell the practice as you hoped to.
- You can't recruit a replacement within the time allocated.
- The potential replacement needs further training because he or she lacks skills.
- There is a gap between when you leave and when the incoming GP arrives.
- Island Health/Doctors of BC won't extend the right to practice to the incoming doctor (especially for international recruits).
- The incoming doctor requires ongoing supervision.

Contingency options:

Step 16: Choose how you will inform your patients and key stakeholders when the time comes for you to change your work circumstances.

Communication options can include:

- Face-to-face – this is recommended for staff and key stakeholders (colleagues, hospital contacts)
- Formal or informal
- Practice meeting
- Letter mailed out to patients
- News article or advertisement
- Poster or notice in the waiting room
- MOA communicating to patients...but is also fully informed enough to be able to answer their questions

It is important that communications about your plans are clear and unambiguous, and that no important individuals are overlooked.

You may need to plan for how to cope with patients' reaction when you inform of your plans to alter your work arrangements – patients have been known to leave a practice immediately, or exhibit anger, grief, or blame. Reactions may be less extreme if you are able to outline what the plans are for their continuing care.

Communication plan:

Step 17: Plan for personal requirements during the transition period and beyond.

Topics to consider include:

- Insurance and indemnity considerations (new location? Changes to plan to suit practice changes?)
- Registration options
- Establishing future plans for yourself: professional, business, and personal
- Deciding on any relocation needs
- Completing a cash flow analysis for the interim period

My requirements during the transition period:

Step 18: Plan the orientation process for the incoming GP.

This might include:

- A tour of the area
- Meeting key community members and other ongoing contacts in the short to medium term
- Introduction to hospital staff
- Introduction to practice staff
- Tour of practice and hospital
- Familiarization with Practice Toolkit, legal considerations
- Introduction to patients
- Introduction to local services including banks, pharmacies, landlord, schools, etc.

Be sure to decide who is responsible for providing these orientation activities, some of which may be provided by the Division of Family Practice.

Orientation process:

| <i>Orientation activity</i> | <i>Person responsible</i> |
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Step 19: Based on the information gathered in the preceding steps, refine Step 3 and create a timeline.

You may wish to revise your timing defined in Step 3, taking into account the time required to train staff, recruit and orient an incoming GP, other information obtained from your advisers, or the preferences of your significant others and colleagues. Include on your timeline all the steps required to implement your succession plan, including the various tasks in the recruitment process.

Succession planning timeline and actions:

| <i>Step</i> | <i>Action</i> | <i>Proposed completion date</i> |
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