

## The Basics of Private Practice for Vocational Evaluation Professionals 2007 VECAPP Forum, Auburn Alabama

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### Abstract

The decision to start a private vocational evaluation practice can evoke fear. Professionals who are accustomed to the routine and regular salary of working as an employee have trepidation of the unknowns involved in starting and running a private practice. Critical to the decision of opening a private practice is embodying the spirit of the entrepreneur, embracing the notion of creating a something fulfilling and meaningful using knowledge and will. A private practice allows the vocational evaluator flexibility, independence, and opportunity for financial gain rarely seen in the employment of another. Key components of a private practice include identifying products and services to be offered, and where and how to market them. Finally, developing a good business plan will provide a dynamic tool for the private practitioner to define the purpose, scope, goals, and objectives of the business.

### Trepidation

Vocational evaluators and other rehabilitation professionals with work experience exclusively in the academic, corporate, or public sectors, and students with no work experience often seemed mystified and intimidated by the mention of starting a solo, private practice. The reasons for this fear include lack of financial security and benefits, and the prospect of marketing and maintaining a business. In a nutshell, fear of the unknown often discourages professional from entering into a private practice. This paper's purpose is to provide a brief survey of basic considerations when becoming a private practitioner – and hopefully removing some of the fear of the unknown. The entrepreneurial spirit, the decision to open a practice, products, markets, marketing, expectations, basic pointers, and basic accounting practices are addressed.

### The Entrepreneur Spirit

Essential to success in a starting a private practice is the entrepreneur spirit. Say you don't have! If you're a successfully employed professional in today's economy, changes are you have to have it. When we evaluate and counsel clients regarding their employment possibilities one of the critical components of the process is to instill an ethic of self-employment. Figler and Bolles (1999) point out in *The Career Counselor's Handbook* that everybody in today's economy is self-employed. Gone are the days of

the lifelong corporate jobs, even tenured jobs in an academic or public settings are no guarantees of lifelong employment. Today's economy is dynamic and workers must adapt to changes fast, regardless of setting – requiring an entrepreneur spirit. The same spirit necessary to succeed in the today's economy, in any setting, is the same

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required for the private, solo vocational evaluator.

### Why Private Practice

The reasons someone may decide to start a private practice are infinite. We mention a few including: independence, financial gain, flexibility, and opportunity to use imagination. A survey of professionals in private practice would more likely than not reveal individuals who did not like being supervised. A private practice is not a means to avoid hard work, in fact, being the "chief, cook, and bottle washer" required of a pri-

vate practice is very demanding on time. In this case, independence means flexibility. The private practitioner gets to determine how the work gets done. For example, if you're sharper in the morning, schedule important activities such as meeting with clients or depositions – keep the afternoon for more mundane activities such as billing. If you like to work in the quiet of night, do your report writing then or schedule Fridays for office administrative tasks. The independence of self-employment will allow more flexibility in how you work gets done.

When you work for someone else, you're essentially renting out you time to help someone else gain profit – dollars for hours. When you work for yourself, you're using your time and expertise to help you make a profit. This may sound like a harsh reality, but it is fair. Working for an employer else requires them to assume all the risk. Your employer is responsible of insurance, benefits, administration, and competition – and they get rewarded (or penalized) as such. The employee gets rewarded for showing up and doing a good job, whatever that may require. The self-employed shoulder all of the responsibility, but reap all the rewards.

A private practice allows one to use imagination. Within the context and ethics of our profession, the private practitioner can develop innovative ideas to better serve the client, without an arduous approval process. Examples of imagination could be

designing and utilizing digital client portfolios or designing a work sample specific to a client. Using imagination for administrative tasks could include designing a new billing system or interactive Web page.

Starting and maintaining a private practice is always a challenge. It is the process of building a business out of knowledge and experience. Things mentioned in this paper including imagination, products, market, marketing, and finance are all components of the challenge.

### Product

Examples of product and services offered by vocational evaluators include: vocational testing, job analysis, career counselor, career assessment, job search counseling, transferable skills analysis, labor market surveys, expert testimony, corporate consultation, and attorney work product, among others. Sometime its hard rehabilitation professionals to regard the information we produce as a commodity, with real market value. However, it's important to realize the information is becoming a significant commodity produced throughout the world. Globally, information comprises 6.9 percent, and growing, of the global gross product. In order to enter into a private practice, it is important to regard the products produced by vocational evaluators in market terms – and to charge accordingly. This mindset can be a difficult transition, particularly from a public or academic setting.

### Market

The market for the private vocational evaluator's products is limit only by his or her imagination. Examples include: attorneys, insurance companies, state agencies, federal agencies, corporations, schools, and private individuals, among others. Vocational evaluation services provide to attorneys includes vocational evaluation geared toward appraising an individual's earning capacity post injury. In litigious setting attorneys, both plaintiff and defense, try to reach amicable compensation for damages incurred by an injured party. Basically, damages are the amount of money owed to a person as a result of their injuries. For example if a person had an 8<sup>th</sup> graded education working in a very heavy occupation, such as an offshore roustabout, earning \$15.00 per hour, and following an injury he or she is limited to sedentary work. The

vocational evaluator can help attorneys determine the difference between pre and post injury earning capacity. Insurance companies use vocational evaluators, along with rehabilitation counselors and case managers, to identify transferable skills into employment and accommodations congruent with a workers post injury limitations.

Often, state vocational rehabilitation agencies and federal agencies, such as the Veterans Administration, contract private agencies to perform vocational evaluation services. Typically, the vocational evaluator will contract of a set fee and follow a protocol required of the contracting agency. Another example of a federal source of business is the Social Security Administration, Department of Hearings and Appeals. Vocational evaluators contract with the Social Security Disability Administration as a vender providing services. When Social Security Disability claimants are denied eligibility upon their initial request, an appeals process begins. The appeal results in a hearing with a Social Security Administration law judge in a local appeals court. A judge may request the services of medical, psychological, or vocational experts to help him or her in rendering a fair decision regarding claimant benefits.

Other markets to consider for vocational evaluation services include corporate, and academic settings, and private individuals. Corporations contract with vocational evaluators for post offer placement with a company, identifying accommodations for disabled clients, job task analysis, and as a team member when returning an injured worker to work. In addition, many corporations use vocational evaluation during period of worker layoff to help worker identify transferable skills for new jobs. Vocational evaluation is a useful tool to help high school and university guidance counselors educate students on career goals and the objectives to obtaining these goals. In some districts, private vocational evaluators are contracted member of the school-to-work transition team. Finally, private individuals seeking career guidance represent a market of vocational evaluators in helping identify career options and help in the process of career discovery.

### Marketing (Finding Clients)

A critical part of being self-employed is finding business – without customers (refer-

als) a business will not survive very long! Business is unlikely to arrive at the front door without marketing. Marketing means attracting referrals within the market. In the previous section, we identified some potential markets for vocational evaluation services. The question is: how to you get business from those markets? The answer is exposure. Figler and Bolles (1999) point out that private practitioners in career counseling related fields are always marketing. Potential referrals and clients are everywhere – at the grocery, the bank, the church barbeque, and in the adjacent seat on airliner. One recommendation is to be ready with a quick, thirty-second pitch explaining the service of vocational evaluation. Remember, you're always marketing – so be ready! Before we get too far here, the Yellow Pages, or similar directories, are the least effective and most expensive way to market. The most effective way is networking.

Networking includes profession, civic, and social arenas. Relationships with other professionals such as lawyers, insurance adjusters, physicians, rehabilitation counselors, psychologist, and local employers, among others, are examples of professional network contacts. Ways to come in contact with other professional includes presenting at *their* professional meeting and conferences to education them on vocation evaluation and publishing in their professional journals. Lecturing to the local bar association on the benefits of vocational evaluation as discovery for damages is an example. Membership and participation in organizations such as Rotary International, the Chamber of Commerce, and churches are excellent ways for introduction to possible referral sources. In addition, active participation within the profession of vocational evaluation is an important source for networking. Publishing in journals, such as VECAPP, presenting at conferences, and collaborating with other professionals create both market exposure and credibility.

Other good networking sources include social settings, community service, and local media. Social settings can serendipitously produce business contacts – so be sharp and ready to market! Community service includes such activities as free seminars on career choice to churches, schools, and other organizations. In addition, offer *pro bono* career assessment to those who can't afford it. Finally, becoming the "go-

to” expert in the local media (i.e. radio, newspaper, TV) regarding assessment, and disability and employment whenever issues in these areas arise.

### Some pointers

Recognizing opportunities, creating a niche, utilizing *avant guard* technology, acquiring income from several sources, and charging appropriately for services are important things to keep in mind when building a private practice. First, learn to sense the opportunities and needs of your market, and create a niche for your practice. For example, the rise in the need for Spanish speaking vocational evaluators will rise with the number of immigrant laborers from Latin countries – a huge potential market! Another potential market, unfortunately, is the rise in the Veterans Administrations need for contracting vocational evaluators due to the increased number in disabled veterans. By recognizing and specializing in a particular niche, the vocational evaluator can become an expert in a particular area, increasing his or her capability and reducing competition.

Using the latest affordable technology benefits the private practitioner by increasing the efficiency of his or her practice and the quality of services available to the client, and providing a competitive edge in the marketplace. The digital client portfolio is an example of affordable technology applied to these areas. A digital portfolio at once make it easier for the vocational evaluator to keep track of client data and billing, provides the client with a dynamic, interactive tool for career exploration, and is an excellent tool for communication with referral sources and presentations to stakeholders.

All business is cyclical. For example, most retailers depend on the Holiday season to balance their earnings for the remainder of the year. Private practice vocational evaluation is no different. Sometime a flurry of referrals will be followed by a drought. Following the advice of investment bankers, a way to remedy this problem is to diversify your “portfolio” of referral sources. Previously, we identified the possible markets for the services of vocational evaluation. The vocational evaluator can diversify simple by selling services to several different markets. For example, a private practitioner might be a vocational

expert for the Social Security Administration, an expert for trial attorneys, and a contractor for his or her local vocational rehabilitation agency, providing income from three difference niches.

Finally, charge what your worth! Many people in the helping professions fail to recognize that, in addition to improving the quality of life of people, to also provide a real, useful product with a tangible, monetary value – information. The information we provide stakeholders gives them the tools they need to make money. The information we produce gets injured workers back to work earning money, saves insurance companies money, allows persons with disabilities financial stability, helps trail attorney build cases, and many other parties. The vocational evaluators product is part of the larger growing information economy. An understanding of our information in these terms facilitates private practitioners charging a fair price for services. People in the helping professions often struggle with the idea of helping others as a commodity. Knowing the value of our information in terms of helping others earn money within the free market puts this notion into an accurate perspective. Typically, for example, private practitioners in vocational evaluation can charge anywhere from \$110.00 to \$210.00 per hour as an expert in litigation.

### Expectations

People with no experience in private practice vocational evaluation, or any other profession, often have the naïve notion that as soon as the shingle is hung, that customers and their money will walk in the door. Based on personal and vicarious experience, it takes anywhere from two to five years for a private practice to sustain itself. During this period, it is wise of the vocational evaluator to have an independent source of income, either for employment or savings. In addition, any dept should be eliminated or minimized before embarking on this adventure. It is expensive starting a new business without being encumbered by debt.

### Extremely Basic Accounting

Business accounting is a complex area best left to the CPAs. However, some basic steps are discussed here. First, open a separate bank account. The account does not need to be a “business account”. A free personal checking account will suffice. Second,

all income and expenses from the business are transacted through this account. Third, the private practitioner pays his or her self from this account. This means that personal items are such as clothes or sailing equipment are not purchased from here! Fourth, a separate credit card should be acquired just for business expenses. This will make things easier to sort through during tax time. Fifth, buy an accordion file, place in a convenient location, and, at the end of every day, file all business related receipts. Again, this will make it easier at tax time. In addition, record mileage driving for business purposes using Google Maps or Map Quest and file them in the same accordion file. This is less cumbersome than recording miles from your car’s odometer – and, again, you’ll need this at tax time.

### Overhead – Keep it down!

Professionals entering into private practice have usually have visions of walnut burlled paneled offices with a competent staff and equipment dancing in their heads – as well as the Lexis in the parking lot. Patience my friend! Technology has made it easier than ever for vocational evaluators to go into private practice on a tight budget. The Internet allows access to tests, market research, professional journals, legal material – the list is endless. A professional no longer needs an office stuffed with books and equipment. Clients can be met at the referral source, such as an attorney’s office, hotel conference rooms can be leased of around \$100.00 per day, and, in some areas, the local libraries have conference rooms available. Reports and day-to-day business can be conducted from a home office. All of this is much cheaper than a \$700 per month office space and a salaried staff. In addition, the space used in a home office is a tax deduction.

### Isolation of the One-Person Show

(Don’t end up like Jack Nicholson in the *Shining*!)

One problem of working in a home office as a private practitioner is the sense of both professional and social isolation. Figler and Bolles (1999) point out that isolation begets social malnourishment and professional decay. To avoid ending up like Jack Nicholson’s character in *The Shining*, it is important to remain connected with colleagues, friends, and family. Contact with

colleagues can be accomplished through involvement in professional conferences, adjunct work at a local university, just keeping in touch socially, and having friends in the profession to bounce ideas and get advice.

Sometimes just getting out of the home office to get work done refreshes the professional mind and spirit. Find a local library or coffee house with free wireless access – just having people around can boost enthusiasm for work. Finally, make time for friends, family, and recreation. Our society these days has placed a badge of honor on those who are always “busy” or “working”. Americans are working more hours than

ever. In 2007 Americans worked 2,000 hours per capital compared with 1,883 in 1980. Making time for family, friends, and fun recharges the batteries the private practitioner needs to succeed.

### **Developing a good business plan**

A business plan is a comprehensive tool that defines, guides, and gives credibility to a business. A business plan defines a business by identifying the purpose, market, and means. For example, the purpose is to provide quality vocational evaluations to a particular market. The market, or referral sources, may include attorneys, workers

compensation insurance companies, and a state vocational rehabilitation agency. It guides a business from conception to future goals and objects, and outlines the financial and management components necessary to achieve them. For example, how much profit the business will earn in three years and what new markets will be added in five years. A good business plan is a dynamic, living document, and subject to change as market the market and economy change. A good resource for information and models for writing a business plan is the United States Small Business Administration (SBA) at [www.sba.gov](http://www.sba.gov).

### **References**

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