



SCHOOLEY
MITCHELL

The Cost Reduction Experts

WHY BE PENALIZED FOR JUST BEING A 'STARTUP' BUSINESS?

Your parents, teachers, coaches, and mentors probably all taught you to be kind to newcomers. Give them a helping hand, cut them a break, and welcome them warmly, right? So, where did that lesson go when it comes to helping new businesses get their feet off the ground?

Oftentimes, startup businesses are hit with higher vendor fees and less favorable rates than their more experienced counterparts. This 'startup premium' prevents profitability, increases stress, and may force you to cut back on staff or services. So why does it exist and what can your startup practice do to avoid it?

It's more than bad manners.

Not only do startups have less negotiating experience and power than more established businesses, but vendors can count on the fact that they are likely too busy or stretched too thin to optimize their operational expenses. Other service providers – notably merchant processors – may charge more due to the perceived risk of taking on a startup as a client. It goes against everything we've learned about being nice to newcomers, right?

“Vendors count on the fact that startups are likely too busy or stretched too thin to optimize their operational expenses.”

This can set you up for failure.

This so-called 'startup premium' may seem like a small thing, but it adds up and leaves you at a significant disadvantage.

Let's look at some of the key reasons startups fail:

- Not enough funding
- Poor cashflow management
- Poor marketing strategy
- Competition



By Adam Smith

This is by no means an exhaustive list, but it certainly covers some big issues. Well, the startup premium eats into your funding, impacts your cash flow, erodes your marketing budget, all while giving your more tenured competition the financial edge.

So, what you do you do?

Indirect cost procurement beats the startup premium every time.

In the face of unfair rates, and without the necessary resources or time to negotiate them yourself, you can bring in the assistance of an indirect cost procurement expert to ensure your practice is paying fair, competitive prices, and not a penny more.

In my business, Schooley Mitchell, this is the work we do every day. We analyze the invoices and vendor agreements of businesses like yours, negotiate with hundreds of vendors, resolve billing issues, and help you achieve better rates, all without compromising the quality of your services. We do this across thirteen cost categories, including merchant processing, telecom, waste, shipping and facility supplies.

We find that dental practices are often made to overpay in a



number of these categories, particularly when it comes to merchant processing.

Let us find you the best vendor and the best rates, before you even help your first patient.

Our engagement process for startups is simple:

- **Step One** - together, we review your business plan, and you complete a short questionnaire to identify your unique vendor requirements.
- **Step Two** - we negotiate and secure up to three vendor quotes for each selected cost category.
- **Step Three** - based on your timing and vendor requirements, you select a preferred vendor for each cost category.
- **Step Four** - we manage the implementation and deliver an Implementation Verification Report (IVR) documenting the successful set-up.

If you're looking to beat the startup tax and launch your business with a competitive edge, let's set up a time to talk.

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