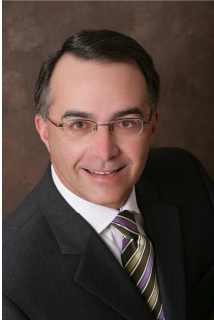


What are Associates Thinking?



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Principal

If you have a great associate consider yourself lucky but be very aware that things are not always as they seem. The associate role in dentistry is a long-proven way for principal dentists to expand their practices, take more time off, offer additional services, cover the evenings and weekends, find a potential purchaser, perhaps mentor a young dentist, and a myriad of other factors. From the perspective of the associate, it is an opportunity to “practice” dentistry to become better, faster, and more capable of handling the tough situations that arise. It is also an opportunity to see how different styles work, to gain some insight into the business side of dentistry, learn to partner with the entire dental team, determine what kind of practice suits you (large group, small professional building, retail setting, etc.) and Oh Yes, earn some money. In essence, those two sets of objectives provide benefits to both the principal and associate dentists. If both of these groups understood and respected these objectives this would be the end of this article and the lives of dentists and associates would be far better. Unfortunately, that is not the case.

Over the last few months I have been made aware of several situations that have arisen between associates and their principal dentists that to my mind defy logic. However, I am old enough to know that I certainly do not have all the answers. I do, however, have a strong sense of right and wrong and some of these things are wrong on every level!

Let's start with the new associate who has been associating/working in the practice for a few months. They are full of energy, have some great ideas that have been implemented, and have started developing some bonds with patients and staff. The topic of “buying-in” comes up. I am retained to meet with both sides and mediate a discussion on the merits of the plan and the go-forward strategy. In general, I am not a fan of the “staged buy-in” for the reasons explained in my article in issue #47 of *The Professional Advisory*, since we are asking people at the opposite ends of their careers to become partners, their objectives are at opposite ends of the spectrum. In this case, the young associate expected to be granted the right to buy a small percentage of the practice at their option. There is an expectation that the price would be reduced both to reflect improvements to the practice from the implementation of their

ideas and because they have established relationships with patients There is also an assumption that they would be involved in all decisions in the office and that they would have first right of refusal on any future equity stake, with the future price based on current results. Really? What are associates thinking? Then there is the case of the young dentist who moves to a small town and joins a mature dentist's practice on the understanding that they will buy the practice in a few years when the mature dentist retires. A few years pass and everything is going well until one day the principal hears through the grapevine in town that the construction taking place a few doors down is actually a new dental office...for his associate. When confronted the associate says, "I have been meaning to tell you about that"! Needless to say, the relationship ended in a strained manner. As it turns out, the people in the small town were not too thrilled about the associate's tactics and most patients have stayed with the principal dentist. What are associates thinking?

Lastly, there is the case of the long-term career associate who is just a little younger than the principal dentist who is preparing his practice for sale. This associate has treated the same patients for many years and the patients consider the associate their dentist. No contract exists. The associate does not wish to buy the practice but when advised that the practice is going to be sold, advises the principal that they would like to be compensated for "their goodwill" in the practice. Further, they will try out the new situation and stay on only if they are satisfied and, if the already overpaid compensation they receive is honoured. If they are not satisfied, the associate will leave and will be entitled to take "their patients" with them. . The vendor's plans were held up for several months as he tried to reason with the associate. In the end, expert dental lawyers got involved and were able to convince the associate that they had no "ownership" of the practice. What are associates thinking?

I harbour no malice towards ethical associates. I believe it is a great career path for dentists to gain experience. It is not a way, however, to build goodwill. That is done by building or buying a practice and assuming the risk and responsibility of being a dental practice owner.

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