

CARRYING THE CROSS

As many of you can imagine working in the role that I do, I have an implicit pulse on the practice acquisition marketplace, and on the sentiment of the various players that makeup this ecosystem. My team and I have daily interactions with dental clinicians and I'm forever humbled and empowered by the freedom in which these people speak.

All conversations happen in a vacuum remaining confidential, but we have a constant internal dialogue amongst the team where we respect our clientele yet analyze this data set to help us make decisions. It will often frame conversations had amongst the leadership team. This ear to the ground mentality has worked for decades, and it has always been a beacon that we have used to best serve our clients.

It also makes for magnificent content for our various blogs and the publications in which I am regularly published. This brings me to my point and the title of this piece....

The drum has been steadily beating for years at this point, it became more than just background noise during the lockdown period in spring 2020 to the point now where we get consistent calls from people that have sold to a DSO bemoaning the feeling of entrapment. In the beginning I chalked it up to a few outliers and a feeling that it was the cost of doing business. Don't forget, selling to a DSO these past years has brought with it significant financial reward.

Admittedly, we have lost business to the accumulators and wrestled for business that on occasion I admit we deserved to lose. When there is a specific type of individual in the position of principal dentist the future philosophy of the practice can sometimes align with the corporate strategy to create an excellent marriage of convenience. In general, this individual should likely be young in ownership and have the energy to reinvent themselves after the subsequent transition or, they should be somebody that knows that they have a predefined life-after-ownership which involves complete retirement. They could also be picking up a new chapter in their career in a different field once the contractual commitments to a DSO have been fulfilled.

Please know, buckled over while producing high volume of dentistry, yet barely fulfilling your busy schedule is a whole lot easier when you can tell yourself that you are suffering to grow your own asset and reap the rewards at some future date. Not to mention the administrative, emotionally taxing operational plate-spinning exercise that is running any decent sized dental office these days. Great dental offices have an organic culture that centres around an appropriately motivated, vocational principal passionately driving this culture forward. You all know or identify as this person. I do not need to remind the audience that heavy is the head that wears the crown, and a king or queen rules best with full autonomy over their kingdom.

"Let there be One King /Queen." Homer

Motivation is what gets us out of bed in the morning. To steal a popularised social media term, many of the dentists who sell early to take up a prolonged 3/5-year contractual obligation report losing the "WHY" resenting the system that necessitates their genuflection. Many of the dentists I meet get a high from the entrepreneurial spirit attached to hands on owner operated dentistry and eventually leaving on terms dictated by them. Working hard and rewarding the people around you based on the growth of your business becomes addictive. If you are exiting to become a salaried associate with target revenues, you would do well to factor this vacuum into your arithmetic.

We all have our own way of doing things and many are not built to have to report into a hierarchy. Dentists are very individualistic and know how they want things done. A disproportionate majority of dentists cite the ability to be their own boss as a driving force when electing for this career path. So many of the reports I am hearing come from former owners who have sold, struggling with the one size fits all system they inherit causing more headaches and lacking any ability to relieve any burden of ownership. Best practice for some may not work for all.

The reality that many industry players and peers have been slow to say is the following, selling your private practice to a corporate dentistry is hard. You get a big-ticket purchase price that is a function of the amount of service that you are willing to suck up on the other side of the closing date of said transaction. With this being the case, retirement or slowing down is not the motivation to sell if you have to keep up your presale commitments? Have you sat down and calculated the associated numerical, physical, and personal opportunity cost? I see many that are in the commitment period struggling and others who are soul searching or jaded and have lost the love once they have fulfilled their corporate obligation. There are a multitude of alternatives and as self serving as this piece might come off, I will always take pride in communicating what the market is telling me to those professionals ready to discuss big business decisions.

Written by:



Rob Spillane,
Sales Representative



Timothy A. Brown,
FRI, CEO & Broker of
Record

