

DOES IT PAY TO BE AN OWNER?



Each Monday I awake to many emails and text messages. Most are supportive but there are always some complaints and criticisms peppered in. Such is the life of a publisher.

Last week I wrote about the difference between ownership hours and income hours. I received the following email as a response.

These are the words of semi-retired dentist who has completed the cycle of ownership and is now an incredibly happy associate.

I have removed any identifying details.

"After forty+ years as a dentist, last year I sold my practice. I have really enjoyed your weekly newsletters and only wish I could have read them earlier in my career. This week's topic is the best so far.

Four years ago, at the age of sixty, I was ramping up my practice with the goal of finding an associate to help manage my workload and prepare my practice for sale. My work hours had been increasing, and my stress level was rising fast. Then Covid hit.

To prepare my office to reopen, I instantly became an infectious disease expert, builder, painter, and electrician.

To convince patients and staff it was safe to return, I also became a salesperson and marketer.



When my long-time Office Manager left due to Covid fears, my spouse quickly inherited that job, working long hours by my side, dealing with CERB, cancelling and rebooking patients, and managing all the administrative work I did not have time for.

The stress affected my health, our marriage, and our ability to keep the practice running efficiently.

It took us a year to bring the practice back to the level we had previously enjoyed. Once that milestone was reached, my spouse and I agreed it was time to sell the practice. After spending 40 years building a practice, I could be proud of, I insisted I would take no offers from corporations or multi-practice dentists. I left hundreds of thousands of dollars on the table, but I found the right dentist to continue the practice. Twenty months later, we are happy, the patients are happy, and the staff are happy (and, more importantly, they have ALL stayed). The new owner has brought in more staff and several part-time associates and has the perfect associate: me!

From my point of view, I am happier, healthier, and I look forward to going to work two days a week. Patients comment on how much better I look daily: I am more relaxed, less stressed, and enjoying life. My spouse is fully retired, and we can finally take vacations that last more than a week!

Now regarding your article about income hours and ownership hours: factoring in salaries for me, my spouse and profit as owners, we were netting about \$250,000 per year. But we were working about 90 hours a week combined, with a maximum of four weeks off per year.

Today, my spouse is retired, and I work about 12 hours per week. We have been away on vacation for almost 10 weeks this year, with more than a week off at Christmas. And I have taken home about \$100,000 this year. Not near as much as before, but with far less effort and more enjoyment.

Think about that: We were working 90 hours per week and netting \$250,000 with four weeks of vacation. Now we are working 12 hours per week and netting \$100,000 with 10 weeks of vacation. No more ownership hours! Not a bad lifestyle change!

At this level of income, we are barely touching our retirement funds, allowing us to save them for later.

I think many dentists get stuck in the grind of running their practice, and do not realize the negative effects on their mental and physical health until it is too late. I hope the email you sent today will cause some to stop and think about how their life could improve.

Thank you and keeping writing."

Timothy's take:

Wow! This dentist's hourly income is now higher than it was when they owned the practice!

Want to talk about it? Or do you have an opposing view?

TEXT me @ (416) 520-7420

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