

OWNERSHIP HOURS: THERE ARE BETTER WAYS TO START A DENTAL CAREER



I received many emails and texts about my recent commentary on ownership hours. A few suggested I did not consider the equity that builds up while owners invest unpaid time into their practice.

Yes, owners do get return on this investment when they sell.

However, my continued analysis reveals that a start-up dentist will invest upwards of 10,000 ownership hours in their first 10 years – mostly unpaid.

What is 10,000 hours of your time worth?

At the average management wage of \$100 per hour, 10,000 hours equals \$1,000,000 in labour that is UNPAID until sale.

Less than 25% of Canadian, solo dentist owned and operated dental offices will have more than one million dollars of saleable goodwill.

~75% of dental offices are single dentist operation.

What about after 20 years of ownership – starting from nothing? That's ~20,000 hours of unpaid time!

Just think about it. I do not intend to insult owners and let's be honest, not everyone is made to be an owner. That is why more than 10,000 dentists are currently Associating in Canada.



This is a blunt email from a loyal subscriber to the ROI Newsletter (I've made a few edits to maintain confidentiality):

"I totally agree with the dentist who decided to sell his practice. When I worked at two other clinics, I was making ~\$250,000 a year... and investing around 50 hours of work per week.

When I started my own clinic (from squat), my income plummeted to nothing!

After 5 years of investing 75 or 80 hours each week with no vacations, I finally started making around \$80,000 a year.

Now, after 8 years I make around \$120,000 a year with a gross revenue of \$650,000 a year.

I work~ 40 hours each week.

I can sell my practice for between \$700,000 and \$800,000.

I am not sure why I put myself into this mess by starting a new clinic in Toronto 8 years ago.

My friends who own practices complain about the same problems:

- 1. Huge overheads*
- 2. Long hours*
- 3. Staffing problems*
- 4. Low profitability*
- 5. A horrible taxation system.*

If I knew the numbers 8 years ago, I never would have started my own clinic."

Dr. R.

Timothy's take:

It is Sunday December 24th. Please take a break. Rest your mind and body if you can step away from practicing. It is both needed and deserved.

If you need to talk, I am available every day except December 25th.

Text me at 416-520-7420.

Written by:



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