

□ ANOTHER FOUR-LETTER WORD: “PART”



In the realm of business, particularly within partnerships, the initial four letters of the word itself—“part”—hold significant meaning, often encapsulating the essence of these relationships.

Through my experience with partnerships, I’ve witnessed numerous thriving and successful collaborations. However, it’s crucial to acknowledge that all partnerships eventually reach a conclusion.

Some end harmoniously and others end in disaster!

Currently, I am advising several partnerships, and one case stands out. It involves partners at dissimilar stages in their careers—one is nearing retirement while the other is not ready to step back, leading to complex discussions about exit strategies. These conversations typically revolve around whether to sell simultaneously, stagger their exits, or not sell at all. The decision is heavily influenced by personal factors such as family circumstances, health, and financial conditions—which are seldom aligned among partners.

This divergence brings us back to “part.” Financially, simultaneous exits often yield the best outcomes for all involved. However, an incoming dentist prefers not to inherit a business entangled with a former partner’s legacy, which could overshadow their new role due to existing staff relationships, patient allocations,



and supplier connections.

Most entrepreneurs aim to avoid being a junior or minority owner. Professional advisors often recommend seeking dominant control—holding a majority stake with preferred voting rights to secure influence and authority within the business.

I am also dealing with a partnership lacking a formal, written agreement. The partners, longtime friends, opted for a handshake agreement over 15 years ago, which worked well until recently. Now, as the younger partner seeks retirement, bolstered by financial security, the older partner faces significant financial challenges and is not ready to retire. This disparity has led to a strained situation where the senior partner exercises undue influence over potential sales, demanding veto power over any incoming dentist.

This scenario has severely limited my ability to effectively market the practice and may lead to undesirable outcomes. I remain hopeful yet realistic about the challenges ahead and will provide updates in the coming months.

On a lighter note, partnerships can lead to unexpectedly humorous situations. Years ago, I moderated a long-overdue partnership meeting for five aging dentists. The agenda unexpectedly included a debate over the cost-effectiveness of one-ply versus two-ply toilet paper—a discussion that consumed 20 minutes of the meeting. It highlighted the unique dynamics and sometimes trivial concerns within partnerships that would never surface in a solo practice.

Sorry – yet again I have sunk into toilet humor!

For those navigating dental partnerships, the complexities of collaboration and transition are significant. Each partner may have different timelines and objectives for exiting the practice. I'm here to offer confidential advice and support to dentists facing these sensitive issues.

Should you wish to discuss this further or if one partner is considering an exit sooner than the other, your situation will be kept in strict confidence.

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