

## I DON'T KNOW HOW TO RUN THE PRACTICE or FEAR OF PRACTICE OWNERSHIP



We hear this from young dentists all too often.

They are standing in their own way and holding themselves back.

Here is the truth:

1. You do not need to know how to run a practice well.
2. You need to know how to buy a practice that is running well.

This fear and anxiety about ownership prevents talented dentists from making the decision to build wealth and support their families.

What are the sources of the fear surrounding ownership?

Who perpetrates these myths, and why?

### **Owners**

They warn associates about how stressful and difficult it is to have a practice. Why? So the associate does not set out on their own and compete. Hey, owners. I hear you loud and clear – it is lots of work to own. But let us give the next generation the same opportunities that we have enjoyed.

**Pro Tip for buyers:** Ask your principal to tell you about their early years before they became the owner.

### **The DSOs**

They use the known weaknesses of present owners to exploit their anxiety. Human resources issues are number one. They shower you with promises of freedom from the burdens of ownership to convince you to sell to them.



roicorp.com

**Pro Tip:** You CAN manage a dental practice just fine without their help.

### **Family**

If your parents were not entrepreneurs and have always had secure careers, they may be the source of fear. “Get a good job and raise a family” is something a good friend of mine was told his whole life. He has never owned a company and will retire soon with a safe and secure pension, but not much wealth.

**Pro Tip:** Locate the business owners within your circle of trust. Ask for their advice.

### **Your Accountant**

Some are risk averse and scare young doctors about “what could go wrong.” That may be their perceived duty to protect you but ask them this: Are you a business owner? What is the long-term record of your clients who took risks?

**Pro Tip:** Find the right accountant. I know who to call if you need help.

### **Your Banker**

Is he or she a business owner? Or an employee? Some can shelter you from great opportunities.

**Pro Tip:** Find the right banker. I know where they work.

### **Lawyers**

The practice of law is, in part, rooted in protection from the unknown. Contracts do most of the heavy lifting, and lawyers take immense pride in drafting agreements that protect you. However, many entrepreneurs have been thwarted by overly cautious contracts. Find a lawyer who supports and believes in entrepreneurs.

**Pro Tip:** I know the dealmakers and the deal-breakers. Pride has no place in proper legal advice.

### **Let us consider the dentists who are now selling.**

For every dental practice, there is an owner. Usually just one.

In Canada, there are approximately 15,000 owners, and about 12,000 dentists are non-owners.

The owners are happy to be in control of their destiny, and most profit handsomely.

Dentists, not corporations, own ninety percent of dental practices in Canada.

These are the firsthand (wet-fingered) dentists who get up, dress up, show up, and meet and treat their loyal patients.

They are also the dentists who display enthusiasm with service for their patients.

They are the dentists who will profit the most.

The dry-handed (absentee owner) dentists? Some do well; others do not.

It is very safe to assume one simple fact about the firsthand operator:

**They are doing the best they can, to the absolute best of their ability, with whatever skills they have, to manage the practice efficiently.**



roicorp.com

Why?

Because they want three things:

1. A hassle-free and productive day at work
2. To be rewarded with a fair profit for their efforts
3. The ability to sell the practice - with dignity and profitably!

So, when you are looking to buy, remember that most owners are doing their absolute best.

You can do things differently once you are the owner but please take your time.

If you buy, do not make major changes in the initial stages.

Let it run the way it has been running for about one year.

Learn how it runs before rushing to make changes.

If you can study and qualify to become a dentist, you can buy a practice and learn how to operate one.

**In summary:**

If you find yourself saying, "I don't know how to run a business," frequently, this is a leading indicator of your future.

You may decide that you are perfectly happy as a career associate, and if that is your choice, I respect it.

For those who are now in the owner's seat – and not happy, consider this:

**Many have sold their practice and are now incredibly happy as an associate.**

Some report higher earnings, less stress, and relief from the burdens of ownership.

Human resource management stress is the most common reason they sell.

However, surveys show that most intergenerational wealth has been created by two things:

1. Real estate ownership (over the long term, not short-term "flipping")
2. Business ownership (entrepreneurship and risk-taking)

Last thought – an analogy: If you do not know how to build a house, buy one that is already built.

I am here to help you to buy a practice and build your wealth - ethically and with intention.

Please watch this short film: [Top Tips for Buyers](#)

**Pro Tip:** Need a practice management consultant? Yes, I know who the GREAT ones are!

Subscribe to my newsletter: [Timothy's Newsletter](#)

**TEXT me @ (416) 520-7420** for a FREE estimate of the fair market value of your practice.

Refer a friend and you will BOTH receive a **REVERSE Tariff** professional courtesy of up to \$1,500 each toward your ROI Appraisals. A total savings of \$3,000.

Working with i-Dentists™ since 1984 (*actually, a little bit longer than that!*)

Written by:



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



roicorp.com