

## THE PUMP-AND-DUMP LIE: WHY DENTISTS BURN OUT BEFORE THEY CASH OUT



### 1. Opening Observation: The Pump-and-Dump Lie —Why Dentists Burn Out Before They Cash Out

There is a dangerous sentence I hear from mid-career dentists:

“I’ll push hard for three more years. Maximize EBITDA. Sell high to corporates. Stay on five years as an associate. Then I’m free.”

On paper, it sounds strategic. In reality, it is often driven by something else. Fatigue.

Picture the 45-50-year-old dentist:

- Highly efficient
- Root canal in 45 minutes
- Schedule tight
- Production up 20% in three years
- Team runs like a machine

Externally — impressive. Internally — exhausted.

Dentistry requires you to get up, dress up, show up, and be “up” all day. Fatigue is not failure. It’s physiology.

The danger begins when exhaustion gets mistaken for underperformance. And selling starts to feel like relief.

### 2. Profit Driver: Sustainable EBITDA vs. Heroic EBITDA

Private equity does not buy effort. They buy sustainable EBITDA.

During the “pump” phase, this is what usually happens:

- Owner produces 55–65% of total revenue
- Fewer days off
- Less referral outflow
- Procedures kept in-house that you dislike
- Schedule tightened
- Associate hired prematurely for “relief”
- Culture pushed for higher numbers

EBITDA rises. But so does owner dependency.



Here is the uncomfortable math:

If you disappear for 90 days, does EBITDA survive? If not — the multiple compresses.

A stable, transferable \$800K EBITDA may trade at 5x. An owner-dependent \$800K may trade at 3.5x. That difference is seven figures.

Heroic EBITDA is fragile. Sophisticated buyers know the difference.

### 3. External Lens: Wall Street “pump and dump” strategy

On Wall Street, “pump and dump” is a known strategy. Inflate performance. Drive up valuation. Exit.

Two to three years later, many of those companies trade below their offering price.

Why? Because short-term inflation rarely reflects sustainable fundamentals.

#### Consider WeWork.

At its peak, it commanded a \$47 billion valuation driven by aggressive expansion and growth momentum.

When investors examined governance, profitability, and sustainability, the valuation collapsed. The narrative was strong. The fundamentals were fragile.

#### Or GameStop.

A dramatic spike fueled by short-term forces created extraordinary headline valuations. But price eventually normalized when fundamentals reasserted themselves.

Momentum attracts attention. Durability attracts premium pricing. Dentistry follows the same physics.

When high-energy founders exit after an aggressive pump cycle:

- Production softens
- Culture shifts
- Patients drift
- Performance normalizes

High-energy producers cannot simply be “ported in.” The most productive dentists already own their practices. Buyers hedge accordingly.

### 4. Something to Think About: Why are you selling?

Are you selling because:

**A)** The business is systemized and transferable, or **B)** You are tired?

Those are not the same decision.

If fatigue is driving the exit, you are selling the wrong problem. Fatigue should trigger restructuring. Not liquidation.

There is no shame in being tired. Mid-career dentistry is cognitively and emotionally demanding. The mistake is not fatigue. The mistake is making a permanent decision from a temporary depletion.

### 5. Teardown: What’s Really Happening

When dentists enter pump mode, they increase:

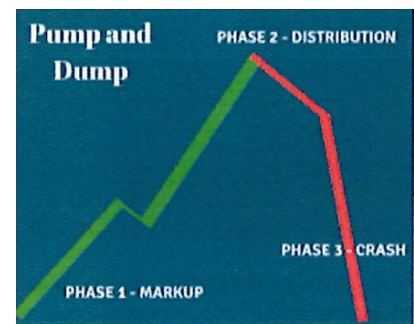
- Production pressure
- Personal clinical load
- Associate risk
- Culture strain
- Comparison to “industry averages”

Surveys. Revenue-per-hour charts. Top 10% benchmarks.

You are quietly led to believe everyone else is outperforming you. Now let me give you two real patterns.

#### Case One — Restructured Instead of Sold

A 46-year-old dentist grew from \$2.7M to \$3.9M in four years. He was producing nearly 60% of total revenue. He kept Endo in-house even though he hated it. He reduced his vacation from four weeks to one. He hired an associate who required constant oversight. EBITDA improved. Energy collapsed. He received a corporate offer. When we ran the numbers properly, we discovered something uncomfortable: if he reduced his clinical load by 15%, optimized hygiene, removed low-margin procedures, and stabilized scheduling inefficiencies, his retained earnings over five years would rival the after-tax proceeds of the sale — without losing autonomy. We did not sell. We restructured.



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Two years later:

- Revenue slightly lower
- Profit margin higher
- Clinical days reduced
- Owner dependency reduced
- Valuation stronger (cash based)
- Stress significantly lower

He wasn't underperforming. He was over-pressuring. He thought he had to push harder. In reality, he needed to design smarter.

#### **Case Two — Sold to Solve Fatigue. Regret Followed.**

Late 40s. Just over \$4M revenue. Strong operator.

He pushed for three years:

- Increased production
- Reduced vacation
- Tightened schedule
- Maximized EBITDA

The offer came. He signed. He stayed on as an associate.

Within 18 months:

- Schedule redesigned by others
- Autonomy narrowed
- Targets remained
- Culture shifted
- Ownership upside gone

The fatigue did not disappear. It intensified. He said: *"I wasn't selling the practice. I was selling the exhaustion."* As his psychological engagement declined, production normalized — retreating from the pump-driven highs. The earn-out grew tense and increasingly uncertain. The imagined freedom never arrived.

#### **6. This Week's Episode to Watch: 9 focused minutes that may shift how you think about selling**

In my conversation with Timothy Brown, CEO of ROI Corporation, we unpack:

Mid-career fatigue and the comparison trap

- The valuation illusion behind pump-and-dump
- The associate gamble
- What really happens 1–2 years post-sale
- Why cooling down may create more wealth than selling

[Watch here: The Pump-and-Dump Lie: Why Dentists Burn Out Before They Cash Out](#)

#### **Final Thoughts:**

If your exit plan depends on becoming the most exhausted version of yourself, it is not a strategy. It is a stress response. Short-term pressure can inflate numbers. It cannot manufacture sustainability. Exhaustion is not a signal to liquidate. It is a signal to restructure. The dentists who build lasting wealth are not the ones who pump hardest. They are the ones who build businesses that survive their absence.

Energy is finite. Structure is scalable. Optionality is wealth.

Until next time, *Build a dental business that pays you, protects you, and runs without you™*.

- Dr. Galia Anderson, DDS

P.S. If you are questioning whether you need to sell — or simply need to restructure — that conversation deserves clarity before you sign anything irreversible.

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