Last month’s column finished with a statement about the reality of being a professional in a business—namely, that to earn a living, one must perform piece work in a procedure, a process or an hourly environment. Granted, our rate of pay is much better than the $15/hour many politicians believe is all that’s necessary to earn a “living,” but still, no matter how you analyze your business, it will be with a production formula at the end. In fact, the more you investigate, every one of your processes, procedures and employees is evaluated as such—production per hour, per employee or per patient, etc.

It’s relatively easy in the beginning to evaluate your success and profitability (or lack thereof), because there just isn’t that much business or cash to worry about. However, as patients start appearing, referrals are arriving and you’re busy hiring, purchasing and doing-doing-doing, it’s easy to get sidetracked by other life influences like marriage, children and activities.

It’s about this time that a number of outside events start to cause stress and anxiety in the practice, and one reaches out for help. This is when and where we all need to take a step back and become somewhat skeptical—or, should I say, cautious—about the next steps. My wife has always been the calming influence in my life, trying to keep me grounded from my more impulsive moments. We’re all educated, calculating and inquisitive, but we often fall victim to promises, guarantees or the latest greatest thing.

The biggest bugbears of practice

I just returned from the latest AAO annual session. How many new products were displayed that promised to revolutionize your practice, deliver the best clinical result and, yes, do it for less and in a shorter time? As an experienced orthodontist, I’ve almost heard it all—I can’t tell you how many new appliance systems, delivery options or diagnostic devices have been promised to make my life simpler, my patients happier and my results more stable. Yet, more than 30 years later, I’m still arguing about wearing this, brushing that or replacing something else. All after school, of course!

These tendencies can be beneficial and sometimes detrimental to our practice existence. Everyone, it seems, wants to take a piece of you during your moment of confusion or disorganization. It’s always difficult to strike a balance between growth and saving for the future and prosperity.

In the next few paragraphs, I’ll share with you some insight into the various times in my
personal practice life where decisions needed to be made, what was done and how it all worked out. It wasn’t that I was unhappy—I just like to take on a challenge, achieve it and move on to the next. I have a strange feeling many of us are similar in this regard.

Let me tackle some of the many decision points one needs to make as we proceed on the business cycle curve. Over the years, the recurring themes in my personal life—and I’m sure in many of yours—involves:

- Locations and build-outs.
- Attorneys and accountants.
- Practice consultants or coaches.
- Financial advisers.

(Taking on associates, ultimate transitions, or sales and real estate are also sizable decision points in a practice career, but I’ll address those at a later date.)

**Locations and build-outs**

Locations and build-outs are some of the first decisions to make after choosing whether to buy an existing practice or go alone with a fresh start. The decision to purchase a practice is much different these days, because keeping an existing practice growing and functioning is difficult, much less starting one from scratch.

From what I hear and can attest to, “small practices” rarely have enough cash flow to support the owner, let alone an owner and purchaser. For that reason, if you move in the direction of purchase, it needs to be done with the same type of due diligence paid to purchasing any other type of business.

Ask yourself: “If I were to purchase this business for cash, could I pay the going rate for an orthodontist and make a decent return on my invested cash?” If so, go for it. If not, keep thinking or move on.

If the decision is made to build out a practice in a select location, build for the future—but not for another associate in the same location. Rarely can one justify two highly paid professionals in the same building. It’s been my observation that there are just too many dental chairs. It’s much more cost-effective to hire more assistants, paraprofessionals like hygienists or other licensed practitioners. Also, the reason McDonald’s started serving breakfast and lunch was because it made their real estate more profitable. Think in these terms—not more associates working fewer hours.

**Attorneys and accountants**

I’m always disturbed when professionals say they’re going to ask their accountant or attorney for advice. I don’t dispute that they are valuable partners in your journey, but they’re hired to put your ideas and decisions into legal frameworks. Definitely look for their suggestions and ideas, but do not defer to theirs only. Endless hours of wasted time and money are spent if you expect them to arrive at your business decisions, business plans and entrepreneurial ideas. You need to have your own vision; they help to put it on paper.

**Consultants and coaches**

If you’re on your way to growth and success, now is about the time when HR issues and difficulty developing processes and procedures are becoming apparent.

Unless you’re extremely talented, have the time and are willing to spend hours upon hours training one-on-one with your new staff, prepare to hire a consultant if for no other reason than to be the enforcer for you. In my practice career, almost every 7–10 years the need for a consultant became obvious. If not for consultants, I wouldn’t have practiced with an office manager and a new-patient coordinator, employed same-day starts or hired a professional relations coordinator. In other words, doing things the “same old way” was identified and a new paradigm was introduced into the practice. As you can see from that list of attainments, there are many trends and milestones to reach in a growing practice.

Each consultant has his or her own special talent and specialty. Ask about their strengths and weaknesses on the Orthotown message boards—plus, there are ample examples of them published in Orthotown magazine. One bit of advice: You can’t change your inner personality or tendency. Just like a spouse who tries to change his or her partner is doomed to fail, so too can an overpriced consultant fail to gain results if your inner feelings and the consultants don’t line up. If you have misgivings, it’s best to move on.

**Financial advisers**

This is the big one.

There is no shortage of financial advisers who are willing to take a piece of you for a fee. Let me assure you, there are no simple, untested and proven ways to get rich quick. The practice of orthodontics allows you to get rich slowly. It doesn’t matter what you invest in as much as investing itself. “Pay yourself first” should be your motto. Spend less than you earn and save as much as you can. Stick with it and don’t chase the next big thing. The best financial adviser has a fiduciary relationship with you and at best keeps you from making emotional decisions.

I’ve run out of family members to share stories and anecdotes about. My wife, Nancy, the calming influence in my life, has allowed me to pursue my dreams, stay on track and, by the way, raise three wonderful children whose individual lives I have previously shared.

I hope that you can relate to their life experiences and add them to yours. (BTW, this was written on Mother’s Day!)