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Etiquette in making the transition into private practice



This editorial provides some practical tips for students and others about what to do and not to do as they engage in the process to locate an associateship position in a dental practice or the process of purchasing a practice. Admittedly, there are many VERY important numbers necessary to obtain as part of due diligence, most of which have recommended parameters—number of patients of record, salary considerations, specific practice financial data, and so on. This essay, however, focuses instead on practical “do’s” and “don’ts” of more of a social, interpersonal nature.

Students and others making the transition into private practice as dentists often have some sense of ambiguity and angst about how to approach this process. Beyond detailed due diligence targeted at a variety of specifics about associateships, practice valuation, practice purchase and financing a practice, there is the interpersonal side of the equation. This largely social dimension essentially relates to etiquette, a French word meaning “prescribed behavior”—originally thought to refer to “cards printed with instructions for how to behave at court . . . and/or from behavior instructions written on a soldier’s billet for lodgings.^[1]

Over the years and after some very pleasant and somewhat cantankerous experiences in helping students transition into private practice, I developed some recommended points of etiquette. The list of “Dos” and “Don’ts” listed in Table 1 is intended as prescribed behavior to enliven, at least in part, general ethical principles advanced by the American Dental Association: patient autonomy, non-maleficence (do no harm), beneficence (act to the benefit of others), justice and veracity.^[2] Please note that this list of “Dos” and “Don’ts” is not exhaustive—that is, no doubt there are many other pointers left unstated. I have, however, found this list to be helpful. Additional comments are warranted on several of the key “Dos” and “Don’ts”.

The “Do” List

At the top of the “Do” list is to focus on the compatibility of “soft” issues—personalities and practice philosophies which research and common sense inform us can create conflicts and possibly side-line working relationships.^[3] Students may be tempted to “get into the numbers” before addressing what is arguably the most important question, “Can we get along?” Breaches of confidentiality discovered by the practice owner will certainly sour what might have otherwise been an enduring working relationship.

One of the most difficult etiquette questions centers around how much detail to get into at what point, especially relating to practice performance indicators (number of patients, annual revenue, overhead percentages, and so forth). There is no firm answer for this quandary, but certainly early in discussions is too early, generally speaking. The best solution: pursue depth as the relationship develops and discussions continue.

People don’t like to be “played” against each other, and so pursuing one meaningful, actual employment or purchase situation at a time is usually the best approach.

Students and others entering private practice would be well served by determining ahead of time what their “non-negotiable” may be—for example, a minimum salary to meet their financial needs. Some items in an employment situation may be negotiable—moving expenses being a case in point.

I have witnessed numerous practice transitions get off track because of the influence of family members, especially those who are unfamiliar with the particulars of dental employment arrangements and practice valuations and purchase processes. So, it may be good to have spouses and, if involved, parents read reputable materials on the business aspects of dental practice. A few of these are listed in the references.^[4-9]

Table 1: Do's and Don'ts in making the transition into private practice**Do:**

- Focus initial discussions on compatibility of personalities and philosophies of practice, not on numbers about salary/compensation or practice performance indicators.
- Use open-ended questions, listen, and allow time for the owner to talk. For Example, "Ideally, how would you describe your practice 5 years from now?", "Tell me about your philosophy of practice . . . of staff management/teamwork?", "How would you describe an ideal associate in your practice?"
- Keep information confidential as agreed upon with the practice/dentist/organization with whom you are negotiating. You will likely need feedback from an accountant, an attorney, faculty and/or other advisors. Make sure that this is acceptable with the practice/dentist/organization with whom you are negotiating.
- Prioritize your possible options before getting into the details of each opportunity. In other words, pursue the details in proportion to your interest in the opportunity.
- Negotiate primarily for one practice opportunity at a time after initial screening of options.
- Find out as much about the community, county, state as you can before getting into details of each opportunity.¹⁰
- Inform practitioners in a timely manner of your continued interest in an opportunity or lack thereof.
- Request over time for the information needed to make an informed decision.
- Remain cordial and calm; maintain a business focus.
- Negotiate; if you don't ask, you may not get what you want.
- Thank and provide feedback to those who provide you with referral opportunities.
- Monitor the involvement of your family members and the family members of the owner/employer. Extended family members may create unreasonable barriers in reaching an agreement.
- Watch how you are treated because this may be predictive of the future.
- Be clear about your short-term and long-term intentions and plans.

Don't:

- Play people/opportunities against each other, particularly practices/dentists in the same city/county/area.
- Gossip.
- Share practice-specific information with others unless you have clear permission to do so.
- "Burn bridges" with potential colleagues/peers.
- Break a business deal over comparatively small issues: 15 days for vacation instead of 10 days; a difference in salary of \$5,000 - \$10,000/year; paying \$10,000 (or perhaps even \$50,000 or more!) for the practice than you think it is worth **IF** it is a good practice in a town/city in which you want to live/practice. This assumes you have already negotiated reasonable terms and provisions for a transition.
- Be surprised by or pass judgment on elderly dentists whose patients may have untreated periodontal troubles, untreated caries, or whose practice may have outdated infection control or little or no modern technology.

If the person or practice with whom a student is negotiating fails to provide promised information in a timely manner, this delay often portends ongoing problems in future negotiations. So, if a time-sensitive and promised contract is two months late even after repeated requests for the contract, additional issues often arise that may preclude an agreement ever being signed. If delays typify ongoing discussions, students may want to consider other opportunities.

Students should clearly communicate their intentions and plans with the business owner, both for the next year or two and the next five years. If a student is looking only for a "job" rather than a long-term career, it is imperative that the business owner understand the plans. On the other hand, assuming positive process, if the student hopes to eventually buy-into or buy the practice, then that should also be discussed.

The "Don't" List

What about the "don'ts"? Some of these are, of course, the opposite of the "dos". Gossip should be avoided as should be sharing practice-specific information with others. Permission to share practice financial data with advisors

should be secured from the business owner prior to being given to any advisor—whether the advisor is a family member, a consultant, an accountant, or an attorney.

I have seen several potentially very favorable businesses "deals" fail to get finalized because of relatively minor issues. At times, students and others need to be reminded about their career goals and long-term interests, to gain perspective without getting side-tracked on one particular issue. For example, if the practice has great growth potential, is located where a student wants to practice and in a community where the student wants to raise a family, then paying \$20,000 more for the practice than the student (or his/her advisor) thinks it is worth may be the best long-term decision the student will ever make.

Students occasionally see dental practices with dentists who have not kept pace with modern technology—for example, no computer system. Or, a practice may have patients who may have undiagnosed or untreated periodontal disease. It is important for students not to criticize the owner in these situations. Necessary technological upgrades can be done later and the treatment deemed appropriate can be provided once the new owner begins practicing.

Conclusion

Following the list of “do’s” and “don’ts” certainly will not guarantee a smooth and successfully negotiated associateship contract or practice purchase. However, the recommendations should provide a foundation for pursuing practice opportunities.

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