

Title:

Greg Winteregg, DDS - Questions to Answer Before Adding an Associate

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Summary:

When should you get an new dental associate? How do you structure their pay? What are the important points to cover when interviewing a Dental Associate? Thirteen years in private practice and close to as many as a trainer/consultant at MGE (<http://www.mgeonline.com>) have taught me one hardbound rule: there is definitely a right and wrong way to go about this associate business. This two-part article covers specifics on the right way to go about getting a Dental Associate for your practice.

Keywords:

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Article Body:

This is "Part II" of a two-part article on the subject of Dental Associates. (Part I is available at: <http://www.gregwinteregg.com>)

Perhaps now or some time in the future, you'll think about adding an associate. Whether that time is today or ten years from now, it is best to be informed on the subject. Part one of this article offered guidelines to help determine the need for an associate in your practice.

In this article, we'll pick up with questions you should ask once the decision is made to hire an associate. Specifically:

1. Do you want an associate or a partner?
2. What type of work do you expect the associate to do - i.e. what would be his or her job description?
3. How should you pay an associate?
4. How do you find the right associate?
5. How does the associate's treatment philosophy match up with yours?
6. How can you tell if the associate "fits in" with your office, staff and patients

Let's start with the first one: "Do you want an associate or partner?"

You should never enter a relationship saying "Well - come on board and we'll see how it goes and work out the details later." If agreements are not clearly delineated, each party has their own "idea" of what the agreement is and they seldom match! The associate starts with the idea he or she will be offered a partnership and eventually buy the owner/doctor out. The owner/doctor is entertaining the thought but is ambivalent. The associate makes the schedule easier so the owner/doctor, who originally planned on retiring in three to five years, has more time off, feels better, and decides to work another fifteen years. The associate feels abused and taken advantage of and decides to leave. The owner/doctor finds himself back at square one. What happened? In this case the doctor failed on both the communication and leadership fronts.

Had good communication existed from the get go, with a clear reality of where the relationship was headed, things might have turned out different. You don't have to offer a partnership right up front. If partnership is a possibility though, at least have some benchmarks in place and get these agreed upon by both parties beforehand - and stick to the agreement. For example, you both agree that you will work together for a set evaluation period before talking partnership, etc. One excellent example I saw was a doctor who had his new associate (potential partner) sign three agreements: a) associate, b) buy-in and c) buy-out. If the associate met certain guidelines and the relationship was good, he could buy in. If the owner then wanted to sell the remainder the associate could buy him out, etc. Either way - you might not want a partner - ever. This should also be made clear. Talk it over with your accountant or other advisors and decide what you are shopping for before you start on this journey.

The next question is: "What type of work do you expect the associate to do - i.e. what would be his or her job description?"

Do you expect them to take all operative and root canals off your schedule and see all the children that come in? Will they treatment plan and present their own cases? Determine issues like this prior to interviewing, much less hiring. Keep in mind that the associate is there for you and your office. They either fit or they don't. Imagine you were selling your house. If the realtor brought in a potential buyer that asked you to add a pool and two more bedrooms, you wouldn't do that to make it work. The realtor would find another buyer. Same concept with an associate. For example: You want an associate to free up your schedule by taking all of the fillings, kids and root canals. The prospect you are interviewing refuses to do root canals and doesn't really like kids. Next... You get the idea. While some things are of course open to negotiation - don't go crazy attempting to accommodate. If you needed a full time receptionist and you

interview someone who can't work Mondays and Wednesdays- why hire them? You eventually will find someone who can.

The third question is "What should you pay an associate?"

This depends on what you expect the associate to do. If they are to find their own new patients, present their own cases, etc. the percentage would be higher. Conversely, if you handle all of the treatment planning and fill their schedule for them, the percentage would be lower. Sit down and do the math. If you had an associate producing X amount at Y percentage - what would that equate to and how would that impact your bottom line? Also consider how this would impact your schedule. If you are booked out for several weeks and you give an associate all of the operative, root canals, single unit crowns, etc. you would be able to move all of the major work on your schedule forward making you more productive. For a GP associate, anything over 35% of collections in compensation is too high in my opinion (specialists are an exception). I've seen some doctors who pay their associates 25% if all they do is work on patients with no treatment planning responsibilities. You can also mix a per diem and percentage. If you are going to do this, you have to ensure it is viable for the office.

For example:

You guarantee a doctor \$450 per day. He works 16 days per month, making the guaranteed salary \$7,200 per month. You decide you don't want to exceed, let's say, 30% in compensation for the associate. So we take that \$7,200 and divide it by 30 and multiply by 100. We do this to determine what \$7,200 is 30% of.

Here's how the example works out:

1. Associate Monthly Base = \$7,200
2. \$7,200 Divided by 30 equals 240.
3. 240 multiplied by 100 equals \$24,000.
4. \$7,200 is 30% of \$24,000.

So, if we are going to give a percentage on top of the base, we tell the associate that they get 30% of anything they collect over \$24,000 in a given month and distribute that amount at the end of the month.

On the other side of this, what happens if this associate who you are paying \$7,200 a month and, after ramping up, their average collections are only \$15,000? In that case, you had better do something as they are costing you more than they are worth - in this case 48%!

In my experience, if an associate can't do \$40,000 per month, no one is going to

be happy. They won't be making enough money and below that level of production you aren't making enough of a profit to keep them around. You must have enough business to make it worth everyone's while and they must be confident enough clinically to produce it.

The next question is: "How do you find the right associate?"

You've filled in the blanks and decided what you want and what you have to offer. If no prospects are immediately to hand, you need to go out and find someone. The question is: where to look? The answer: Everywhere! Here are some ideas:

1. Advertise in the paper.
2. Ask various sales reps (i.e. your supplier, etc.)
3. Call your friends and colleagues.
4. Advertise in local and state dental journals and newsletters.
5. Advertise online.
6. Have your office manager help you contact doctors in your immediate area to see if they know anyone.
7. Sign up for an associate "headhunting" service (these can be pricey).
8. Contact residency programs in your state. Dental schools are also an option, but if you need someone who can hit the ground running from a production standpoint, this may not be the best option as you may have to deal with a learning curve.

Just keep in mind that if you outflow enough, you'll eventually find someone who will be a good fit.

The fifth question is: "How does the associate's treatment philosophy match up with yours?"

Let's say you've worked out the need for an associate, what the level of compensation is, the job description and the hours that he or she will work. You also searched for an associate and are now interviewing an associate prospect. He or she seems like a nice person but what is his or her treatment philosophy? Divergent treatment philosophies between a senior doctor and his or her associate is the cause of more turmoil than you'd suspect.

How can you prevent this in lieu of having to work together for six or more months? Try this approach: During the interview with your prospective associate, take ten charts, along with accompanying x-rays, models (if there are any) and

temporarily remove the treatment plans. Now, ask the associate to draw up a treatment plan based on the information to hand. Match up the associate's treatment plan with the treatment plan you made for the case. If they are relatively the same, you may have a good match. You could also describe a number of clinical scenarios and see what course of action he or she would take and see how that agrees with what you might do.

Ultimately, the MOST important thing to consider with an associate is their level of clinical competence.

You may not be able to establish this for yourself without working with him or her. There are a couple of things you can do to get an idea of where they are at clinically.

1. They could treat you. (Even if it is a prophylaxis, you'll see their chairside manner and the like.)
2. You could have them bring in models and pictures for cases they have completed.

Other than that, you'll have to check up on their work with your patients.

If you feel you have found the right candidate, you could possibly have them treat you and some of your staff. If the team isn't sold on them as a clinician they'll be reluctant to have patients see the 'new guy/girl'. You'll end up just as busy as you are now while paying the associate to sit around because "none of the patients wants to see the associate." It may be a great ego-trip to have an associate but if it doesn't move you in the direction of lightening your load or expanding the practice, it's not worth it.

I once had a doctor tell me that there was no way he would let his associate work on him. Excuse me?! They represent your office. Their treatment is your treatment! You are responsible for their work. And no one wants to be re-doing dentistry for free after a sub par clinician leaves the practice, not to mention the effect this has on your patients and practice.

These are a few of my thoughts on a subject that could easily fill a book. Try these simple guidelines and get good advice from your advisors. In the end, the decision ultimately is YOURS. Choose wisely. If you would like to get more information on this subject, or on how to get more fee-for-service new patients to keep your practice healthy, to expand or to make it possible to add an associate the "New Patient Workshop" from MGE (<http://www.mgeonline.com>) is the solution.