I Want to Hire an Associate Who Will Eventually Buy My Practice. Or Do I?

Dr. John hired Dr. Meghan with the promise that she could buy his practice someday. Years later, she was covering more days and still couldn't get a meeting on the calendar.



THE TAKEAWAY

If an associate is meant to buy the practice, agree on when to review the financials, how the price will be determined, and when each of you will decide. If you're not ready to sell, say so.

The interview

At the interview, Dr. John says, "I'm looking for someone to take over when I'm ready. I'd rather sell to someone I know than to a stranger."

Dr. Meghan hears an opportunity to own a practice. The owner has just found a way to fill Tuesdays and Thursdays without giving the associate a reason to leave once those days are full.

What the seller is thinking

I told her I'd like her to buy the practice someday. I never told her when.

She's good. Patients ask for her now. She takes the emergencies I used to squeeze in at lunch, and I can leave on Thursday without spending Friday catching up. When she asks about the buyout, I tell her I'm glad she's thinking like an owner. Then I ask if she can cover the week I'll be out of town.

The first time she asked to see the financials, I said the year wasn't closed. The next time, I said my accountant was in the middle of tax season. By then she'd stopped asking for the whole set of books. She just wanted to know whether I was thinking about selling in two years or five. I told her it was too early to put a number on it. She hadn't asked for a price.

Why would I be in a hurry? I'm working fewer hours, and the practice is doing better. The more she produces, the less I feel like selling. If I do sell, I'll want a price that reflects what the practice is collecting then, including the work she brought in. I don't see any reason to put a price or a formula in writing now.

When I hear she's looked at another practice, I bring up the sale myself. I tell her I've always pictured her taking over. I tell her not to rush into the wrong deal. It works better coming from me when she hasn't asked.

I do want a buyer lined up. I also want to be able to decide, right up until the day I'm ready, whether to sell at all. So far, I've had both.

What the associate is thinking

I took the job because I wanted to own a practice. There were other jobs with better pay or a fuller schedule, but this one seemed worth building. If I did good work and earned the patients' trust, I thought I'd have a chance to buy a practice I already knew.

At six months, I asked when we could talk about the transition. He said to give it a year. At a year, he said we'd talk after tax season. After tax season, I asked him to pick a date. He asked if I could add Fridays.

I added Fridays.

By then I had patients I didn't want to leave, a team I liked working with, and a schedule I'd spent two years building. Walking away felt like giving up just before the thing I'd been working toward. Every time I started to think seriously about another practice, he'd say something like, "I still want you to have first crack at it." I'd go home thinking we'd made progress. In the morning, there was still no meeting on the calendar.

The part that finally got to me was how little I was asking for. I wasn't asking him to commit to a sale. I was asking for a target year, a date to review the financials, and an idea of how he'd set the price. I wanted enough information to decide whether to keep waiting. Somehow, after every conversation, I was the one who'd agreed to do something.

When I finally looked at another practice, the owner there gave me a date to review the numbers. I'd worked for my own boss for years and couldn't get him to put that meeting on the calendar.

The carrot has done its job

The seller may eventually sell. In the meantime, the possibility of a sale gives the seller something valuable: a productive dentist who has a reason to stay. The associate is the one putting years into a plan the seller can change at any time.

If you're the associate, ask for a meeting with a date and an agenda: when the owner expects to sell, when you can review the financials, and how you'll determine the price. Give yourself a date to decide what you'll do if the meeting never happens. You can stay because the job is good. Just make that decision based on the job you have, not the practice you're still being told you might own.

And if you're the seller and you're not ready to sell, say so. You may lose the associate. That's precisely why the carrot was useful in the first place.

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