

YOUR GUIDE TO

# *Dental Practice Ownership: How to Create the Dental Career of Your Dreams*

*An introductory guide to dental practice  
ownership.*

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Congratulations! You've finally done it! You've spent years studying hard, absorbed a countless amount of clinical knowledge and information, and you've finally graduated and are working as an associate. Well, what happens next? The next step in your career will probably be the most challenging and yet the most rewarding.

Dentistry is a unique profession that allows you to have flexibility in schedule but also high earning power. This powerful combination can lead you to financial independence as long as you follow some proven strategies and avoid costly financial or legal mistakes.

The good news is the demand for dental services will increase as the population ages and as research continues to link oral health to overall health. With this information in mind, it is up to you to carve out your own perfect piece of the dental profession.

There are three primary ways to launch your career once you've made the decision to become a dental entrepreneur. You can purchase an existing practice, start your own practice from scratch, or join an existing practice.

This e-book will cover those three topic areas, along with other options and aids to assist in your search. One of the best ways to create the career of your dreams is to be as thoroughly knowledgeable as possible regarding the potential options out there. With the information contained in this book, you should feel confident that you are well-informed on many options, one of which will undoubtedly come to fruition for you.

But before we jump into those three options, it is important not to skip the step of becoming an associate in one or more dental

practices.

## **Why is being an Associate important?**

As an associate, you will work in a practice without any ownership interest. Without a stake in ownership, you will likely not be included in staff hiring decisions, in management of the firm, or involved in any financial risks that ownership usually entails. Additionally, since you do not have a stake in ownership, you must work under the existing rules that have been established by the owners, you must work with whoever is hired by the practice, and you will likely have little input regarding any processes implemented by the practice. While this situation may not be ideal, associateships bring benefits when utilized as a first step in your dental career.

Being an associate lends itself to the opportunity of better developing your skills while eliminating the stress of having to run a practice on your own or in concert with others. In turn, an associateship often involves working long hours and on difficult cases or patients. Since you are not permanently bound to the practice, it is important not to only build your clinical skills and increase hand speed but also to learn business strategies and policies that you'd like to implement in your own practice one day.

## **The Transition from Associateship to Ownership**

After learning on the job as an associate, you may be ready to become a practice owner. Practice ownership can be stressful at times but the beauty of running the practice on your own is that you are in complete control of the day-to-day operations of your practice.

In addition to having more control, you will also have more financial independence as soon as you start regularly seeing patients and have a positive cashflow. Before we jump into practice ownership and what it entails, have you thought about whether you should acquire an existing practice or start one from scratch? Well, let's start with the former!

## **Is Purchasing an Existing Practice Right for You?**

Perhaps you are ready to run your own dental practice, or you and a few classmates have graduated and are now looking for a place to call your own. One option available to you is purchasing an existing dental practice. Practices are sold for a variety of reasons, including but not limited to retirement, career changes, lack of financial capital, etc. Any of those situations could be beneficial to you if you are seeking to run your own practice.

An existing dental practice often comes with existing staff, rules and procedures, guidelines, a physical location that is either owned or leased, office supplies and tools, and existing patients. These are all things that cost money to acquire when launching your own practice for the first time, but here you have the opportunity to obtain those things through the cost of purchasing the practice as a whole. While it may sound easy to pay someone for their existing practice and for you to continue on in their shoes, this route takes a little more effort than that.

As with any legal transaction, you will need to know exactly what you are getting yourself into. The best way to prepare for an acquisition like this is to build a team of experts to assist in your purchase. You will need to be prepared to pay for these experts' advice regarding 3

legal knowledge, accounting assistance, consulting fees for a practice analysis, and the like. Your team should be able to walk you through the purchase of the existing practice from start to finish by ensuring that all aspects of the due diligence are completed. The key here is to have the funding available to pursue this endeavor in the most efficient and effective ways possible.

Once you have actually acquired the practice, you will need to be prepared to implement what you learned from the due diligence you performed prior to the purchase of the practice. While having a running business can be comforting, there are several challenges that need to be managed, including how to transition the employees and have them believe in you and your goals, how to engage patients about the transition, and how to strategically change practice policies without raising alarms.

When evaluating whether purchasing an existing practice is the right choice for you, you must remember that it will likely be easier than starting your own brand-new practice, but the possibility of pre-existing issues is something you must consider. You alone are likely to be the best evaluator of whether this type of career choice is the best fit for you.

Taking your time, heavily evaluating the existing practice, and building your team of experts are the best assets you could have when reviewing the purchase of an existing practice.

## **Is Starting a De Novo Dental Practice Right for You?**

If you would like to build a new dental practice, you will have to take into consideration everything mentioned in the above two

sections, along with the added responsibility of creating everything from scratch. While this may seem daunting at first, it is one of the few moments in your life when you will have the opportunity to develop things the way that you want. The primary information you should evaluate is the potential cost. According to a leading dental lender, “in 2015, a dental start-up [...] cost anywhere from \$250,000 to \$500,000 with an average cost of just under \$400,000.”<sup>1</sup> To be more specific, you should plan on spending approximately \$250 per square foot, so if you want to build a 1500 square foot practice, the practice will cost about \$375,000. (This estimate is regionally dependent). Although it is normal to factor in any other existing debt, such as debt you might have accrued while in dental school, most dental lenders will allow you to open your office with a 100% financing. It is likely to be the only time in your career when you will receive a loan based on your potential.

To increase the likelihood of success, it is important that you analyze what your purpose is in starting your own practice. Are you trying to fill a niche market or do you have a special skill or service which you may be able to offer? What is the status of other dental practices in the area? Are there many already, or is there a need that should be filled? Would you like to build your own building or purchase an existing location? How will you obtain your financing and what other sources of income are available to you? What type of personality do you have that makes starting your own business the best fit for you? These questions and more are things you must seriously take into consideration.

<sup>1</sup> Cain Watters and Associates and National Dental Placements. Start-Up Route to Ownership. American Student Dental Association’s Career Compass Website. Available at: <https://www.asdanet.org/utility-navigation/career-compass-home/getting-a-job/owning-a-practice>. Published on an unknown date. Accessed May 1st, 2018.

One of the potential benefits related to starting your own practice, in addition to being your own boss, is that you are building the practice exactly the way you want it. If your personality is that of a leader, or you do not like to work as an employee under anyone else, this may be the right choice for you. You are your own boss, which means you make the rules. Developing your own rules and procedures can be an intimidating process if you have not done so before. However, as your own boss, you have the freedom to incorporate your own personal philosophies and knowledge into your new practice. When you succeed, you can have the satisfaction of knowing that you led your practice in the right ways to achieve your accomplishments.

While there are advantages to having your own practice, there are also heavy responsibilities. For example, because you are your own boss, you are in charge of keeping an overview on finances, management, marketing, and human resources, among other things. You will need to develop skills in these areas and/or build a great team to help you. Rome was not built in a day, and neither will be your practice. However, with the proper business plan, team of experts, and financial backing, you can be well on your way to a successful dental practice.

## **Is Joining a Partnership Right for You?**

When looking to join an existing practice, you should first consider whether or not you are interested in becoming a partner. Partnerships are complex but can also provide you with flexibility in your schedule and shared responsibilities. As a partner, you get all the benefits of ownership but without the responsibility of doing it all on your own. Because of your partnerships, you always have a support group with whom you can discuss any concerns or issues. <sup>6</sup>

In addition to that, you will make joint decisions regarding the practice, including the hiring and firing of staff as needed, revision or creation of the practice's rules and regulations, and other financial-related decisions. Having this structured group setting can allow for the opportunity to experience new ways of learning and collaboration which you may not otherwise receive anywhere else. That same structure, however, can bind you to the practice in physical ways because of your financial investment and group responsibilities.

When deciding whether or not being a partner in a group practice is the right career path for you, you should consider how important it is for you to voice your opinion and how you might react in conflicting situations. For example, in some cases, it can be difficult for every partner to come to agreement about the ways the practice should operate, or perhaps whether a person should be fired or not. If you have a strong personality with a penchant for wanting to get your way, you should seriously consider whether you will be able to feel completely comfortable when working in a group practice environment.

Should you choose to become a partner, you may find that your career choice falls in the sweet spot between being an associate and owning your own practice. In essence, you will benefit from a constant wealth of knowledge that you learn from your cohorts, yet you alone are not solely responsible for the running of your business. This option is a good opportunity for you to understand the inner-workings of a dental practice and could be considered a good trial run for determining if you would ever like to hang out your own shingle one day. However, there are many potential pitfalls and it is vital that you invest a lot of time on the partnership agreement.

## **What Else is Out There?**

Aside from traditional private practices, there are a number of other options that should not be overlooked when considering your future career path. These options range from group organizations to public sector work and academia. By learning a little bit about each of the below, you may be able to narrow down your search.

### **Clinics, Public Health Offices, and Hospital Residency**

While private sector jobs can pay more, there are often benefits to public sector jobs in clinics, public health, and hospitals. These work settings allow you to provide the clinical skills offered in a private dental practice, while aiding those who cannot afford traditional dental treatments. Some of these jobs require additional degrees or experience, such as a master's degree in public health, but exceptions can never be ruled out. Usually public sector jobs have a lower salary range, but benefits can play a factor. In addition to traditional benefits such as insurance, repayment programs often exist for public service. These usually require that you work in a particular neighborhood, with a certain demographic, or in various settings for a set amount of time. At the end of your service, the amount of repayment can be significant amounts of money.

Even though there may be great incentives to working in the public sector, this type of work takes a particular personality and willingness to serve. This work often exposes you to a variety of people, different levels of quality of life, and sometimes provides you glimpses of the lack of proper treatment for at-risk patients. If you are prepared to take on the potential challenges that come along with work in the public sector and want to make a difference in the <sup>8</sup>

lives of those who need your help, this type of career may be the best choice for you.

## **Academia and Research**

Perhaps you graduated dental school and thought, “Wow, I’m really going to miss this!” Maybe you like the structure of having defined courses with specific clinical tasks to be learned or taught. Maybe you relish the idea of teaching others so that they can gain a more perfect understanding of clinical dentistry. Maybe your personality has strengths pertaining to patience, listening skills, and oratory skills; or perhaps you simply enjoy being engaged in a campus or university atmosphere. If any or all of the above appeal to you, considering a dental career in academia and research may not be out of the question.

While the setting may sound like a dream job, the problem with dream jobs is that they are few and far between. This simply means that the academic market may be highly competitive when it comes to obtaining a permanent job at an educational institution. These jobs tend to be competitive because they have great benefits such as health insurance, retirement, vacation time, coverage for professional liability, and continuing education, in addition to a salary. With these benefits come responsibilities such as teaching skills and clinical methods, promoting ethics and principles both inside and outside of the classroom, and researching to develop articles for publication in academic journals. In addition to all of these, some faculty opt to continue practicing in a private practice, as well.

One way that you might be able to break into the field of academia <sup>9</sup>

is to start off as a part-time faculty member. This helps to build your relationships and your rapport with those already employed by the institution. As a part-time faculty, you will be able to carefully craft and hone a unique set of skills that will better outfit you for a career in academia. However, with the limited number of jobs available, you will likely have to endure a lengthy wait in order to finally attain your dream job of a full-time faculty position.

## **Corrections Facilities, Military, Government, and Consulting**

Similar to public sector jobs, there are also jobs in special settings such as the prison system, military branches, the government, and in consulting. These types of jobs tend to have a unique perspective in the sense that they often require high levels of privacy, confidentiality, and security. The requirements of these careers often take a particular type of personality which promotes highly structured, discreet, and effective work. In addition to these requirements, you will also likely be required to take special tests and obtain high-level clearances. You will likely work in a contained environment where you must use your clearances to obtain access to the areas in which you perform your work. In addition to security, these jobs often come with decent pay and good benefits, if you can weather the workload. If you value your privacy in the workplace and practice high discretion in your work, this job could be the best fit for you.

## **Narrowing Down the Search**

The best way to make the most efficient use of your time while job searching begins relatively simply: make a list. What do you think is the most important factor to you? Do you care the most about the

location of your potential job? Would you prefer to place more emphasis or focus on the skills you can develop while there? Is it more important for you to have certain benefits that you might not be able to gain anywhere else? Are you dead set on having the best mentor possible? These are all factors that you need to consider while narrowing down your job search. After all, the point is to land your dream job.

## **Prime Location**

Some people use the opportunity of a new job and new career to take them places that they have never been before. This can mean a locale such as a state or metropolitan area, but it could also mean a place such as a hospital, jail, or private practice. When thinking of this location, not only will you have to decide on the physical location of your job, but you will need to consider where you will live, what type of transportation you will utilize, where your family will work and/or where your children may go to school, among other things. You will need to research the cost of living in the area you are searching in and be sure to calculate in any financial obligation from dental school that you may already be paying. Additionally, you should reach out to any and all contacts you have in the area that you are searching for. You never know just how far old-fashioned networking might take you.

## **Finding a Mentor**

It is also possible that your primary goal in your job search is to gain the best mentor that you can. Some people know that they already want to work with or under a specific person who they can use as a mentor. To attempt to obtain a job under a specific mentor, you

will have to seek out that mentor and likely schedule a meeting and/or interview with him or her. In addition to this, you will need to find out whether there are any job opportunities available where that mentor practices. This approach to your job search may be challenging as there will likely be competition from other job seekers to try and obtain the same mentor. Perseverance can sometimes lead to unexpected results and you might never know where your motivations may lead you. Should your proposed mentor be unavailable to work with on a formal level, all hope is not lost. You can additionally reach out to a potential mentor and see if he or she might be able to provide you with some assistance or advice in an informal setting.

## **Building Your Network**

Whether you are narrowing your job search or already employed, one way that you can build your capacity for your future career is by developing and building your network. One of the best ways to do this is by joining and interacting with dental societies. There are multiple tiers for dental societies ranging from the local component to state and national associations. On the local level, there are county dental societies and study groups that focus on networking, philanthropy, and continuing education. Usually, state level dental societies and groups have a larger reach with a broader context, but similar benefits as those on a local level. Joining one of these is great for getting to know your colleagues in the area, as well as building rapport with those slightly further away.

On a national level, there are several dental groups and associations from which to choose. For example, there are the American Dental Association (ADA), the American Association of Orthodontists

(AAO), and the American Academy of Pediatric Dentistry (AAPD). These types of national organizations tend to be committed to advancing knowledge, building and directing policy, and promoting networking between its members. While these memberships often cost some amount of dues, the benefits that you receive by participating and interacting with others can heavily influence your career in multiple ways. Who knows, you might even meet your future boss or partners at one of the networking events for a dental organization.

## **Where Do I Go From Here?**

Now that you have further advanced your knowledge, you can begin to arm yourself with the tools you will need to seek out your dream job. This process may involve making some tough decisions about what your goals really are, and who you want to be in your dental practice or career. While the market may seem promising, there are always several options that you can look to as additional starting points. Perhaps this will be joining a dental practice, purchasing an existing dental practice, or starting one from scratch. While each opportunity will need varying types of support systems, you should start by building your own career plan, narrowing your search, and then begin creating a team to help you along the way. If you are considering an acquisition or a startup, it is important to consult with a dental attorney, a CPA with dental practice expertise, lender, and a dental consultant who has industry experience. With these experts on your team, you will be on your way to building your own best possible dental practice.

Are you ready to break out on your own and build a new dental practice? If so, contact us for a complimentary consultation with one



of our dental attorneys on what to do next or visit [www.strategicdentists.com](http://www.strategicdentists.com) and [www.dentalbschool.com](http://www.dentalbschool.com) for more information.

Best of luck to you!

# *Contact Us Today!*

Learn how we can help you!

For more information on getting your practice started, contact us for a complimentary consultation!

[LEARN MORE](#)



## Resources

### **Attorney:**

Dental & Medical Counsel, PC  
111 Deerwood Road, Suite 340  
San Ramon, CA 94583  
Office Phone: 925-999-8200  
Website: [www.dmcounsel.com](http://www.dmcounsel.com)

### **Coaching and Consulting:**

Fortune Management  
1265 El Camino Real, Suite 205  
Santa Clara, CA 95050  
Office Phone: 800-628-1052  
Website: <https://fortunemgmt.com>

### **Commercial Real Estate:**

CARR Healthcare Realty  
10465 Park Meadows Drive, Suite 205  
Lone Tree, CO 80124  
Office Phone: 800-651-7284  
Website: <https://carrhr.com>

**Insurance:**

Treloar & Heisel, Inc.

134 E. Washington Street

New Castle, PA 16101

Office Phone: 800-345-6040

Website: [www.treloaronline.com](http://www.treloaronline.com)

**Lenders:**

Bank of America: Loans and Financing for Dentists

Office Phone: 800-497-6076

Website: <https://www.bankofamerica.com/smallbusiness/business-financing/practice-solutions/dentist-loans/>

Wells Fargo Practice Finance

Office Phone: 1-888-652-4942

Website: <https://practicefinance.wellsfargo.com/financing/financing-programs>

## About the Author



Ali Oromchian, J.D., LL.M. is one of the nation's leading dental lawyers on topics relevant to dentists.

He's the founder of the Dental and Medical Counsel P.C. law firm which is regarded as one of the preeminent dental law firms devoted to dental entrepreneurs.

His clients seek his advice on practice acquisitions and sales, creation of corporations and partnerships, associate contracts, estate planning, employment law matters, office leasing, and state board defense.

He also founded HR for Health, winner of the prestigious 2016 Best of Class Award, which is the leader in providing web-based human resources solutions and advice for dentists ensuring HR compliance for dental practices, protecting them from employment law risks.

HR for Health provides solutions including automated workflows for employment documentation required for compliance, customized employee handbooks, performance management tools backed by metrics, strategic time and attendance tracking, real-time benefits tracking, recurring task management, a cloud-based document vault and access to health care focused HR specialists & HR attorneys.

Mr. Oromchian is recognized as an exceptional speaker and educator that simplifies complex legal topics and has lectured extensively throughout the United States, including to the American



Dental Association, California Dental Association, and the American Association of Orthodontists, among others.

He is also a frequent guest lecturer at local dental societies and study groups. He is frequently quoted and has written articles for the California Dental Association, Progressive Dentist, Progressive Orthodontists, and The New Dentist magazines.

Mr. Oromchian is a member of the California and District of Columbia Bar.

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