

DEDICATED TO YOUR SUCCESS

What's the best model for me – Solo Practice VS Multiple Doctor Practice?

By Rem Jackson, CEO Top Practices

(This article previously appeared on the Podiatry Today website.)



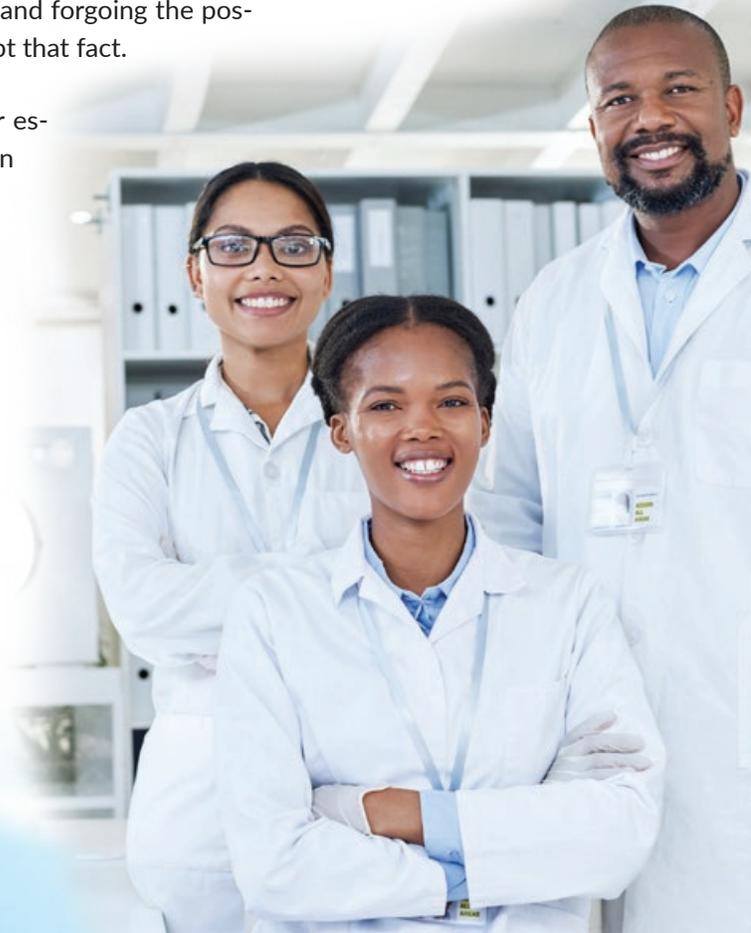
At some point every practice owner grapples with the question of whether a solo practice model or a multiple doctor practice model with associates and/or partners is better for them. Grapple is the right word for this because it is a very difficult, multi-layered question with which to wrestle. There is not a standard right or wrong answer. There is no formula to be applied that provides “the answer.” There are so many variables including personalities, stage of life, differing life goals and more that complicate the question. No wonder then that so many have made no decision or poor decisions in the past and are still trying to sort this out for themselves.

There isn't a “better” model

We need to start with an understanding that neither solo practice nor multiple doctors practice models are better. They each have their strengths and challenges. As you reflect on your goals and the goals of prospective associates or partners as well as the personalities involved the answer for you can become clearer. No matter what choice you make, know that you will be choosing the positives of the model you pick and forgoing the positives of the model you don't select and you need to be able to accept that fact.

A review of the most often cited reasons doctors hire associates or establish partnerships can be instructive. Here is a list of the most often stated reasons:

- To create value and build economy of scale in order to be more profitable and to earn more money
- To meet a high demand that only one doctor can't satisfy
- To reduce individual risk – i.e. sickness or injury or challenging financial situations
- The right doctor -the right relationship- comes along and passing it up seems like a true loss or error
- “I thought that was just what people were supposed to do”
- “I don't want the office to close if I'm on vacation”
- “I need someone to be in my satellite office(s)”



Let's examine each of these in more detail:

1. **To create value and build economy of scale in order to be more profitable and to earn more money:** Yes, this is exactly why you should hire multiple doctors. This works, however, only if you are truly prepared for this much more complicated business model. You may be ready to do this **if** you have well developed systems, protocols, training for your staff, and the right people in all positions, especially leadership roles. If you've put the work in, in other words, you have truly created a highly successful solo practice that serves as a template and teaching tool in preparing for your larger multiple doctor practice. If not, the problems you have now will compound and you could end up working HARDER, making less money, and generally being miserable. This may sound familiar to readers of this article that are in this situation now or have been in the past.

Conversely, you could expand on this idea and build a system that trains doctors in your management systems and then finances them in opening new offices which you own at first until they buy it from you over time, all while you create a separate entity – a Management Services Organization (MSO) that contracts with them for all the business functions when they do take full ownership. This MSO can continue long after you stop seeing patients, it can be owned by anyone, such as a family member, not just DPM's, and it could be sold to your partners when you decide to completely exit and retire.

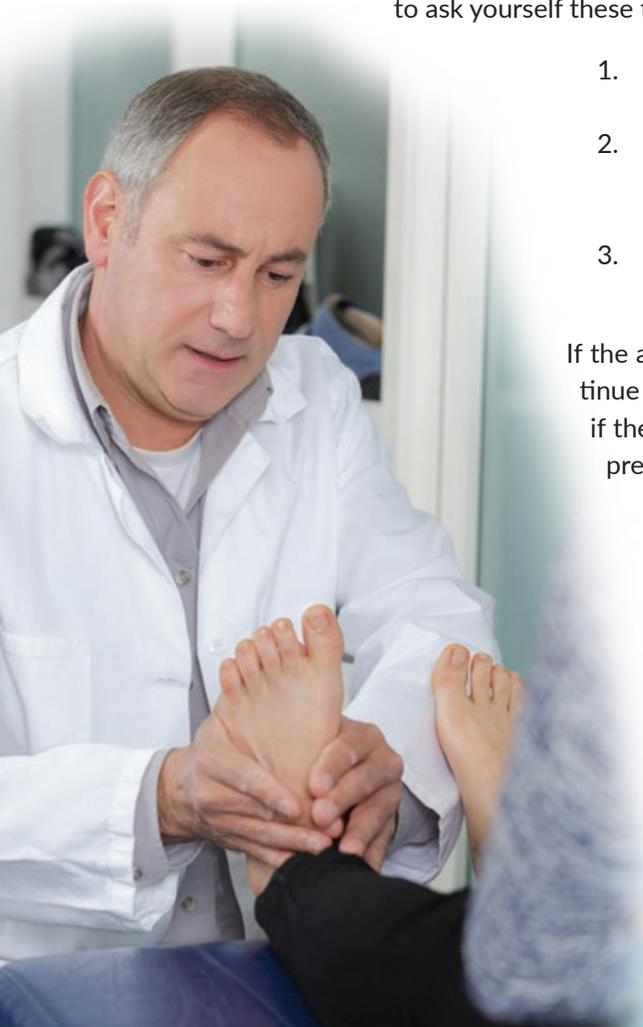
2. **To meet a high demand that only one doctor can't satisfy.** There can come a time when the practice is so successful that your schedule is full and the wait time to see you is too long. This is very frustrating and is certainly a very good reason to hire an associate. Doctors think "I hate having them go to someone else" and are frustrated by the loss of business. This is fair, but if you haven't prepared yourself and your staff to be able to appropriately manage and absorb a new doctor, you again could simply be compounding your problems.

The question to ask yourself is why? Why does having a completely full schedule and a very successful practice that just can't grow any larger frustrate you? Why isn't that enough? Are you happy? Is your practice successful? If you can't grow any larger without undue stress on you and your staff, that potential business will naturally go to someone else. So what? No one can see all the patients. No one ever has. If your practice is making you happy, making your patients and your staff and your family happy, if it's making you the income you need to live well and prepare for an abundant retirement, what's so bad about not being able to put everyone on your schedule. The best way to judge if your practice is successful is to ask yourself these three questions:

1. Do You Enjoy Your Work? Do you love coming to work and look forward to Monday Morning?
2. Have you achieved a good Work/Home Balance? Do you complete all your work before you leave the office with zero work at night and on the weekends with at least 4 weeks of vacation a year?
3. Is your practice funding your ideal lifestyle and providing for the emotional and financial health and security of you and your loved ones?

If the answer is yes to all three of the above questions, then you don't have to continue to grow to have a vibrant fulfilling career. You already have one. Conversely if the answer is no to all three of these questions, you and your staff may well be prepared to add an associate successfully.

3. **To reduce individual risk.** Sure, more capacity and redundancy can reduce risk. But again, so what? At what cost? Living every day is a risk for all of us. That's what insurance is for and you should have all the business insurance you need including short-term and long-term disability. Being properly insured for all of the risks of being in business is much less expensive than having an associate on board in case you become ill or incapacitated. This must never be a primary reason for adding an associate. Plus, it is extremely unlikely this will ever happen.





4. **The right doctor, the right relationship comes along and passing it up seems like a true error.** MAYBE...but... Can you afford them? Are you and your staff prepared? Everything looks great while you are desiring it. Things take on qualities they do not possess when we are desiring them. As soon as we attain them the luster and shine disappear and we have to take care of them. There is an old quote (probably apocryphal but great nonetheless) “Man who has cow must take care of cow.” If you aren’t ready for the new perfect doctor you could inadvertently ruin what could have been a perfect partnership because you weren’t prepared. Better to become prepared and then bring them on.
5. **“I thought that was just what people were supposed to do.”** So often doctors hire associates before they are financially ready or have built their systems out simply because it is an appropriate, expected, natural step to take. This is probably the number one reason for so many failed owner/associate relationships.
6. **“I don’t want the office to close if I’m on vacation”** In this author’s experience this is the top reason stated for hiring an associate. It just seems like such a waste of money and opportunity to have the staff working in an empty office. And this is the worst reason of all. The expense alone in recruiting, contracting, hiring, training, mentoring, and guiding an associate vastly outweighs having an office closed for a week or two or even four weeks. Just take your vacations and enjoy them. Bake this into your budgets and enjoy your life.
7. **“I need someone to be in my satellite office(s).** Let’s start with this question: Why do you have satellite offices? This is the same as number 5 above “I thought that was just what people were supposed to do.” There is a belief that by increasing locations you can attract and serve a greater number of people and grow your business and your profits. This is rarely the case. You should open a satellite office only if you are at full capacity in your existing practice and are prepared and ready to successfully bring on an associate who you can mentor and train -sometimes at a distance. If you don’t have an additional provider working simultaneously at one of your offices your existing office is lying fallow while you are at the satellite office. Your volume doesn’t increase. But your costs do. It is a much wiser decision to renovate or move your existing office into a space with enough square footage to accommodate more treatment rooms and space. Doctors acquire satellite offices often because someone had some space they wanted to rent and approached them, or they inherited them in a purchase. They are rarely a good idea from a business standpoint. You don’t need someone to work in them if you don’t actually need them.

When you are in solo practice you have only yourself to deal with. And that can often be challenge enough. ☺ In multi-doctor practice you have to consider:

- The very different goals and objectives of the other doctor(s) and their significant others.
- Often generational differences and approaches to work/life balance. Baby Boomers and Millennials see this quite differently. There is wisdom in both points of view but reconciling them can be difficult.
- The complexity of managing a peer and a colleague who often has more training than you received when you finished your education. Managing people is hard in all circumstances. Managing a peer and colleague is one of the most difficult relationships anyone ever faces.
- Do you have the temperament to handle this? What is your track record? If it’s not positive -why? What can you see that you might have contributed to in your previous challenges. Are you willing to learn leadership skills and see things from another’s perspective? Are you willing to put in the time to nurture this extremely important relationship which is second only in importance to your marriage and children?

The Bottom line message is that both Solo and Multi-Doctor are acceptable models if you have already done the work to prepare for adding a new doctor to your practice. And that means becoming a high-performing successful solo doctor first. If you have done this work then there is no limit to how successful you and your associates and partners will be.

Rem Jackson is the President and CEO of Top Practices, LLC, and the leader of the Top Practices Master Mind Group. Top Practices is a company dedicated to helping podiatrists thrive in private practice through its marketing and management programs. Rem is a Fellow of the AAPP and the recipient of the AAPP President’s Award for 2012. He was inducted into Podiatry Management’s Podiatric Hall of Fame in 2019. He is the author of “Podiatry Prosperity: How to Market Manage and Love Your Practice.” Rem can be reached at rem@TopPractices.com. You can find out more about Top Practices at www.TopPractices.com



TOP PRACTICES

THE HOME FOR PRIVATE PRACTICE

12237 Lost Treasure Ave. • Las Vegas, NV 89138

717.626.2025 ph • 717.625.0552 fx

answers@TopPractices.com • TopPractices.com



What's the best
model for me
(SEE PAGE ONE)

The 18th Top Practices Marketing and Management Summit

Save The
Date

September 13, 14, & 15, 2024 • Scottsdale, AZ