

DOCTOR *of* DENTISTRY

A BUSINESS AND LIFESTYLE MAGAZINE FOR DENTISTS

An Then There Were Two

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Adding another dentist to a practice is often compared to finding the perfect spouse. The addition can make the practice stronger, more profitable and new energy; however, it can lead to disagreements, hurt feelings and internal strife. Although attorneys are by no means good matchmakers, the right attorney can ease the transition by helping the parties contemplate the difficult decisions before problems arise. Without question, open communication between the parties regarding goals and expectations is imperative to a good working relationship. An attorney can assist in identifying the issues and transferring the same into writing. While each situation is different, there are some common topics to consider:

1. **New Roles:** Will the new dentist become a partner or an employee? While neither status is always the right answer, the parties must have a meeting of the minds on the basic framework for the business. The fastest way to destroy a prospective partnership is for the parties to not have a good understanding of the framework of the relationship.

2. **Valuation of practice:** If the new dentist will be potentially buying into the practice, it is important that the practice be valued or a methodology created for future valuation. Additionally discussing the manner of payment is also important—cash or a promissory

note. If there is the potential for a future “buy-in”, the parties failure to address the issue could create future problems. Once the parties have invested themselves into the business, it becomes more difficult to determine value and allocate credit for business generated by the two dentists.

3. **Employment Agreement:** Regardless whether your new relationship is a partnership or employer/employee, both doctors should enter into an employment agreement with the practice. An employment agreement provides a clear delineation of issues like compensation, fringe benefits, vacation and other issues. While many of these issues are often tied to the partnership, they should also be addressed separately in an employment agreement. An agreement also clarifies that even if the new dentist will be an employee, the new dentist is different from the other employees.

4. **Staff:** Defining the relationship between the new dentist and the staff up front will ensure reduced heartaches in the future. Can the new dentist hire and/or fire staff? Even if the new dentist cannot, will the staff respect the new dentist and how does the established dentist want the new dentist to be treated. It is easy to say the new dentist will have authority, but what about when there is a conflict in direction. To whom will the new

And Then There Were Two

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dentist report or be responsible to?

Can the office manager require the dentist to complete a task or only the established dentist? The issues should not only be discussed between the dentists, but also with the staff so that the staff will have clarity.

Although there are a plethora of issues to address before plunging into hiring another dentist, many times the changes provides an opportunity for the practice to grow while giving both professionals the additional flexibility to take vacations, address contingency planning and continuation planning.

This article is drafted for general informational use only; it does not constitute legal advice and should not be used as such. The Rosenblatt Law Firm specializes in helping businesses with legal and business issues. One of the firm's major practice areas is working with dental and medical professionals. If you would like more information, please contact The Rosenblatt Law Firm at 614 - 9444 or e-mail us at info@rosenblattlawfirm.com.