



THE IMPORTANCE OF A 5-YEAR PLAN

PRESENTED BY:

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TIME SEEMS TO
MOVE FASTER
AS WE GET
OLDER

Although it is important to be present and focus on short-term goals, it is equally as important to think about where you are headed in the future.

How will you manifest your ideal “big picture?”

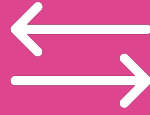


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- **“You can't control the curve balls life throws you, so you have to learn how to control yourself and change quickly to make sure the curve ball doesn't knock you out.”**

Mark Edwards

- **“Life keeps throwing me curve balls and I don't even own a bat. At least my dodging skills are improving.”**

• *Jayleigh Cape*




When a situation changes in your life...
how you handle it and yourself will set
the tone for your transition...



Changes in life often shake us to the core
of who and what we are... and there is
no instruction manual for the process

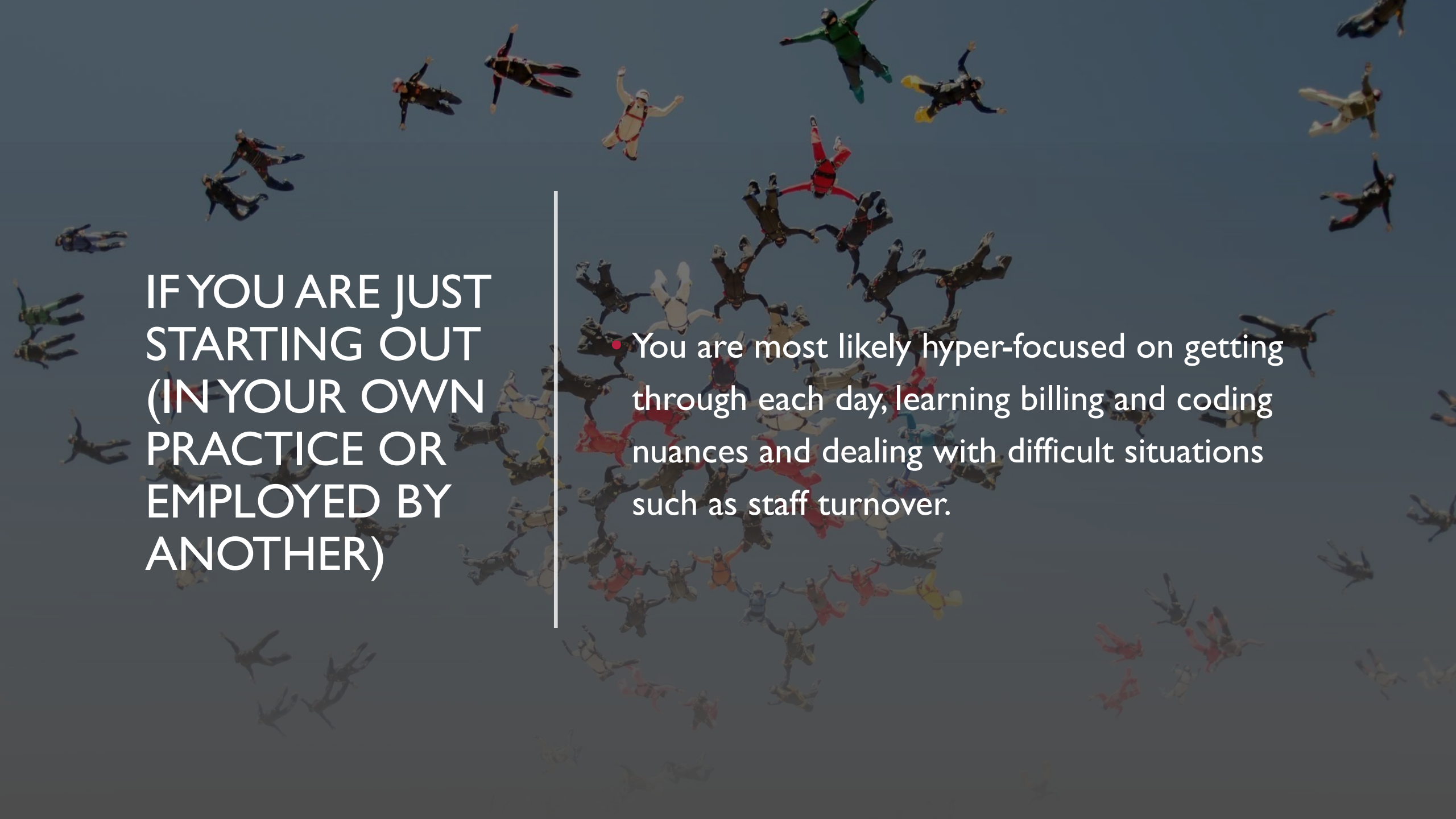


The only thing that you have control over
is how you react, what you think and say
and how you treat yourself and those
around you..



It might seem strange, but
personal growth occurs
through life's most challenging
events...





IF YOU ARE JUST
STARTING OUT
(IN YOUR OWN
PRACTICE OR
EMPLOYED BY
ANOTHER)

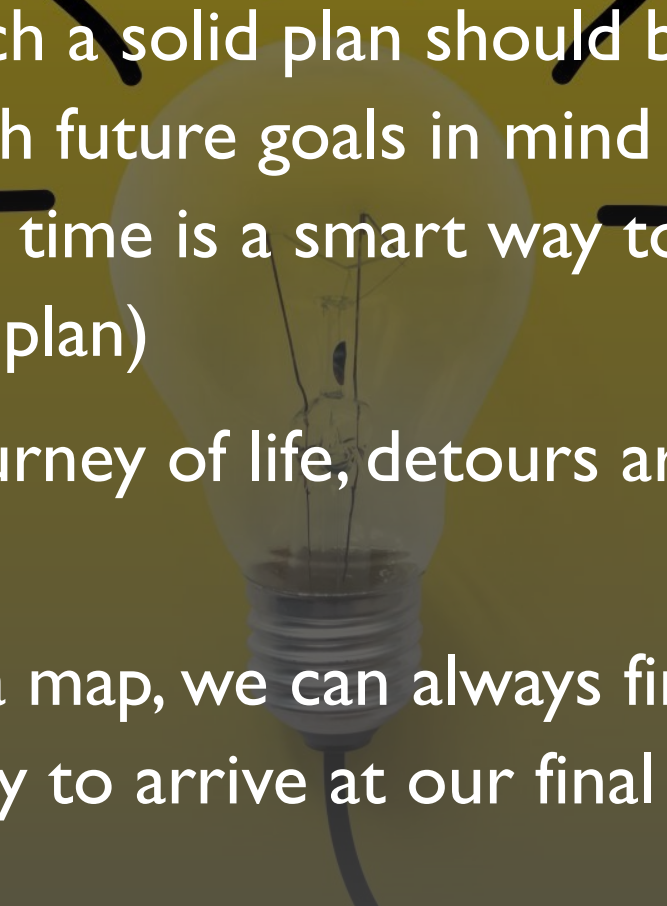
- You are most likely hyper-focused on getting through each day, learning billing and coding nuances and dealing with difficult situations such as staff turnover.

BEFORE YOU
KNOW IT,
INITIAL
MONTHS OF
PRACTICE WILL
TURN INTO A
YEAR AND
THEN ONE
BECOMES
THREE

What's next?

- If you are currently employed as an associate, do you want to stay and work towards partnership?
- Is that an option?
- Did it appear to be when you started but since then there has been no discussion?
- Did you think you wanted to buy-in but after seeing how things are run, are considering hanging your own shingle?
- Is your spouse happy in your current demographic location and maybe you will be moving? Where do you begin????

SO MANY
OPTIONS...

- 
- And for each a solid plan should be put in place with future goals in mind (and 5 years at a time is a smart way to create that plan)
 - In every journey of life, detours are inevitable.
 - If we have a map, we can always find another way to arrive at our final destination.

IF YOU ARE CONSIDERING OPENING YOUR OWN PRACTICE

- Structured plans are essential (aside from just the business plan, projections, etc. to secure funding).
 - There are LOTS of moving parts
 - PATIENCE AND PATIENTS ARE ESSENTIAL TO BEING SUCCESSFUL!
- Before dreaming about the kind of practice you want to create, think first about the location
 - Where do you want to live, raise a family, become part of the community, and lay down (or return to your) roots?
 - So many young DPMs seem to not care about where they open (that is concerning to me).
 - Remember, without a location, (secured physical address; not your home or a P.O. Box), the process cannot begin. This is the most time-consuming part of hanging your shingle.
 - If you are able, consider purchasing a space rather than signing a long-term lease.
 - If you are not able to purchase, try and find a space with a short-term lease (1-3 years) and then buy.

IF GOING IT ALONE SOUNDS SCARY...

- Maybe you should consider partnership
- I have seen many successful partnerships and others that were doomed for failure from day one
- Please be careful when partnering



ALLOW ME TO TELL YOU A STORY

- The journey of a DPM and personal friend, into, out of, and back into partnership with the intention to share his experiences and lessons learned and to help other podiatrists avoid the pitfalls and enjoy the perks of private practice partnerships.

WHAT IS A PARTNERSHIP?

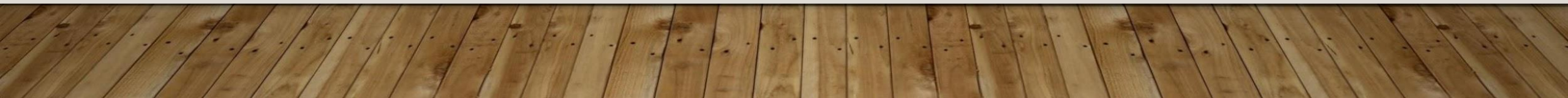
Partnership is defined (by Merriam-Webster) as:

1: the state of being a partner : PARTICIPATION

2: a legal relation existing between two or more persons contractually associated as joint principals in a business

3: a relationship resembling a legal partnership and usually involving close cooperation between parties having specified and joint rights and responsibilities

Mine: A mutually beneficial relationship, in which the partners agree on a common purpose, contribute in different but equal ways, and in which the risks and rewards are shared.



DO YOU NEED A PARTNER?

- On your journey to create a successful practice/business you're going to encounter many opportunities to build partnerships.
- Your reasons for going down this path will vary, at some point a partner with deep pockets may be important or you may need industry connections.
- Whatever the reason one of the first questions you should be asking yourself is, “**Do I really need a partner?**”
- Once you have answered that question and assuming you are still committed to following this path, I hope these tips help you create a great partnership.

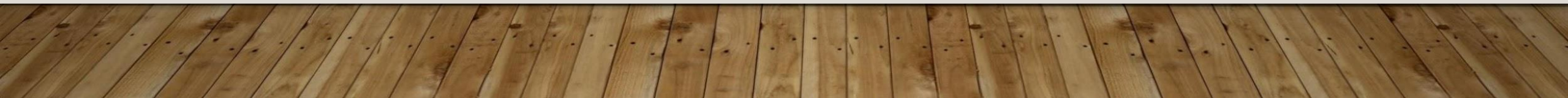
FACTS:

**80% OF BUSINESS PARTNERSHIPS FAIL WITHIN THE FIRST 2-3
YEARS**

BY COMPARISON

50% OF MARRIAGES END IN DIVORCE

It's exponentially more difficult if you happen to have more than
one partner (both in business & marriages)



THERE ARE MANY ISSUES THAT CAN MAKE PRACTICE/BUSINESS PARTNERSHIP MORE DIFFICULT THAN MARRIAGE

Capitalization

Entity formation

Allocation of profits, losses, income, expenses

Restrictions on partnership authority

Division of management duties/responsibilities

Decision making

HR

Money

Work ethic/style

Billing, recordkeeping, accounting, reconciling

Egos

Most important consideration is often ignored: BASIC COMPATIBILITY



Key Partner Attributes:

Trust in each other

Complementary skills (clinical & business)

Compatible working habits

Good & compatible communication styles

Increased capacity

Shared risk

Key Partnership Factors:

Shared Vision & Goals (personal/professional)

Agreed Business Plan & Operating Agreement

Leadership skills

Agile management

Good decision processes

Strong execution



Hit hard times (lean periods)

Controlling/Narcissistic Partner

The Visionary and the Vagabond

The Dictator, not Partner

Different Vision, Values & Goals

Trust starts to fade

Long vs. Short Term

Leadership flounders

Morale of practice severely depleted

Lack of focus = loss of revenue = loss in profits

Confrontation/Communication Breakdown

Competitiveness/Jealousy = disharmony

Friendship fades

Execution diminishes

Emotions vs. Logic

Expectations are not being met

Partners vehemently disagree on fundamental business decisions

Unilateral decisions

Zero communication

Bad mouthing other partners

Stress & Tension in partners/staff

It's a wrong partnership!



SO WHAT DOES A STRONG PARTNER LOOK LIKE?

- Physicians who partner & collaborate effectively...
 - Bring an **attitude** of goodwill & give-&-take
 - **Communicate** freely, honestly, transparently and respectfully
 - Share their **ideas** & support the ideas of others
 - Are **flexible** in their approach
 - Take equal responsibility for the risks & rewards (**Accountability**)
 - Share the workload **equitably**
 - **Acknowledge** one another's expertise & efforts
 - Find ways to plan, deliver and reflect together as much as possible

IF YOU HAVE TRIED AND FAILED TO RESOLVE YOUR ISSUES AND A BREAK-UP IS IMMINENT, WHAT SHOULD YOU DO?

Be proactive

- Be **clear** about what you want
- Schedule time to talk business
- Discuss **actions** your each willing to take (desired mutual outcomes)
- Write a **plan** for agreed upon changes
- Set a **timeframe** for evaluation (30 days)
- Have an excellent written, detailed **exit strategy** (OA)
- Professional **counsel** for advice
- Cover your **ASSETS** (OA) - who gets what?
- **Forensic** Accounting (check for embezzlement ?)
- Be willing to **walk** away (peace of mind and sanity are more valuable than \$)

THE BEST PARTNERSHIPS AREN'T DEPENDENT ON A
MERE COMMON GOAL BUT ON A SHARED PATH OF
EQUALITY, DESIRE, AND NO SMALL AMOUNT OF
PASSION.

SARAH MACLEAN





DO YOUR HOMEWORK BEFORE ENTERING INTO A PARTNERSHIP

THOROUGHLY SCRUTINIZING YOUR PROSPECTIVE PARTNERS IN ADVANCE AND DEVELOPING A COMPREHENSIVE WRITTEN PARTNERSHIP AGREEMENT WILL IMPROVE YOUR ODDS OF HAVING A SUCCESSFUL, LONG-TERM BUSINESS PARTNERSHIP. SOME ADVANCE RESEARCH AND A PROPERLY WRITTEN CONTRACT CAN MAKE ALL THE DIFFERENCE.

What caused Dr. _____'s partnership downfall?

Failed Partnership (14yrs)

Trust

Communication (lack of; partially due to partnership agreement; managing partner status)

Poor management

Shared vision/goals changed for each

Poor decision processes

Lack of execution

Tips:

Communication is Crucial

Never ASSume anything

Cover Your ASSets (OA)

OA-Scrutinize vs Screwed

Always take the high road

Plan, Plan, Plan





MARITAL
DIVORCE;
VERY FEW PLAN
FOR IT (BUT
MAYBE YOU
SHOULD)

- It's commonly said that half of all marriages end in divorce.
 - This statistic however seems to be out of date (in the U.S.).
 - According to the CDC, the divorce rate in the U.S. is 3.2 per 1,000 people.
 - That rate decreased by 18% between 2008 and 2016
 - The marriage rate is declining as millennials wait longer to get married, and are more established and stable when they do, leading to fewer divorce risks
 - The number of cohabitating partners has increased 29% since 2007.

GOOD NEWS!

- Analysis of nationally representative surveys conducted by the US census between 2008-13 (including 48K physicians, 10K dentists, 13K pharmacists, 159K nurses, 18K healthcare executives, 59K lawyers, and more than 6 million other non-healthcare professionals) showed that **divorce among physicians is less common than among non-healthcare workers and several other health professions at 24%.**

PLANNING AHEAD (FROM THE DIVORCE ATTORNEY PERSPECTIVE)

Maintain good records and keep the family's finances separate from those of the business.

Pay yourself a good salary. If you starve the family's cash flow to build the business, a lawyer might later make the case that your ex is entitled to more of the company's assets

Example: If you paid yourself \$80,000 a year instead of \$300,000 and were hoping on retirement to sell the business and enjoy the proceeds together and now that's not happening, then your ex will want his or her share of the company.



SACRIFICE OTHER ASSETS

In a divorce settlement, a couple's total assets are added up and then divided. Try to retain 100 percent ownership of the business by forfeiting other assets instead, such as retirement accounts, the family's home, vehicles or collectibles.

GET A FAIR VALUATION

Use a neutral, court-appointed valuation professional and then arrange for another outside party to review the figure before you agree to it.



YOU MAY HAVE TO FIRE YOUR SPOUSE

If your spouse is actively involved in your business, ease him or her out as soon as possible, says divorce lawyer Daniel Clement, principal of a New York City family law firm. The more prominent the ex's role and the longer he or she worked in the business, the stronger the case a lawyer could make that this spouse helped build the enterprise and should profit from its growth.

Arrange to make any payments over time. It's common to pay an ex for a share of a business gradually. The monthly payments can come from the business's cash flow or a bank loan.

Raise capital by selling a stake. You could sell a minority stake in your business to employees through an employee stock ownership plan or find an angel investor* or two who will pay cash in exchange for an ownership stake.

An angel investor is an affluent individual who provides capital for a business start-up, usually in exchange for convertible debt or ownership equity. Angel investors usually give support to start-ups at the initial moments and when most investors are not prepared to back them.



PREVENTATIVE MOVES

Take action while your relationship is still rosy, and you may greatly increase your odds of surviving a divorce with your business intact.

Sign a prenup. If your business existed before you wed, designate it as separate property owned by only you.

Secure an early postnup. This is much like a prenup, except the agreement is signed after the wedding. If a postnup is done long before the marriage disintegrates -- ideally more than seven years before a breakup -- it might be useful in defining a business as separate property. But judges often view postnups skeptically.

Place the business in a trust. This keeps the business from being counted as a marital asset as you no longer personally own it. The move also protects the value of the company's growth.

Create a buy-sell agreement. It defines what happens to a business should any owner's status change, as is the case in a divorce. The agreement might limit a spouse's ability to acquire ownership, deprive a divorcing spouse of voting rights, or give you or other partners the right to buy at a low, preset price any interest awarded the ex.

HAVE INSURANCE

A whole-life insurance policy that builds cash value can be liquidated to provide the funds to buy out a spouse's share of the business, if need be.

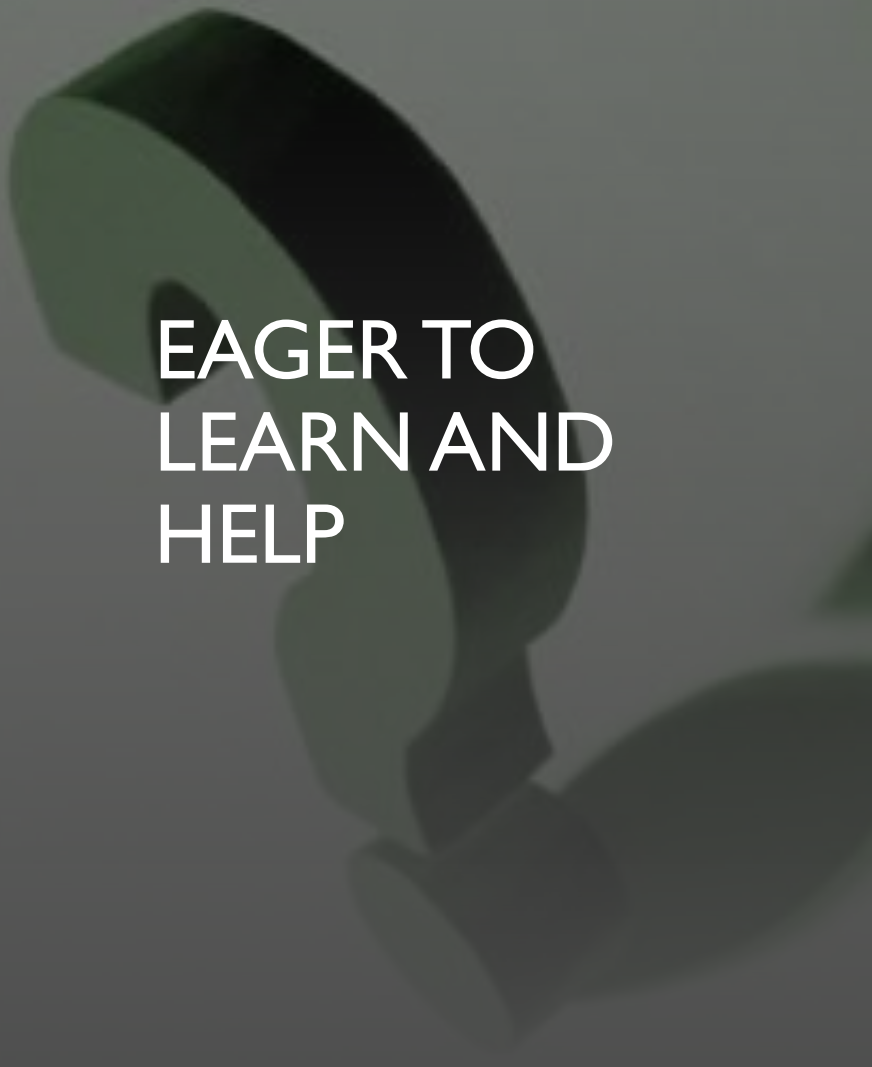
OK, ENOUGH DIVORCE TALK,
LET'S MOVE ON TO PRACTICE
GROWTH

THE TIME TO CONSIDER TAKING ON ADDITIONAL PROVIDERS

- Do you forget what your spouse looks like (the one you want to spend time with because we are no longer talking about divorce 😊)
- Is your accountant yelling at you?
- Do you desire your own podiatric empire?
- Do you just want more “you” time?

BEFORE YOU START WORKING WITH YOUR ATTORNEY ON AN ASSOCIATE CONTRACT...

LET'S CONSIDER IF YOU REALLY NEED ONE
(AN ASSOCIATE; YOU ALWAYS NEED A CONTRACT)



EAGER TO LEARN AND HELP

- Are you holding staff back from a higher level of performance?
- ◉ Is it time to train, re-train or de-rail?

TO DETERMINE ADEQUATE STAFFING LEVELS, TAKE A LOOK AT:

- Average wait times
- Doctor wait times
- Cross training
- Benefits of Part timers
- Too much coffee Time???



PATIENT EXPECTATIONS

- Don't take it personally...
- 7-8 minutes of your time



IT'S ALL ABOUT THE *EXPERIENCE*



STRUCTURE AND EFFICIENCY

- McDonald's does it, so should you...



CHARTING AND PAPERWORK IN A “PAPERLESS WORLD”

- Documentation requirements
- “Meaningful Use” MIPS/MACRA
- Medicare Compliance
- Disability Forms
- Chart audits
- Lions, and Tigers and Bears...OH MY!!

SCRIBES AND EXPEDITORS

Do you dream of being “just a doctor”?



IF YOU HAVE A WELL-OILED MACHINE AND REALLY DO NEED TO HIRE AN ASSOCIATE:

- It is time to start looking ...
- Don't be aloof
- Seek out the right fit
- Take your time ...



LOOK FOR THE “TOTAL PACKAGE”

- Academic performance
- Surgical experience/technique
- Eagerness to learn from you
- Accepting of constructive criticism
- Team player mentality
- Self-motivated
- **Personality**
- **Empathy**



HIRE SLOWLY...

- Invest to find out as much as possible about your potential hire
- Take them out to dinner (and lunch and coffee)
- Meet their spouse
- Beware of the “God complex”

SHADOWING

-
- Treatment styles vary but protocols should be consistent
 - Your reputation can easily be tarnished
 - Set high expectations with a realistic learning curve
 - Remember when...

ALLOW THEM TO SUCCEED



A SPECIALTY WITHIN A SPECIALTY

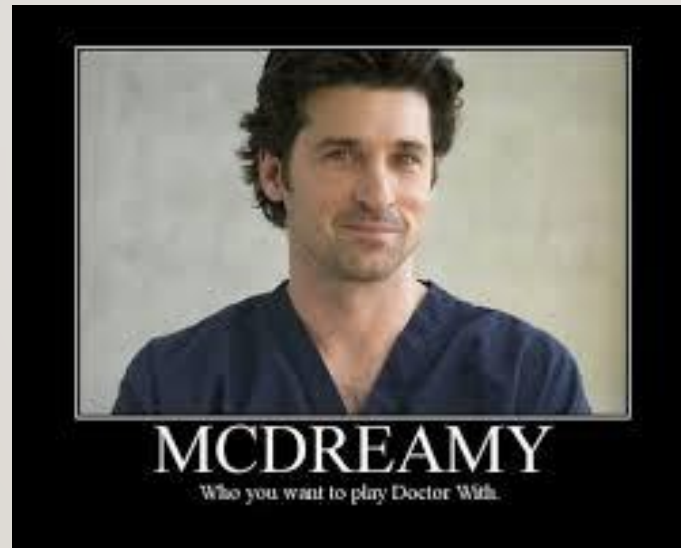
- Use your associate to improve the areas of your practice that are lacking or that you wish to develop:
 - Wound Care
 - Fall Prevention Program
 - Pediatrics
 - Complicated surgical correction

DON'T SPOON FEED

- Get them out in the community
 - Meeting new and existing referring providers
 - Giving lectures at local events
 - Having lunch in the hospital after surgery
 - Providing gait analysis at health clubs

THE GLAMOROUS LIFE...

- Remind your associate that surgery isn't everything
-
- There is gold in fungal toenails ...



DON'T JUMP THE GUN!

- Discuss partnership during the interview process (if this is in your plans)
- BUT...wait until the honeymoon period is over to explore this further (at least one year)

BE A MENTOR, A TEACHER AND A LEADER

- Monitor and compare performance
- Watch for signs of complacency/frustration
- Be approachable
- Meet frequently and stay engaged



IF YOU GET BURNED ...

- Hire a better attorney next time
- Look at your mistakes as education (expensive education)
- Give yourself time to “heal” and try again

“THE HARDWOOD FLOOR THEORY”

- Obtaining estimates
- Acclimation process
- Installation
- Residual dust after installation
- Adjusting to the new look of your space
- Maintaining the shine
- Felt on the furniture legs
- Dents/scratches and scrapes happen
- Return on investment



USE YOUR RESOURCES AND BE PATIENT

- Knowing where to look is just as difficult as the search itself
- Network, invest in the process and explore all of your options
- Wait for the “right one” instead of settling for the “ONE RIGHT NOW”

THE 5 Y-EAR PLAN...

- 5 years is an adequate amount of time to groom associates/partners to take over/purchase your practice or to maximize practice value to sell.
- Don't wait until you are fed up with practicing to make an exit plan

AN EMOTIONAL DECISION

- Private practice physicians devote decades of sweat equity into their practices.
- Many “veteran” physicians become frustrated with healthcare changes, choose to sell or are forced to give away what they have worked so diligently to build.
- No matter the reason, leaving practice is an emotional decision

THE TRANSITION

- Easing into “retirement” from practice may be something to consider
- If you treat patients on a full time basis, what will it be like without those intellectual and emotional interactions?
- Dentists do it all the time; cut back slowly and transition out. . .

A QUOTE FROM A RETIRED DPM
ABOUT CONTINUING TO TREAT
PATIENTS TWO DAYS A WEEK AFTER
ACQUISITION

“I’M HERE FOR MY HEAD AND
MY HEART”

IF YOU CHOOSE TO STAY, BE ADVISED THAT
CHANGE AND ADAPTABILITY WILL BE INEVITABLE



OWNER TO ASSOCIATE

- As a seasoned veteran you have so much to teach the new generation of DPMs (bedside manner, people skills)
- The new generation possess advanced skill sets and innovative ideas (surgical talents, technological advances to streamline practice)
- A happy medium can be very impactful

WHAT DO YOU WANT TO DO WHEN YOU GROW UP?

- Gardening only takes up so many hours in the day...
- Start working on your new career/dream/innovations before you finish practicing
- Those who have been continually stimulated mentally and emotionally need PURPOSE throughout all stages of life

"In our daily life, we tend to believe that happiness is only possible in the future. We are always looking for better things, the right conditions to make us happy. We run away from what is happening right in front of us. We try to find things that make us feel more solid, more safe and secure. But we are afraid all the time of what the future will bring. We are afraid we'll lose our jobs, our possessions, the people around us whom we love. **So we wait for the magical moment** - sometime in the future - when everything will be as we like, as we want it to be. But life is available only in the present moment. The Buddha said: 'It is possible to live happily in the present moment. It is the only moment we have.' To practice mindfulness is the practice of coming back to the here and now to be in touch deeply with ourselves, with life." - this is where our true home lies.

From the book of 'No Death, No Fear: Comforting Wisdom for Life' by Thich Nhat Hanh

