

# The Ultimate Exit Strategy

by Mark Diekmann<sup>2</sup>

As a dental career begins to wind down, it is common for the dentist to begin slowing down. Whether it is a factor of less energy, less desire, or less focus; a slow-down is inevitable and certainly understandable. Dentists work extremely hard throughout their career and deserve to be able to take it a little easier during the final years leading up to retirement.

Even though a more relaxed schedule is certainly deserved, there is a significant cost attached to slowing down! Most dentists are not fully aware that the value of their practice is directly tied to the most recent production history of the practice. As a dentist slows down, the production also slows down. Consequently, the dentist's practice value drops accordingly.

You would be surprised to know just how many dentists we have met that have lost hundreds of thousands of dollars in practice equity in just the final 2 years prior to retirement because of this. This is so unfortunate, because it is so unnecessary. Many dentists simply do not understand that they can sell their practice now and still delay their retirement until months or years later. Or, they do not understand the ramifications of not selling before they decide to reduce their hours. Selling your practice today no longer means you must also retire today.

A PreSale Transition provides an exit strategy that makes so much more sense. By implementing a PreSale Transition, a doctor can sell his or her practice today at full market value; **plus** continue to work for as many more years as the seller wishes; **plus** enjoy all of the following special benefits:

## FREEDOM:

You can continue to practice as much as you wish, even years. Except now you will be practicing free from those costly overhead expenses. Without an overhead, you will have the freedom to pursue other interests. Without an overhead, you will be able to enjoy those well-deserved extended vacations. Without an overhead, you will be able to enjoy more hobbies. You may even decide to pursue other career opportunities. A PreSale provides the ultimate freedom... you continue to get paid for doing dentistry with absolutely no overhead responsibilities.

## MAINTAIN A CONTINUOUS INCOME:

Unlike so many dentists who slow down to the point where their collected production barely covers their practice expenses, a PreSale seller continues to enjoy a positive cash flow as he or she slows down. Your income is assured regardless of how little you decide to practice since you will always receive a contractually guaranteed fixed percentage of your collected production.

## PRACTICE VALUE PROTECTION:

Your practice is sold while at its peak market value so you and your family are protected from a declining practice value resulting from decreased, or even total cessation of clinical production.

## FINANCIAL SECURITY:

The value of your practice will not be negatively impacted by your death or your disability. Many dentists don't realize that a dental practice loses at least 50% of its equity value as soon as the primary provider dies. The practice continues to lose 10% to 15% of its original value each month thereafter. Typically, if the practice is not sold within 6 months of death, there is little to no value remaining at all. The PreSale seller (and his or her family) does not have to worry about this any longer. Selling now totally eliminates the need for your family to try and sell your practice at a time of great personal loss and grief.

## INTEREST INCOME:

By selling now so you can take possession of your practice equity, you are converting a non-interest bearing asset (your practice) into an interest bearing asset while you are still continuing to practice. This means that you will receive simultaneous income for practicing dentistry as well as the earnings on the dollars received from selling your practice.

## REVERSE THE EQUITY TREND:

Instead of losing practice equity as you slow down toward retirement, selling now gives you access to your practice equity in real dollars thus allowing you to be able to enjoy the magic of compound interest. The PreSale seller's practice equity dollars will grow even larger, while those dentists who do not sell early generally experience a significant loss of practice equity as they approach retirement.

## CONFIDENTIALITY:

The fact that you sold can remain completely confidential until you are ready to retire. The transaction is normally announced as a form of an association. Your patients and colleagues simply think you have a new associate in your practice.

## TRANSITION:

Introducing another professional to your patients, years before retirement, allows for a smooth transition as you begin to phase out. Your patients become familiar with your "associate," reassuring them of continuous care once you do decide to retire.

Once you have completed a PreSale transaction, you will gain a refreshing perspective on dentistry. You will be able to practice when you want, on the patients you choose, and doing only the procedures you like. The PreSale program truly is the **Ultimate Exit Strategy** for "having your cake and eating it too!"

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your records will appear. Creating a note days or weeks later can render it unusable or bring it into question. And backdating is always ill advised, because it is almost always found out. Once that occurs, all of your documentation is called into question.

- *Vague wording:* Doctors and managers often want to generalize in their notes, because being specific can feel like you are attacking. Vague notes might help the employee make a case later, but they won't ever help you.
- *Reaching conclusions you can't support:* It may seem obvious to you what is going on, or why an employee is behaving in a certain way, but you need to support any conclusions with facts and what you actually observed. All of the above serve as red flags in an investigation, and start pointing to a problem with your management, not (just) with the employee's performance.

### What To Do Instead:

#### Rock-Solid Records that Protect Your Practice:

So what should you be doing? Good notes are always:

- Legible
- Signed
- Dated (as soon after the incident as possible)
- Specific
- Supported

To ensure that your documentation is effectively protecting your practice and its management, follow these tips:

1. *Be Specific:* Your documentation must be direct, including specific performance expectations and the way(s) in which the employee is not meeting those expectations. Vague references to "attitude" or "not meeting performance objectives" should be avoided in favor of specifics. For example, instead of saying, "Told Sally to be more careful," say, "Told Sally to take her time when entering information, and check her work after each entry." Instead of saying, "John has a bad attitude," say, "John rolls his eyes during meetings, fails to assist others when asked and was argumentative in front of a patient."
2. *Use Facts, not Opinions or Characterizations:* It's not called "human" resources for nothing! It's understandable for dentists and their managers to feel frustrated, angry, or have favorites. But sticking to the facts in your writing helps remove your emotion or bias from the situation. For example, instead of saying, "June is too negative," say, "I heard June say 'I hate my job' and 'this procedure is stupid.'" Instead of saying, "Frank is always late," say, "Frank was 10

minutes late 4 times in the last month." Note that words like 'always' and 'never' are over-inflammatory and easily defended as untrue. The more fact-based you are, the more credible you are.

3. *Document Everything:* Even if it's only a small exchange in the hallway between patients, take a few moments to write down what you asked the employee to improve upon and their acknowledgement (or lack thereof), and file it in the employee's personnel file. You would be amazed how quickly the little things add up to create a bigger picture in your favor.
4. *Follow up:* Your objective is to demonstrate that the employee was made aware of the problem and given a reasonable opportunity to correct it. Writing someone up and then leaving them hanging for six months, without checking in on the situation, tends to show that you were more concerned with covering your bases than helping the employee succeed. So follow up within a week or two and let them know where they stand. Then, make a note of the date and the context of your conversation and efforts to work with the employee, noting any progress or lack thereof. Following these documentation standards will go a long way the next time you need to justify a termination or defend a case.

### Final Thoughts – When the Documentation Hits the Fan:

Remember, when documenting any employee issue, you want to provide the best possible evidence that your management decisions were legal, fair, appropriate and that you gave the employee a reasonable chance at self correction. In other words, no termination should be a surprise or a mystery. The more your documentation shows your efforts to work with the employee, the more justified your decision will look to a judge or jury.

As always, whenever you're in doubt about a particular situation, especially if there is any protected class status involved, consult with an expert. If termination starts to seem likely, you need to be sure your record keeping has been thorough and that your office policies are legally compliant, consistently applied and fully up-to-date so they support your decision.

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## FROM THE DESK OF GEORGE S. LEE, MD, DDS:

### MERRY CHRISTMAS AND HAPPY NEW YEAR!

We would like to wish you, your family, and your team a very Merry Christmas and a Happy New Year. Our practice continues to grow and we thank you for supporting us this year. As 2016 comes to an end, we reflect on the blessings of the past year and are thankful to have had the opportunity to partner with you in the care of your patients. We are looking forward to continue the warm association we share in the coming year.

### HOLIDAY HOURS

Our office will be closed for the holidays December 26th – January 2nd. Our doctors will be available for emergencies regarding patients of record. Patients may call the office at 931-552-3292 and the answering service will contact the surgeon on-call.

## EFFECTS OF ANTISEPTIC SOLUTIONS COMMONLY USED IN DENTISTRY ON BONE VIABILITY, BONE MORPHOLOGY, AND RELEASE OF GROWTH FACTORS\*

Antiseptic solutions are commonly used in dentistry for a number of sterilization procedures, including harvesting of bone chips, irrigation of extraction sockets, and sterilization of osteonecrotic bone. Despite its widespread use, little information is available regarding the effects of various antiseptic solutions on bone cell viability, morphology, and the release of growth factors. The antiseptic solutions included 1) 0.5% povidone iodine (PI), 2) 0.2% chlorhexidine digluconate (CHX), 3) 1% hydrogen peroxide (H<sub>2</sub>O<sub>2</sub>), and 4) 0.25% sodium hypochlorite (HYP). Bone samples collected from porcine mandibular cortical bone were rinsed in the antiseptic solutions for 10 minutes and assessed for cell viability using an MTS assay and protein release of transforming growth factor (TGF- $\beta$ 1), bone morphogenetic protein 2 (BMP2), vascular endothelial growth factor (VEGF), interleukin (IL)-1 $\beta$ , and receptor activator of nuclear factor  $\kappa$ B ligand (RANKL) using an enzyme-linked immunosorbent assay at 15 minutes and 4 hours after rinsing.

After antiseptic rinsing, changes to the surface protein content showed marked alterations, with an abundant protein layer remaining on CHX-rinsed bone samples. The amount of surface protein content gradually decreased in the following order: CHX, H<sub>2</sub>O<sub>2</sub>, PI, and HYP. A similar trend was also observed for the relative cell viability from within bone samples after rinsing, with up to 6 times more viable cells found in the CHX-rinsed bone samples than in the HYP- and PI-rinsed samples. An analysis of the growth factors found that both HYP and PI had significantly lower VEGF and TGF- $\beta$ 1 protein release from bone samples at 15 minutes and 4 hours after rinsing compared with CHX and H<sub>2</sub>O<sub>2</sub>. A similar trend was observed for RANKL and IL-1 $\beta$  protein release, although no change was observed for BMP2.

The results from the present study have demonstrated that antiseptic solutions present with very different effects on bone samples after 10 minutes of rinsing. Rinsing with CHX maintained significantly higher cell viability and protein release of growth factors potent to the bone remodeling cycle.

\*Sawada K, Fujioka-Kobayashi M., et al. J Oral Maxillofac Surg. 2016 Feb;74(2):247-54

We consider ourselves an extension of our referring offices and **thank you** for allowing us to care for your patients.

If there is anything we can do differently or better, please feel free to contact Christy,  
our Professional Relations Coordinator, at 931-552-3292 or [cdnote@cumberlandsurgicalarts.com](mailto:cdnote@cumberlandsurgicalarts.com).



## How Your Documentation Can Win the Lawsuit...

## ...or Cost You Thousands

by Paul Edwards<sup>1</sup>

As HR professionals, we hear a lot of excuses from employers and managers for why an employee's personnel file is empty or has only vague or outdated notes about performance problems. Here are some of the most popular:

*"I'm too busy to do paperwork."*

*"I didn't want to hurt her feelings."*

*"It only makes him mad, not better."*

*"It comes across like I'm picking on her when I do that."*

Sound familiar? The trouble is, it's not just paperwork when you have to turn that file over to a lawyer. In fact, whether you're defending against an employee lawsuit, in the process of terminating an employee who may later make a claim, or simply handling day-to-day management issues, documentation is your best protection and defense. Plus, it's the only way to prove that you let an employee go for a valid, legal reason.

### ***If You Had to Hand Over Your Documentation to an Attorney Today, How Well Would it Serve You?***

If you're like many dentists, you're probably squirming uncomfortably in your seat right now. That's because most employers are a bit neglectful when it comes to recording employee performance issues. But a busy schedule or a desire not to hurt someone's feelings won't overcome an allegation

of workplace discrimination or wrongful termination. That's why all of us at CEDR HR Solutions are always preaching, "Document, Document, Document!"

The quality of your documentation goes to the heart of your practice's professional credibility. The person reading any particular file should walk away knowing who, what, where, when, how and, most importantly, the why behind any major management decision – especially terminations. Think of this as written proof that you treat each employee consistently and fairly, and, if terminated, that you let them go based only on legitimate business reasons. Anything less than that and your documentation becomes Exhibit A for the plaintiff.

### ***Common and Costly Documentation Mistakes:***

Let's take a look at some of the most common documentation mistakes that lose lawsuits and cost employers thousands (or hundreds of thousands) of dollars. Above all, you'll want to avoid the following:

- *Missing information:* If needed later for evidence, many notes fail or become inadmissible on the basis of being unsigned, undated, or illegible.
- *Documentation after the fact:* Any notes you create need to be timely – the longer you take, the less genuine

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