

# Dental Economics

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## Staff and the new doctor



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The fear that existing staff will not stay with a new doctor is largely unwarranted in the majority of practice transitions. Although it could happen, it normally does not. Here's why.

When a new doctor buys an existing practice, the staff has two options: 1) Stay on (provided the new owner asks) and continue doing their current jobs, or 2) Leave and look for a new position in another dental office.

When the existing staff remains with the practice, they ...

- ① Maintain their current salaries and benefits
- ② Retain their seniority
- ③ Know the other staff members and how they work
- ④ Understand the current office policies and procedures
- ⑤ Are familiar with the equipment in the office
- ⑥ Know the patients

The one unknown variable is that they have to get to know the new owner. It can take some time to become acquainted with their new employer's personality and work style, but it is not an insurmountable task.

Here are the disadvantages to resigning and changing jobs:

- ① A change in salary and benefits
- ② Loss of seniority
- ③ Having to become acquainted with and learn how to work with a new staff
- ④ Learning new office policies and procedures
- ⑤ Learning how to use new equipment
- ⑥ Building relationships with new patients
- ⑦ Getting to know and learning how to work with a new doctor

If staff members remain with the current practice, they must deal with just one new variable — the new doctor. But if they leave the practice and go with a new employer, they still must deal with learning the expectations of a new doctor — plus six other new variables! Clearly, staying with the existing practice is far less of a gamble.

In my 30 years of experience, I can recall only two instances when the existing staff left when a new owner purchased the practice — and one of those two times was at the option of the buyer! The other instance occurred when the practice only had one staff member and the selling doctor did not notify her of the change until after the sale was complete. She had worked for this doctor for nearly 20 years and considered herself a loyal employee. She was very upset that the doctor had not trusted her enough to tell her of his decision in advance.

Retaining existing staff members

is a key to any practice transition. However, in some cases, it also presents an opportunity to make necessary and advantageous changes for practices that may have outgrown individual employees. Here is a simple formula for retaining good staff:

**From the seller's side** — Being sensitive to long-time, loyal employees is an extremely important element in a successful transition. These staff members should be taken aside and personally told of the pending change. This can be done immediately prior to the staff meeting where you announce the transition and introduce the new doctor. The timing of this meeting varies with each practice transition.

**From the buyer's side** — Assure the staff that their jobs, salaries, and benefits are secure and will not change. If the practice doesn't offer benefits, but the buyer plans to provide them, he/she should let the staff know about the new plans. The buyer would be wise not to lower employees' salaries or benefits, because this might prompt them to look for new employment. Buyers need to understand that the staff's anxiety level will be relatively high until they get to know the new doctor.

The buyer of an existing practice can assure staff retention by being sensitive, reasonable, and by treating staff members as he or she would like to be treated if the roles were reversed.

**John M. Cahill, MBA, of John M. Cahill Associates has more than 30 years of experience in the dental industry, including all aspects of appraisals, sales, purchases, and buy-ins in connection with dental transitions. Cahill is a member of American Dental Sales, Inc., and can be reached at (510) 844-0330 or by email at dental@jmcahill.com. See the classified ads for names and addresses of ADS members in your area.**