



## **E2E's Dental Insights: Is Adding an Associate Right for Your Practice?**

by Joelle Klovnish, CEO of [Benchmarks Financial Group](#)

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A thriving dental practice is a dynamic entity, continually evolving to meet the changing needs and preferences of its patient base. One pivotal decision that often emerges as a practice grows is when to bring in an associate dentist. This decision isn't only dictated by the number of patients an office sees but also hinges on several factors including the existing infrastructure, long-term business goals, and the prevailing market conditions. Let's delve into the critical indicators that signal it's time to add an associate to your dental practice.

### **Increased Patient Volume – Are you Hitting the Ceiling?**

When the patient volume surpasses the capacity of your current workforce, bringing in an associate can help to manage the increased workload. This move ensures that the practice can maintain a high standard of service without overburdening the existing team. We think of hitting capacity when hygiene appointments are so scarce that a new patient could not get in for 4+ weeks and doctor schedules are booked out 3+ weeks and there is no option to add additional columns or days.

### **Expanded Service Offerings – Are you Looking to Increase Margins without Adding Space?**

A growing practice often looks to diversify the range of services it offers. By adding an associate with a different skill set or specialization, you can meet the varied needs of your patients and possibly attract a new set of patients. This is a wonderful way to add specialties to your practice with experience which will increase the collections of the practice as well as the profit margin.

### **Balanced Work-Life – When was the Last Time You Took a Vacation Longer Than 3 Days?**

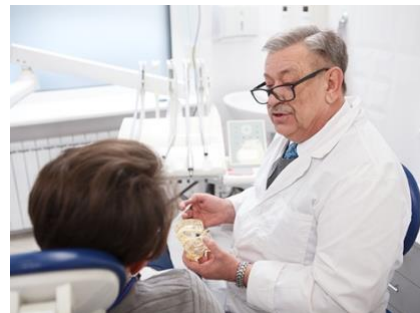


The owner or the primary dentist might find it challenging to manage an ever-increasing patient load single-handedly. An associate can help to share the burden, allowing for a better work-life balance, and preventing burnout. Having the ability to take a week off and continue to collect is the definition of passive income but it takes up front investments of time and energy.



### **Succession Planning – Are You Going to Live Out Your Days at Your Practice?**

Looking at the long-term perspective, adding an associate can be a strategic move in succession planning. It facilitates a smooth transition in case the primary dentist plans to retire, ensuring the continuity of the practice. The valuation of your practice is considerably increased with the addition of an associate. This reduces the risk to the buyer of patients fleeing and creates continuity in the practice during a transition period.



### **Market Dynamics – Are there “Low Hanging Fruit” New Patients Around You?**

The dynamics of the market can sometimes necessitate the addition of an associate. For instance, if there is an influx of people in your location, or if a nearby practice closes, creating an opportunity to serve more patients.

### **Financial Readiness – Ready for an Investment?**

Before adding an associate, it's vital to ensure the financial health of your practice can accommodate another professional. Analyze the current financial landscape, including the potential return on investment that an associate would bring. An associate is an investment, not a cost and should be approached as such. Investors invest a sum of money in hopes of a return on that money, investing in an associate is very similar. It's important to think about how much you can invest in the beginning as a less experienced associate will take longer to get up and running and need more of your time and training, both clinically and chairside. As an investor, you should expect to invest 3-9 months of training time and salary when starting an associate.

### **Infrastructure – Do You Have the Space?**

Adding an associate necessitates a reassessment of the existing infrastructure. Ensure that your practice has sufficient space, resources, and administrative support to accommodate another dentist. When adding a new major provider like an associate, additional support staff is critical to see the largest gains. Therefore, the associate hire looks more like a cohort consisting of 1 associate, 1-2 assistants, 1 hygienist, and 1/2-1 support staff depending on space and scheduling. The immediate need is 1 assistant, the 3rd assistant would follow 3-6 months after hire, with a planned hygiene hire to coordinate with the end of intense training which will, again, depend on the experience level of the associate.

### **Legal and Regulatory Compliance – Insurance, Contracting, Non-Competes...**

Adding a new member to your team involves complying with various legal and regulatory requirements. Ensure that your practice adheres to necessary standards, including contractual agreements that protect the interests of both parties.



## Calculate your investment

### The first 3 months:

Associate's cost + assistant's cost + any benefits increase that will be offered in the first 90 days

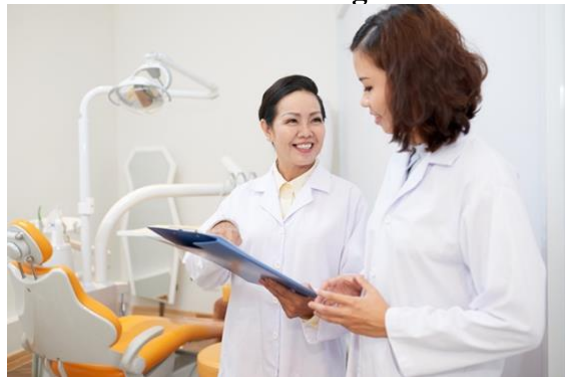
### 3+ months:

Associate cost + assistant cost + 2<sup>nd</sup> assistant cost + hygienist cost + admin staff cost

## The Upside

After the training period, the practice will begin to see income and profits rise steadily. Top general dental associates can collect \$100K per month with a 30%-40% profit margin, higher for specialties.

## Conclusion – Does Adding an Associate Fit Your Practice?



Identifying the opportune time to add an associate to your dental practice is a nuanced process that involves careful consideration of various factors including, but not limited to, patient volume, market dynamics, and financial readiness. By taking a strategic approach, you can facilitate a seamless integration of an associate, fostering a symbiotic relationship that propels your practice to greater heights while maintaining the highest standards of patient care. It is an investment in the future, gearing towards sustainable growth and continued success.

Want to learn more about how a CPA can help review your finances to see if you're ready to add an associate? [Reach out](#) to Joelle Klovanish at [Benchmarks](#). Need a review on your overall financial picture and goals to see if adding an associate is right for you? [Schedule your free initial consultation](#) with E2E Financial.