

Ep #251: Josh Cochran - Determining Your Path in a Disruptive Market (Part 1)



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David Phelps: My interview this week is with Dr. Josh Cochran out of Spokane Valley, Washington. Josh is a younger dentist who has made a lot of changes and made a lot of iterations in his pathway to where he is today, in his practice and in his life, and with his family.

I want to interview Josh about those changes that he's made, and also the fact that he loves real estate, similar to what I was doing back when I was a younger dentist, as well.

I'm breaking this interview up into two weeks, week one and week two. This is week one. I know you'll enjoy it.

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David Phelps: This is Dr. David Phelps of the Freedom Founders Mastermind community and Dentist Freedom Blueprint Podcast. Today, with what's going to be a fun interview for me. I know it's going to be fun for you because the gentleman I have with us today has really I think taken life by the tail. It didn't start out easy, as it doesn't for any of us in life, but he's figured out some things and figured out what I call inflection points, leverage points. He's taken some different aspects, key elements in kind of rebuilding his model in dentistry, rebuilding the structure of how he

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runs. His vision is there for sure, and then adding another element that we both connected on, which is the real estate side.

So let me just bring on my guest today, Dr. Josh Cochran. Josh, how are you doing sir?

Josh Cochran: Doing well.

David Phelps: So Josh Cochran. He launched a Denovo dental practice called Dr. C Family Dentistry in 2014, overcoming infinite learning opportunities. I love that you call it opportunities, because everything in life that we don't do well, it's an opportunity. I love the way right there it tells me how you look at things in life, and so that's so good. So overcoming infinite learning opportunities, including team members selling drugs. Now that could sound like a like an additional revenue stream, but obviously that wasn't your goal there. We'll get to talk about that. A team member was apparently embezzling boatloads of money. Boatloads. I mean so you could have bought a few boats, like a yacht, with that money, I'm sure.

Now the practice today welcomes 125 new patients per month, collects \$4 million per year out of six operatories. Wow. And has over 400 Five star reviews on Google. We're going to dig into this for sure. Josh has built a pathway to partnership model, and successfully transitioned two amazing dentists into partners. Again, another piece I want to dig into because I think that's a key today. He has implemented EOS. I think a lot of dentists and practices outside in dentistry and the industry don't know what EOS is, so I want to bring that out. He's brought on talented, compassionate people, helping run the practice. He works clinically one day a week. Josh's

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Vision is to radically change dentistry in this region through convenience, technology and culture. He's building three to five mega practices of 20 operatories each, offering all specialties under one roof. Really, really novel concept.

Outside dentistry, and this is where Josh and I connected, it is developing commercial real estate. Then also you say casually coaching dentists in his areas of expertise. Josh, first and foremost, I want to say you need to get a few more things to do buddy. You don't have enough activities under your belt. And when you say casually, I don't think you do anything casually, so we probably need to eliminate that word casually. I know what you're saying there. Let's go back to the beginning, because I think people really appreciate the back story. So how did dentistry appear on your radar? At what age? What was your pathway into dentistry, into dental school, that kind of thing?

Josh Cochran: Yeah, that's a great question. I was a finance major at University of Washington in Seattle and I did five internships while I was in school and I felt like a caged rat at every internship. I was stuck in some high rise, punching numbers. If I died, maybe the people next to me would have noticed, but not many other folks. I didn't think it was a good fit for me. So I came up with a list of like 10 things I wanted in a job. I started applying that to every job you can think of, working at Blockbuster, just anything, just opened minded. And dentistry and commercial real estate development came at the top of the list.

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David Phelps: So those are two very disparate things. Dentistry. And I guess it depends on how you look at dentistry, which I think I'm getting a feel for how you look at it.

Of course there's the technical side, which is where most of us as we went through dental school saw ourselves as being the clinical technical dentist, which is a great thing because so many people need the services we provide. Then you add on real estate development. And that sounds to me like a bigger orchestrated vision and definitely offsets the clinical highly focused micro looped ins with surgical loops on what we do in dentistry. So did you see dentistry as a sort of a stepping stone to evolve you to where you really want to be in life? Because I see this bigger picture vision in you very much, really. How did you look at dentistry going into it once you decided it was going to be on your target list for kind of career?

Josh Cochran: Yeah, I think I just have this innate drive to make things the best they can be around me. And so as soon as I got into dental school, already I was looking up all the business side of dentistry. Like what can we do, how can I be the most successful I can be once I get out of dental school? So, that drive was with me the whole time. I really put the commercial real estate on a shelf because I had no money, no experience and no contacts. And the commercial real estate world is very intimidating. And so I really put that on a shelf and focused on dentistry and how could I leverage that.

After I got to a certain point where the business of a single practice dentistry got easier, I started to shift my mind. I just saw the synergies between real estate and dentistry, right? Like you put a dental practice in a retail

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building and you're typically going to be Class A, right? And so if you buy a B or a C, fix it up a little, put a dentist in there, you make some good money there. And then also the passive income benefits and the tax benefits. They're very significant and I could work my butt off trying to make a little extra money or I can shift how I do things, follow another passion of mine and pay way less than taxes without working any harder. So the path just kind of came clear to me.

David Phelps: Well, with a finance major background taking those classes, you definitely came at your future, dentistry, real estate, with a different lens. Again, if we took a poll, I would just have to guess and you can correct me if I'm wrong, but most of us who decided to go into the healthcare field went through the route of going the sciences. Right. And of course you took those courses as well, but you were focused on finance and so to me it seems like you were looking at the world and your future in dentistry and then potentially real estate through a whole different lens. And to me that's probably why you were looking at how could you, as you said, leverage dentistry into the next thing. Is that a fair statement, that lens of finance, does that give you a different perspective than most dentists have today?

Josh Cochran: Yeah, for sure. I think it... Just all of the whole business school, looking at marketing, looking at finance, working in lots of teams in dental school, operations, management, I don't even think it's like conscious. I think it's subconscious, right? It just formed the neurons in my brain to run a certain way. And so even though I'm talking and having conversations with people, I think everybody does this, their brain has other conversations going on at

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the same time. Right? So whenever I'm looking at a dental challenge, I'm also running kind of like the 360 degree business view in my brain in regarding to that problem. How does it tie in to everything else or that opportunity tie into everything else?

David Phelps: So we're very similar in that regard. I didn't take finance in school. I definitely went down the scientific direct route, I guess you could say, into the path to dentistry. But like you and probably a lot of people, I had always had an entrepreneurial spirit. Did you find... Obviously your entrepreneurial spirit was not killed at all going through dental school, but what I find is the mindset that we're taught in dental school about everything being about us and being the best us and being the best us is important, clinically. But I think it takes away from the mindset of mentality of what you've figured out how to do, what I think I finally figured out how to do and that's how to build a bigger vision and utilize the skill set and time of other people. Delegate out. In this part of the EOS we'll talk about. That's not natural to most people that are highly technical and again, so was your spirit of entrepreneurialism, you said real estate was put on hold a little bit because you had to do one thing at a time.

Was it ever quelled a little bit? Did you have to revive the spirit of what you thought your vision was going to be when you got out of dental school? Because I did. I did. And I'm just curious if you thought a little bit of it sometimes.

Josh Cochran: Yeah, definitely. I think it wasn't so much over a long period, it'd be like a couple of weeks where I was like exhausted, and just trying to put one foot in front of

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another. But soon as I had the opportunity to be at a dental school and take the next steps, my first thought was who has an awesome dental practice, who can I learn from? And it was to get me from point A to point B as quick as possible. So I think a lot of this stuff, David, and I don't know how it gets there, but I think it's innate. Some of us have that drive to want to provide value around us. That just me, I can't help myself. I always want to make things better.

David Phelps: Yeah, I think it is in your DNA. So when you came out of dental school, were you an associate anywhere for any period of time or did you just go straight into your Denovo startup in 2014?

Josh Cochran: Yeah, let me get real and get humble here. Absolutely. So I found a dentist to work with right out of school. Great guy. Let's see. Numbers, probably doing 1.3 million a year. Profits, he's probably taking home around three, 350. Just a good, good dude. And the economy was doing okay, back in 2010. It was starting to pick up again for him. And so he had a little bit of overflow, so he needed somebody to come help out. I am not a quick learner. I mean my first year in practice was very slow. I think I made \$60,000. It wasn't a success in many folks' minds. But what I learned was, a good practice run by a good doctor, what does that look like from the inside? It gave me some real clarity there, and I think that accelerated my learning curve.

And then, once I caught up on his dentistry, after about a year, I went and joined another dentist. He had a newer building, a little larger facility, but the same mindset. Just a great guy. But he wasn't really thinking big enough to

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keep two dentists busy. Right? So we kind of burned through that, and at that point I'd realize these guys have great practices because they're really good people, good dentists and good people. But they weren't innovating. They were just doing the status quo. And that's not me.

I always want to bring things to the next level. So I started looking around for resources, learning from other people around the country that I could take their information. I'm a big advocate for replicating success instead of reinventing mediocrity. And David, I apologize. I used to, I shouldn't say used to, lately I've been listening to a lot of leadership books. When I was learning more about real estate I listened to your podcast a lot. So if I say or something that it is yours, I apologize. A lot of these things I just pick up and then I start to repeat them without even remembering where they come from.

David Phelps: Listen, I'm the same way. We try to give attribution where we can, but you're absolutely right. I know most of the things that I say probably are composite or picked up here and there. So feel free, just go with what you got. But no apologies necessary.

Josh Cochran: Okay. So then I looked around, found some resources, and I was young enough and I just was getting married and so we were at a point where I could just jump in, do a startup and see what happened. Do you want me to tell my story now?

David Phelps: Yeah, why don't you go to that. And can I just ask you, just to jump in so we can kind of have the full platform here, your wife Amy is also a dentist with you in your practice, correct? Is she practicing? Because you've got three young ones. I don't want to lead you too much. Give

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us your story, but people want to know, how does a busy guy with a busy family, a spouse who's also a dentist, how'd you decide to divide and conquer, I guess is the way I put it?

Josh Cochran: Yeah. So she was a couple of years behind me in school, so she'd maybe been out a year when I decided to do this startup, this Denovo. So she was working some startup dental jobs, and I was working full time as an associate and then part-time as an associate. It took probably about a year to really get my Denovo open, from concept to open date. So at that point we... Gosh, when was that? Maybe a year before we opened we got married. And we bought a house, and we bought it under my wife's name. So my credit looked a little better for doing the Denovo. And then we started the Denovo in summer of 2014, and we have a four year old boy, a three year old girl, and a one year old girl.

So we did the house, the marriage, the kids and the startup. I'm not getting any younger here, David, so I've just got to hit the ground running.

David Phelps: Well you guys definitely did. And besides having all of that to manage, a lot of newness in your young lives. As I mentioned earlier on, just your background, is that Denovo had a lot of issues. Probably we just say, like all of us, things you didn't know or anticipate. So walk us through that. You're excited, you've got this thing going, you got it up and running. And then when did you start to see the wheels get wobbly? And these issues that you had to deal with, with staff members?

Josh Cochran: Yeah. So I think it was hard from day one. There's always challenges. I remember it was 10 o'clock at night, the day

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before we opened, and we realized we didn't have any toothbrushes or goodie bags to hand out to patients. So my mom, out of all people, went to the dollar store and picked some up for us. I mean it's just challenge after challenge. You know, the first year was like the dating period. I was just kind of fired up. Okay, it's a startup, let's do this. There were good times, there were bad times. And you have that energy from the initial start. But looking back after the first year, a year out after starting up, I literally made no money in the dental practice. Everything went right back into it. I haven't taken a paycheck at all. We were using my wife's salary to support ourselves, and there were lots of challenges that I alluded to in the info I gave you.

So you finally build up, so you have two columns of dentistry in a day, right? You're like, this is great. I got two columns of patients to see on the restorative side. This is awesome. And we look around, where's our second assistant? We call her. She's like, Oh, I moved to Florida over the weekend. You know, just stuff like that. And now your one assistant, who's wonderful, is trying to do two columns. And we had the same issues, we talked about selling drugs. The nicest, sweetest girl, gets arrested for selling meth out of her house. I'm just like, Holy cow. And then like money disappearing, all those things. I mean it makes sense looking back. I was so focused on the back, and taking care of people, I didn't know anything about front office, and I didn't have the bandwidth to.

And so it's very normal how dental businesses are set up, to have these types of challenges. So after about a year, I reached out. Where I'd worked at as an associate before was a regional DSO. And so I reached out to my boss,

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who was also a friend, and just kind of let him know what's going on. And I wanted to sell. I mean, I've been at it for a year. I hadn't made any money, things sucked. You know, it wasn't good. I've worked my butt off, and you know, for a couple of reasons I didn't end up selling. And I think that was the best lesson ever for me. So, there's the book, the obstacle is the way, right?

David Phelps: Yes.

Josh Cochran: I'm learning the challenges everyone else does. If I can get around that, that's where the green grass is. And so I think I'm just so thankful for that first year and that experience I went to when I wanted to give up. It's taught me the obstacle is the way, that the number one success factor, and you know this, well it's my opinion but you may be able to relate to this, is grit. Tenacity. You only fail if you give up. And so that's taught me to not doubt myself, and not doubt if things aren't going my way. I knew if I kept at it that we'd end up on top. I think that's just such a valuable lesson.

And I think that's the big thing I'd want to say to the listeners here, is don't give up if you're struggling. Believe in yourself, invest in yourself. And the fact that you're having challenges tells you you're on the right path, because other people give up and they never find that success. But if you keep at it, and don't do it by yourself, talk to other people, because it's easy just to keep walking into the same wall, but you want to talk to other people, get different ideas and that'll help you get around your obstacles and find the success you desire.

David Phelps: Yeah. I would say don't go solo. You've got to have other people, mentors, people that have been on the path, that

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you get information for. So I get who you are. You are tenacious. You do have solid perseverance. It's stressful though. You're married, you're starting a young family during some of the stress. Can you be open enough to tell us? Was your wife Amy the same way? Or did she ever get to the point where... She's obviously maintaining the finances for the household. She's working the other associate position in other offices. You're trying to get this startup going. Did she ever kind of look at you, or pillow talk at night and go, "Josh, what are we doing?" I mean, I mean it's got to be some of that there, right? I mean, every marriage has got it. Because I want this to help other people. You There's so many young people like you that are sometimes questioning themselves, questioning the decisions they made, right? They've got young families like you do. Can you just give a little bit of how you two got through that and stayed on the same page?

Josh Cochran: So my wife did not doubt me or the practice, ever. I think that's a real blessing. That's just how she's made up. We had plenty of other challenges, but that wasn't one. My wife has a very strong work ethic. I'm pretty much 110%, and then when I do stop for a second, I'm horizontal. Right. I just want to like flop, which doesn't really work when you have kids. Right?

David Phelps: No.

Josh Cochran: But she doesn't really have an off button. If it is, it's like five minutes before she goes to bed. And so just having somebody like that, doesn't know how to stop moving or stop going, have that support system at home, I couldn't have done any of this without her. I mean for sure, especially with the kids. She just does it all. I help out at

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home, but I manage nothing at home. I'm in charge of nothing at home. It's all her. So definitely had to have that type of person in place, to free me to spend the 60, 70 hours a week focusing on that practice the first couple of years. Absolutely.

David Phelps: Yeah. I often tell young people, for anybody, but young people who are getting ready to move into their career, or thinking about getting married, I say probably the key decision you're going to make is who you choose as a mate. I mean, yes, career and location, and health practice model, and how much debt you take on. Yes, those are all factors, but you've got to choose wisely and it's hard when you're young, it's very difficult. But really take the time to get that right person on board with you, because life is not easy and you've got to do it together. So there's a great book, Josh. You may have read it, it's called Turn the Ship Around? Nope. Okay, well listen, you got to get this book because this is what you did.

Seriously, get the book, Turn the Ship Around. I'm sorry, I forget the name of the author. Naval submarine commander. Got to read that book, because it's what you did. So give us some of the nuggets of turning the ship around. You've got this, don't know what practice, you're not making any money, you've got embezzlement going on. You got millennials cutting out on you, moving to Florida. All right, so what were a few of the key elements that moved the needle to get this thing on track? Because in five short years you're working one day a week and you've got doctors who are not just associates, but partnerships. You had to make some major changes. Give us those nuggets. Leadership culture. Who helped

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you? What did you do? What's your read? You give some of those nuggets.

Josh Cochran: Yeah, I think it starts with why. Like who I am and what I'm about. Money doesn't motivate me. What motivates me is being like awesome, right? Like how can we make things around as awesome? That's what drives me, and the fire that's inside me. So sometimes I talk to people about something I'm doing and, rightfully so, they have their doubts and they say, well how is that different than so-and-so? I know so and so did that and it didn't work out well. And I tell them it's got to start with the person. Do you think so and so really has your best interests in mind or do you think they have their best interest in mind? So I think it starts with the person. What are they about? What is their why? What are they trying to achieve?

And so my team around me just knows what I'm about. It's not about the money, it's about how can we care for that individual, that patient in front of us. Convenience, service, solutions to their problems, take away their barriers to dentistry. I love getting those surveys, like the top 10 reasons people hate the dentist. I just go through every single one of them. I'm like, how can we solve this? How can we solve this? How can we solve this? That's just how my mind works. And it's not just the patients, it's my team. I want to inspire and empower my team to make the world around them better, and to grow them. So I think that's the first thing, is who are you and what are your goals? What's your why?

The second part. We alluded this to this before, is having a team to help you get through things. A tribe. So, for me, I've listened to many books and they talk about always

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having a pure group, a mentor and a mentee. So like a natural progression in life. They always have that going on at the same time. So the best thing for me was this group of about, let's just call it 30, active startups just like me across the country. So these guys are just the salt of the earth. Hungry, humble, smart, high character guys. And you know, there's only a hundred challenges in dentistry. So, which one are you facing that day? And so by us having this group of guys together, we could commiserate together, we could support each other. We could provide solutions, innovative ideas. Having that support group really helped me get past the hard times. And then it continued to accelerate the growth. And then not get complacent.

So I'd have our best month ever, and then a couple of these guys would blow by me by 50%. I was like, whoa, all right, we got to put the pedal to the metal here. So having that group I think is point number two.

David Phelps: So this will conclude part one of the interview with Dr. Josh Cochran. Next week, we'll pick up with point one and point two as he continues his story as to how he evolved from a younger dentist who was trying to make things happen and had to make some changes, some significant changes, and how he has gone forward with the keys to his success.

See you next week.

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