

A Day is Worth More Than a Dollar -  
Chadwick Johnson: Ep #433



**Full Episode Transcript**

**With Your Host**

**Dr. David Phelps**

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Welcome to the Dentist Freedom Blueprint, a podcast about freedom—freedom from expectations of society and the traditional path to success that has been ingrained in us from our early years, I'm joined by mavericks, renegades, and non-conformers to discuss an anti-traditional path to financial freedom, freedom of time, relationships, health, and ultimately freedom of purpose. My name is Dr. David Phelps. Let's get started.

**David Phelps:** Good day everyone, this is Dr. David Phelps of the Freedom Founders Mastermind Community, and the Dentist Freedom Blueprint Podcast. Really glad to bring to you today a conversation I've been looking forward to for quite some time. I got a chance to meet in person for the first time, Dr. Chad Johnson, who is here with us today.

He's a younger doc which I appreciate, and I say he's on the frontier of his own experience. And I think that's where we all want to be when we set out on the pathway to getting the education, the skill sets, the licenses, the board exams out into our first business, the practice. And we all wanted to have this experience that we get to define for ourselves.

And there's different pathways to go. That's what's so fun about being in business, being in practice, is you can choose location, you can choose practice style, you can choose some specialization. So many ways to go and Chad has just got an interesting story I want to bring to you. So, Chad, thanks for being here today.

**Chadwick Johnson:** Victoria had mentioned you a few years ago, so I've been lurking, and it was good to meet you in person and Victoria does say hi but she had first introduced me to your

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name and so I looked it up in the Dallas area, but I've just been on the fringe at looking at you guys' stuff.

I did the blueprint workshop that you did, was it maybe November or December, that was very intriguing, and I appreciate that.

**David Phelps:** Oh, absolutely. Well, Victoria and I and Bruce Baird, we'll talk a little bit about PDA because I've been big fans of theirs as well, and we go back a lot of years.

I kidded Victoria, when I saw her in Dallas earlier this spring, I kidded her, I said, "Victoria, you're so famous to me, I still have on my shelf, VHS tapes of you teaching," and she loved that. So, it's true, I was following her many, many years ago on her bandwagon.

Alright, let me get a little bit of background so people know, Chad a little bit about who you are and then we can jump from conversation.

So, Chad Johnson, DDS degree, also a fellow in the AGD. He's a dentist in the Des Moines area. He's a member of the American Academy of Cosmetic Dentistry, the American Academy of Facial Aesthetics, the Academy of Laser Dentistry, and he's a fellow of the Academy of General Dentistry as I said.

Former Iowa, AGD chapter President, the diplomat of the International Dental Implant Association, involved with the CEREC Mentor Group in 2013 to 2018, served as a CEREC trainer in Iowa.

Chad and his wife Sarah, have three children, Gabe, Sophia, and Daphne. He's an active member of his church, enjoys

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swimming, cycling, photography, traveling and coaching little league.

In 2020 (and we'll talk a little bit more about this) he opened his second office, Veranda Dentistry Johnston. He is on the faculty for Productive Dentist Academy Consulting and Marketing Agency out of Dallas, to which he co-hosts a weekly podcast, Everyday Practices Dental Podcast.

**Chadwick Johnson:** That's right.

**David Phelps:** That's quite a resume for a young guy, I'm impressed. I guess the first question I've got for you, if you found a discipline to how you get everything done, you need to get done, and still be present with your family, that's probably a question you get a lot because you are very active.

So, how do you manage all of that? Is there a trick? Either some hacks you use, I'm just curious.

**Chadwick Johnson:** Yeah, I mean these are going to be two dumb little tricks that I use but one is, I live by Google Calendar. When Google Calendar tells me to be somewhere or to do something, I live by Google Calendar.

And the cool thing is I can be in the present whenever, because if people are like, "What are you doing tomorrow?" I'm like, "I don't know, whatever my Google calendar tells me to do."

The other thing is, this sounds crazy but on my phone, I switched companies and when I switched carriers, it said, "You haven't set up your voicemail yet, press one to set up your voicemail." And I thought, "Wait a second, I don't want to set up my voicemail." Like it's an option, in other words, I'm not opted in yet.

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And so, I never signed up for the voicemail. So, when people call and they say, “Hey, your voicemail isn't set up,” I'm like, “I know I don't want a voicemail,” because I don't know, voicemails just take too long and stuff like that. It's a very almost millennial thing.

I was born in '79, I'm not exactly a millennial but I can very much identify with that. I don't have voicemail. So, when people are like, “Hey, I want to leave you a message,” I'm like, you're not going to be able to.”

**David Phelps:** It's perfect. Well, because I'm a little bit older than you and voicemail was a big thing in our day, my generation kind of grew up with voicemail. I'm with you, I'm not a fan of it but we grew up with it.

In fact, just to date myself, Chad and a lot of people listening today, it was a big deal when we could first buy — this is before smartphones, this is going way back where we just had inline phones. And so, we were able to buy this is back in the '80s. We could actually buy a cassette phone recorder and they were big. They were a big chunk.

**Chadwick Johnson:** Near your door.

**David Phelps:** Yeah, you know what I'm talking about. You plant that sucker down and it was hooked up and it would get your calls.

So, you'd come home from work or whatever and you'd sit down and you'd have a little light that'd blink and let you know that it had messages, you'd have to rewind it and you just play through each message. And you could see that on Seinfeld, if you watch Seinfeld series, you can see it in Seinfeld.

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**Chadwick Johnson:** Yes, and you would record your message like, “Hi, this is Chad, you've called me at blank, blank, blank,” oh yeah, I totally remember those. But you know what, voicemail was great until text came.

All of a sudden when text first came out, I was like, “This is stupid.” And then I realized, wait a second, I could read through someone's text quicker than they can say, “Well, I thought it'd be quicker if I called and explained.” It's like, no it's not.

**David Phelps:** That's what I say too, no, no, I don't need all that, just cut to the chase. So, we're on the same page.

Well, I won't give out my cell number because I don't want anybody calling it but after this, I'll give you, my cell. You can call and I did set up a voicemail, but I think you'll appreciate it for my generation. I'll give it to you-

**Chadwick Johnson:** Just for communic value, okay.

**David Phelps:** How's that?

**Chadwick Johnson:** That's a deal, heck yeah.

**David Phelps:** Yeah, a multi-generational approach to how we handle messaging. Alright, well that's good, that's fun, I appreciate you giving that, those are two very good hacks.

I use Google Calendar all the time too and you're right, when it's already there, you could be in the present, you don't have to think about, well, what's coming up tomorrow. It's just like, yep, it's there.

**Chadwick Johnson:** And I set recurring things. I set at five o'clock because we're just an early fun community kind of eating family. At five o'clock, family dinner. I mean, it's on there. Every

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Sunday night, it says take out the trash and every other week, it says take out the recycling.

Seriously, once a month I put on there to change the air filter. I never forget to change air filters. Why? I carve in time to do it and when I see I've got free time, it's free time.

**David Phelps:** Well, Sarah must just think you are like the husband of her dreams, I'm sure she thinks that anyway.

**Chadwick Johnson:** I hope so and I wish so, I don't know if that's ... whatever.

**David Phelps:** Well, if it's not, I'm just going to tell her, get into his calendar and put on there what you need.

**Chadwick Johnson:** She does.

**David Phelps:** She does anyway.

**Chadwick Johnson:** She does, absolutely. If it's like, "Hey, pick up milk on the way home ..." She used to send a text at 7:00 AM while I was working, let's say, "Hey, pick up some milk," and I'd be like, "Yeah, sure."

Come home at four o'clock, five o'clock, and she's like, "Where's the milk?" And I'm like, "Okay, crud, I remember saying, yes, but can you put it into the calendar at four o'clock 'Go get milk.'" And I'm like, "Okay, it's time to go get milk."

**David Phelps:** Tells you what to do. Alright, good. Well, I want to get a little bit of your sentience into practice. When you graduated school, what was your first step? Where did you go? What was that like?

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**Chadwick Johnson:** So, I opened up right out of school my own shop and so, that was 2005. And I really think that I got a loan approved in 2003 maybe going into 2004. I didn't even have a dental license yet, but I just went to the bank across the street. And at that point, a handshake was — the guy looked over my business plan.

I basically had all my ducks in a row with SBA kind of planning, you can look that up. If you Google SBA business plan, you can actually even go over that with SBA people, and they worked that through with me. And so, I went in there looking like I pretty much knew what I was talking about, I guess. And I was asking for \$426,000.

And he said, “You know what, alright, so let's give you the \$426,000.” At that number at this time, doesn't that almost blow your mind? I'm going to start a practice for 426,000. And then he said, “But I'm going to spot you another couple hundred thousand just to make sure you've got a line of credit.”

And I was like, “Ah, I won't use it,” fact is I ended up using every dime of it. Because I think if he would've given me 2000, I would've used 2000. If he gave me 2 million, I would've used 2 million.

So, that got me started and by the time I expanded into the next suite over and did other stuff and this and that, it took me 15 years to have everything paid off for all my loans and stuff like that for equipment and jazz like that.

Then when I got that paid off which was 2019, so 14 years, whatever, going into 2019, I was looking at expanding my brand. I was like, “I've got a good thing going here in essence.” And is this okay? I mean, I'm not rambling too much, this is okay.

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**David Phelps:** No, no, no, it's very good. I was just going to comment and say, so you got your debt paid off in 2019, then you decided it was time to go back into debt.

**Chadwick Johnson:** Double down, correct. There was part of me that was like, "Should I rest on my laurels?" Because at that point, I was like, I could be on Easy Street now and that would be nice.

Or I thought, should I just ... at the time I'm like, okay, I'm 40, should I maybe just double down? Because my thought was could I reproduce this brand to a bigger level, kind of like make my own DSO, or at least like a mini-DSO kind of thing. That's what I was aiming for.

**David Phelps:** Yeah, I think that's important to stop right there because that's super common. I mean, I can say that I was the same way. You do something good, you built something up, in this fact, you had gotten to the point where you paid off the debt. So, like you said, it's kind of like Easy Street right now.

What is it — and I'm not pointing at you. I'm not saying it's good or bad, I'm just saying what kind of compels us do you believe, to say "I could do more? I could expand or whatever." What do you think compels us to do that?

**Chadwick Johnson:** I had time because I had just turned 40, I thought, "Okay, I seriously have another 20 or 25 years, let's say that I mess up, I have time to correct." So, if I was 65, there's no way I would've been like, "Yeah, let's double down."

Now, if there's someone out there that did, more power to you but at age 25, you can take a ton of risk. At age 40, you can take a little risk but you want to start slowing that risk down over time.

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And I think that's where I was just like, I'm in essence where I wasn't even at my — I always thought when I graduated dental school at 25 and I thought, I'm going to practice for 40 years, I'm just coming up on the 20-year mark in a couple of years.

And so, I was what, at the 14, 15-year mark, and I thought, I'm not even at halftime yet, so it's not even the halftime show, I can take some risk. But I did weigh that out. I was just like, “Is this worth it?” And then I thought, well, here's the risk reward trade off too.

This was the next thing, was I was like, “What if I end up having three successful practices that I could turn into 10, and what if my model proves to be worth its while?”

So, I looked at buying two practices. I was actually going to only buy one, and I couldn't decide between two of them and I thought, “Well, why not?”

And against all consulting wisdom, Victoria included, she was just like, “Chad, I've done this before, don't do it. But you're going to do it anyway, so I'll help you through it.” And that's what it came down to.

Keep in mind for the listeners, this was the fall of 2019, summer maybe even that I was looking at getting these a couple practices or one practice, who knows, it turned out to be two. And both of them were a 20-minute drive from each other in kind of a triangle around the city.

East side was my original, Northside and west side were going to be the new ones. And so, I thought, “Well, I'll buy these, get started, and if they pan out for me, what if this triples my income? I don't know, let's give this a go.” And so, that's really what the risk reward weighing out was about for me.

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And this is going into COVID, like that's what I was leading up to was this was fall of 2019, and then I signed contracts for both of these and then COVID hits.

**David Phelps:** So, you said that one turned out to be good, and that the third one not so, and you decided before too long, just to pull up roots and call it a day on that one.

**Chadwick Johnson:** That's right. So, I kept the Northside practice open for 18 months. I had associates that were helping me there at my original office and at the new office. I kind of would spread my time between the three and just the patient load when COVID, hit this practice was only open one and a half days a week when I bought it, and so, my goal was to get it busy.

And then here's the next thing, David, that you and I were talking about before we hit record, but when COVID hit, I sent a letter to my last insurance company saying, "I'm doing my 60 days and I'm out."

Because I thought, who knows how long this place is going to be closed. Let's take advantage of being closed by, I'll pay my employees to answer phone calls from angry patients because I'm leaving networks. So, it's a win-win and we can answer all those phones and talk it over with patients and stuff like that.

So, by the time we open back up, because who knows when that's going to be — for Iowa, we were closed nine weeks. So, by the time we opened back up, who knows, maybe I'll be completely out of network the day that I opened back up, and indeed, I was. Nine weeks, your 60 days was how long you had to give them. So, by the next time I was open, I was fee for service.

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**David Phelps:** And there was a lot of pent-up demand for all dentists because of the closure. So, initially, you had people in the door, you knocked out all the insurance companies, so you're thinking, "Well, this is a good time to do that," I agree, smart move to handle that while your staff can manage the conversations.

You open back up again, you've got people coming in as you'd expect, demand is there. But did you ever see a drop off?

**Chadwick Johnson:** Oh yeah.

**David Phelps:** Okay, tell me about that.

**Chadwick Johnson:** So, the way I looked at it from that Kodak study, my goal was to figure out, okay, if I'm getting paid 61% from 100% of my existing patients, what if alternatively, I was getting paid 100% by 61% of my patients?

So, my over under was I was just like, I could lose 40% of my patients and still be okay. If someone has a really competitive area where their fee — let's for example Houston, Miami, those are two to name I that I've talked specifically with dentists, in those markets where they're like, "Chad, I get paid my UCR is like my fee. I'm happy with what they're paying me," then this is going to be a tough sell.

But when you're getting paid at 61%, then that made it easy because I was like, "You're telling me I could almost lose half my patients and I'd be fine?" So, here's the problem. I mean, to be transparent, that's indeed what happened, I bet I lost let's say 40% of my patients.

But what it afforded me was from then on, any patient that calls with Cigna or Delta or Aetna or Principal or who knows, any of

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those; if they're calling because they want to come to us because of brand loyalty to us, then they're going to be a great patient because they're out of network and they see the value in coming to us.

They're not coming to us because well it's very unflattering but a lot of times heart-wrenching that patients would leave that you thought loved you, and they might like kind of love you. But I'm just like, "Man, my second-grade teacher's leaving me because of five bucks," that doesn't make you feel good.

And I think a lot of dentists are afraid of the fact that their patients aren't as in love with them as they think they are. That's honestly what I think it comes down to. Because otherwise, we'd all leave network.

**David Phelps:** Yeah, it's truthful, and I think it is hard for us, pride and ego.

**Chadwick Johnson:** It is big time.

**David Phelps:** Yeah, we do the best, we try to give great experiences. I think probably most of the dentists do that. And yes, to find out that people can change their loyalty, as you said, over five bucks of copay, that hurts deep inside.

And I think we just have to understand that's just human behavior and not to take it personally which is really hard not to do.

**Chadwick Johnson:** Well, I would liken it to a workout. If you said, "Man, if I work out, my muscles are going to be sore." But if you keep working out, you're going to get stronger muscles. And the thing that I liken it too is I've got a thicker skin from this.

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I mean, I'll see an email come through that's a carbon copy of the admin email saying, "Hey, we're leaving." I'm just like, "I wish them the best." And back five years ago, I would've been like, "Well, I wish them the best but I kind of wish they'd stay."

And these days, I just go, "I mean, I wish they'd stay but I wish them luck. They can always come back," and I've just got a tougher skin about it because I'm a hometown boy, I grew up a mile up the road from here.

Depending on your perception of it and the story you tell yourself, it could hurt my feelings a lot. I mean, it's just I'm glad my wife at least sticks — but she gets free work. So, that's tough luck for her.

**David Phelps:** That's right, she's not going to give that up.

**Chadwick Johnson:** She's going to take that.

**David Phelps:** I think you got her loyal ...

**Chadwick Johnson:** Loyal patient.

**David Phelps:** A very loyal patient. Alright, so as you were expanding up and buying the additional two practices pre-COVID, got into COVID. Now, you had at that point before you canceled insurance company contracts, how many associates were you working up to manage the other ...

**Chadwick Johnson:** At that point, I had four associates.

**David Phelps:** Had four, and that was the first time that you had ramped up to that many associates, I assume?

**Chadwick Johnson:** Yes, because having bought two new practices, I had one working full-time at the one, one and a half working at

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the Northside one, one and a half ish working here at my Pleasant Hill office. And those numbers would have worked for PPO. The west side practice that I bought, Veranda Dentistry Johnston already was fee for service. And I think that's what made the transition easier.

But here's the thing, if you go back to January when I was buying this, it wasn't my intention to switch my original Veranda Dentistry office to a fee for service. We had been dropping networks over the past five years this and that, and we were on our last one. But Delta also was a huge part. I don't know, 70% of our patient pool.

So, if people say, "Well, you don't know my area, I'm like, listen, Des Moines, Iowa is definitely insurance capital. I mean, we're heavy in insurance and a lot of the workers, employees, neighbors, friends, family, all that stuff, everyone is participating in competitive dental insurance." And so, it was very costly for me to do it, but I came to the point where I just burned the ships, I moved on.

**David Phelps:** So, notwithstanding the caveat you gave about being in a competitive marketplace in Houston, Miami, for example, where UCR is pretty much the fee, but notwithstanding that exemption, then what you tell a lot of dentists is to burn it down.

I mean, you've got to have certain things in place of course, but you're saying, because you did the math, you said, "I can lose up to 40%," and you said you pretty much lost about 40%. So, we know those numbers work, it's math at this point in that regard.

**Chadwick Johnson:** It was, it made it objective.

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**David Phelps:** Yes, it made it objective. So, let's just compare and contrast even if you didn't have COVID and the other practices would've gotten off the ground, and wouldn't have to deal with that, knowing what you know now, would you, if that opportunity came to expand again, at this point — now you have two practices, you kept the one and ...

**Chadwick Johnson:** Correct, after 18 months we closed the Northside one, yes.

**David Phelps:** My question to you is, is there still a desire for you to expand the brand?

**Chadwick Johnson:** Not now.

**David Phelps:** So, tell us why, what's the lesson there? What did you learn?

**Chadwick Johnson:** Sure, so having closed the Northside one and it was basically every month, it was just kind of a loss as it was sitting there fallow for all the purposes. It was just sitting there and I was just like ... when I go there, I'm just twiddling my thumbs. I'm helping the associate on a case, maybe this and that, but I'm not making tooth dust. I'm not being productive as a dentist.

And so, I thought I really need to be spending my time at the Johnston office and at the Pleasant Hill office, the original office. And so, if I could spend all my time at the offices that actually have patient demand, then I could actually pay the bill for the Northside one even if it just sits there. So, that's what I did for 18 months.

And then I finally was like, we're just going to close this Northside one and even at a loss. But I think it made me gun shy to expand the brand. That might be too easy to say. David,

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I think the fact is I realized I can only do so much. Never had it occurred to me before then because whenever I set my mind to do something, I just do it.

And if the thought was, “Oh, I'll just run five practices and I'll go in between 5 practices or 15 or 35, who knows?” No problem. The number didn't matter to me, I was just like, I can do it. It crossed my mind to get one of those little drone helicopter things that you could fly between, and I wouldn't have to do the streets.

I don't know, I tried thinking of every way that I could teleport between offices quicker and make best use of my time. But the fact was at some point I realized — it was actually when I sold the Northside one that I realized, wow, I have time now.

Because I was so busy with three that when I dialed it back to two, I was like, “No, this is nice, I've bit off more than I can chew, now that I can chew what I've bit off, I'm not going to refit more into my mouth because I can only do so much, I can only be so many places.”

And honestly, with three kids, I like coaching the girls at soccer, I like going to my son's band concert, I like helping out with X and Y and Z, and I do indeed help out with X and Y and Z kind of stuff. So, I still have stuff that I want to do. And it came back to that Benjamin Franklins, the day is worth more than the dollar.

**David Phelps:** Absolutely, and I'm so glad you could talk about that because I think, again, aspirationally so many of us, we want to build something, we want to expand it. You said, what if I could triple my income? And to that end, we've all done that.

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And your point is well-stated and it's what I tell a lot of people that I have the privilege to coach consult today, is what is this really all about? I mean, other than taking our skillset and helping people, okay, I got that.

But beyond that, yes, we want to provide for our family financially, okay, got that. What else? Well, I need to build wealth. Okay, well, how much wealth? Well, I don't know, I'm just using your words. Well, if I could triple my income, okay, well, what does that do?

Exactly, what does that do? Well, you can do math, so you give me some numbers, say, "Well, if I do this and I save this in X, Y, Z years, I have this much. Okay, let's just make up the difference. I'd have \$4 million in so many years."

Okay, now what Chad? See, I keep asking the questions and what people come back to is what I really want is feel like I have "enough" so I can buy my time back. Oh, now, we're getting down to it. Now, we can actually say what do I really want is to have choices and options in my life.

Dentistry, what I've been able to build with my skillset is awesome, it's a way to do that but how can I transfer that? What's the best way, the fastest way to transfer that back into time, especially when I've got a family right in front of me, I want to coach them and be at band concerts and things like that.

**Chadwick Johnson:** Go on vacation perhaps. I realized as the day is worth more than a dollar, I started your message, your branding altogether of Freedom Founders started resonating all the more with me. Because I feel like dentists in one sense are indentured servants that we buy into a system with the promise that it'll be lucrative in the end.

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That way we can have a freedom and a lifestyle and this and that, but there's a tradeoff. I mean, you don't get that on day one. I think it's crazy, like what's funny is there are some younger dentists that almost act like on day one that they've arrived and it's just like, oh, you got the lottery pick or whatever. So, you're in the system but now you have to go out and play the games, the NBA games, the NFL games.

You can't just be a draft pick and then be like, "Alright, I'm retiring." So, your message, and even this message that you just said, it resonated more with me. And, and I was like, if I built my brand of X amount of offices, two offices currently, three a couple years ago, who knows if I was trying to build it to 10 — I was trying to scale up.

And nothing inherently wrong with that, but I realized at some point, if I make this valued out of the price range of anyone looking to buy into it as opposed to 40 years ago when you would buy a practice, you'd run it for X years, and then you'd sell it for a reasonable price. But I was like, "What if I make this worth \$10 million? What dentist coming out of dental school can buy this for \$10 million?"

And so, I'm almost building so much value into something that becomes not invaluable but unvalued. What if I had a diamond that was worth a hundred billion dollar? But no one has a hundred billion dollars? So, is the diamond actually worth a hundred billion dollars?

And I explain that to someone and they said, actually some philosopher said it better, that it's basically the value of something is so much that no one can buy it, therefore it's not that value.

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What if my practices were worth all that, but they're not actually worth it. So, all my eggs become in one basket, in this thing that is intangible, it's an intangible asset.

**David Phelps:** Yeah, that's so well-said, and I think that hits everybody at some point. Like you, I love when people ask for younger docs that are coming out of school or just even starting dental school, just some basic financial literacy.

But what I've noticed, there was a thread in some form somewhere recently and a young doc who had graduated dental school just last year in 2022, call it May of 2022.

And so, this was like, call it January of 2023, what's that? Eight months later. And he posts and I'm not making fun of him, I'm just saying this is so much to the mindset, but seriously, he posts, "I feel like I'm at the crossroads of my career."

**Chadwick Johnson:** Interesting.

**David Phelps:** But see, again, I'm not judging him because this is a mindset that's being created somewhere. And I think some of that mindset and you know as well as I do, there are some that go to dental school to get the training to get into dentistry to see how fast they can get out.

I mean, so I can go buy a practice, I can roll it up. And again, I'm not saying that that's not a good exit strategy, but at your first year of dentistry practice, you're thinking how quickly can I get out? And I'm thinking, and then what?

**Chadwick Johnson:** You know, David, though, I think the same A-types that are doing that now because it's an option, they were in dental school when you were in dental school. It's just, did you

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ever think about that option back then? Did you ever think like in the 80s, I'll buy 10 dental practices?

So, I think it's the same type of person, that's the A-type that runs and guns and it's always been that way. It is the A-type, and it was probably that way a thousand years ago. If they have the chance out of Serfdom, they're going to take it, traveling from Europe to America, and stuff like that.

But here we are, a newer generation of dentists and the ones for sure younger than me, that if they've got a chance and doc on it, they're going to take it. But at the same time, it might be their demise. I mean, at least 30 years ago you didn't even have that option. So, it was just you did the normal thing because that was really all you could do.

**David Phelps:** Yeah, it was very much abnormal to even — there's a few docs that would have a satellite practice which was a small practice 20, 30 miles away that they might either go out there a day or two a week or they'd stick an associate out there, that kind of thing which rarely ever made sense. It was not the scale that we see today, so it wasn't an option.

So, we typically looked at this is going to be a career, this is going to be retire when you're in your sixties and that's how it went. And most practices ... and I'm talking about the 80s to the 90s, which is where I was at and yeah, we rolled along.

And certainly, you have practices where there were some associates but they were not even small group practices much at all back then, it was just this is what you did. So, you're right, I think there's more alternative to pathways.

If someone really goes into dentistry to see how fast they can get out, I think there's a better way to go. I'm just saying. I'm

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just saying you don't need to go that much education, that much debt to just try to roll it up and go out.

But anyway, that's not really why I brought you on here. I just want to give you a little bit of that mindset I see. But I appreciate you bringing that to the forefront, is that was not an option back in the 80s or 90s to have the roll up and the multiple exits.

**Chadwick Johnson:** Well, here's a question that I have for you, David, just as a mentee, like if you could mentor me here and let other people hear your advice.

So, here I've got all my eggs in a basket and I'm not sure if liquidating that asset is a possibility just yet. I think I have my debts paid off if I remember right, I think I've got four and a half years, four years left of the new debts.

And so, what I'm trying to figure out is if I wanted to diversify within a strategy that you use because I like that I'm so on board with you, I told you this. I'm not a 401(k) fan. You and I see the global and national scene the same way. So, that's why you resonate so well with me.

So, if that's the case, and let's say I was your nephew or a younger brother or something like that, that you were like, "Man, the advice that I'd give him is to do what?"

And I wonder if the softball pitch would be to start getting an associate trained into my position, then I step out or do I just say, "You know what, hammer down the next four years, get that debt paid off" and then when you've got now some free capital, then I start rolling it towards some real estate. What's your thoughts there?

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**David Phelps:** I think you could do it either way and a lot of it's going to depend upon you, Chad. Now, I get the feeling that because you already coach and mentor that you're probably pretty good at that.

And so, I think there's an opportunity for you because you have that innate ability to bring the right associate in and with the right right pathway for them. I'm not saying pathway to ownership, you don't have to do that.

Mentorship, I mean, what you're doing is you're folding, you're collapsing time for that younger doc to learn what you've learned.

**Chadwick Johnson:** Shortening the curve is what I call it.

**David Phelps:** So, I think if you have the right one and you're willing to invest in them and they see the opportunity to not just go through the turnstile which is always something that can happen, I think that could definitely be a pathway for you. Again, right person.

You get to go the other way too. You could say, "You know what, I'll just double down and pay off the debt in four years and then I'll have as much rolling off of the practices that I could start putting into alternative investments, whatever that might be.

So, I think you got both ways. If you're game to do the associate route, find the right associate. I think that could probably speed it up. And the thing you're looking for still at this point in your life for sure is balancing the time.

Yeah, you can go great guns and go hard and all this, but you don't want to do that right now. And you don't need to do it if

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you stay prudent about optimizing the current business assets that you have, and you've figured that out.

You've consolidated back to two after the COVID thing and you know how to pay off your debt, and it sounds to me like you've got a pretty good balance right now.

So, could you optimize the business asset a little bit more in the near term? Yeah, I think you could do. Do you have to? Don't think you have to, I think you get to choose.

**Chadwick Johnson:** Right, well, thanks. I've been looking forward to picking your brain about that.

**David Phelps:** Well, that was good. Seriously that's what we have fun doing is taking that kind of a conversation, that kind of opportunity and running through the different filters.

You already know how to do that and we just kind of extrapolate on that and you look at what's the best path for you, but I think you've got two that you could possibly run down.

You might test the one with the associate. Again, combines your time. There's no urgency, you don't have to make something happen which means it's a lot better because particularly, you find the right one, but there's a lot there.

Well, hey, great conversation, I'm glad we got ...

**Chadwick Johnson:** It has been.

**David Phelps:** I got to know you better and the work you're doing both there in Des Moines and also with PDA and Victoria and Bruce, and I think you've got a great thing going and I love your spirit. So, it's all really outstanding.

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**Chadwick Johnson:** Well, I appreciate you having me on, hopefully, this is advantageous for the listeners too because we're all in the same boat.

You might not have two practices or three practices, but I think some of this message will ... I hate to overuse the word, but that it'll resonate well with you to where you're just like, "No, yeah, I could see myself there, or wow, I was about ready to do that. I'm glad that I thought this through because it'll allow me to make wiser choices than Chad did." Hey, that's shortening the curve again, I'm all for it.

**David Phelps:** 100%, I love the conversation and you took us through what you had to sort out and figure out. And I think it opened the door for other people to do the same thing. And that's what we want to do here.

**Chadwick Johnson:** Well, thanks for having me on.

**David Phelps:** You take care, we'll talk soon.

**Chadwick Johnson:** Thanks, buddy.

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