The Hidden Dangers of the DSO Zeitgeist (Part 2) - Alastair Macdonald: Ep #440

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Dr. David Phelps

Dentist Freedom Blueprint with 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: Hi all, David here. Back with the second half of the conversation that I started last week with Mr. Alastair MacDonald, discussing the movement of money, the private equity money specifically into the dental arena. Where that's come from, where we are today, and where it's likely to go.

Caveats, dangers, and perverse incentives, they're all there in this regard and it doesn't mean you making a specific decision is necessarily bad for you. What it means is you need to understand all the dynamics, and that's hard for anybody to do, particularly when you might sell a business or a dental practice maybe one time in your life; how to make that move, what to look for, caution flags, and maybe where there is a right timing for you to do that.

Enjoy this conversation, I think you will.

Alastair, let's go back and recall what you alluded to a few minutes ago, and that is that money moves, money's going to move. And what I'd like just a little bit of history is how and why did private equity find its way into dentistry? Just as a little bit of history, could you give us that?

Alastair Macdonald: Yeah, there is so much to this. I could go on about this, so I'll try to catch myself. If we look at … this is entirely a question of yield-seeking money. To give you an idea of how large the 1981 tax code change was, done by Reagan into private equity.

At that time, they were studying Employee Retirement Investment Securities Act. And in this, was a distinction that certain companies shouldn't be allowed to speculate — excuse me, certain groups, specifically, pension funds — should not be allowed to speculate with their pensioner's capital.

The ERISA laws changed that, and suddenly by 1981, together with taxes being reduced from 25% to 20%, what happened was the amount of total capital estimated at 1980 in private equity was approximately $30 million.

Within the course of the next two years, that figure had jumped to $560 million. Where was this money coming from? It's coming at this time, it was trying to escape rising interest rates, which at that time, were peaking in 1981. Rising interest rates because they were causing loss on principles in pension funds.

Well, fast forward today, and we have the exact opposite scenario. Falling interest rates mean that pension funds can no longer get a yield. So, this is yield-seeking behavior.

Remind, as you speak about routinely, we are now and will be until 2035 in an environment where 10,000 U.S. citizens a day are hitting age 65. These people need income and there are entire organizations and pensions that are built and they're assumed and expected to deliver this.

How can you deliver yield in an environment where up until two years ago, the long-term bond was paying one half percent?

Just to stay solvent, they need to spin off a 7% yield just to cover their current demands. That is a beautiful example, but there's many others. Where did they go?

Well, they poured themselves around … as we noticed, they went into mortgages. As interest rates came down from 1981 through the ‘90s, into 2000, there was a yield-seeking behavior, a lot of speculation in tech stocks.

But by 2003, 2004, there was a realization that we couldn't get the type of yield we needed, so we needed a secure investment vehicle that would produce a favorable return.

Mortgages, houses, the narrative followed, everyone needs their own, no one's making any more land. Everyone's building care for the lifestyle, et cetera. And everybody in the mortgage industry became convinced that they were amazing.

What it was, of course, is large pools of capital looking for yield. 7, 8, 9% mortgage was a heck of a lot better than a 6% bond on which we would lose principle if rates rose, and would lose interest if rates continued to fall.

This poured into mortgages. Needless to say, we know how that happened. But many drove the price of mortgages through the roof, created a housing bubble, destroyed many livelihoods.

Fast forward through to 2008, where was this money going to go? The same private equity money said, “Well, we thought we could try houses, really safe, that didn't work out.”

So, they disappeared across the pond to Europe. Sovereign debt, the idea that we could own foreign government bonds that are backed by the taxation power of that nation, really

compelling the money poured into countries that had gained 16% interest rates.

Greece, Spain, Italy, Iceland — as more and more money began to buy those bonds, those interest rates came down, and the Greece could stop the belief that up after 2000 years in dormancy, they were really special. And they to no longer had to pay 4%, 8% … we'll pay 4.

Well, pretty quickly, the purchase of those assets drove interest rates down. More and more people buying them, no need to pay too much to lend, a lot of demand, those interest rates fell. Pretty soon, they fell below the rate that individuals could get back here in U.S. bonds. So, they started dumping those.

What happened? More sellers and buyers, interest rates skyrocketed, bankrupted entire nations. We know this today as the European debt was a crisis because the capital came pouring in, all of the assumptions of future opulence that the Greeks were all going to have such beautiful lives …

The entire nation of Iceland went through the same, bankrupted their nation, flooded back to the United States. At which time, interest rates were even lower they were when the money left.

What do we do? Well, hospitals, we need something safe. Healthcare, can't buy a hospital, they're nonprofit, certificates of occupancy, all of these things required by the Fed, doesn't make sense.

What else can we do? Pain care, capital ported to pain care clinics. Then the opioid crisis, bad press, let's get out of that.

Where else can we go? Dentistry.

Is it a coincidence that the darkest days of the European debt crisis, 2013, is exactly when multiples and DSOs started to climb. And of course, betting wars started to break out.

When we talk about high and multiples, we're talking about people willing to pay more for the same asset just as happened in Greece, just as happened in Iceland.

But of course, those of us in dentistry were sure that it was because we were amazing. We had our inequivalent response to the mortgage industry. Now, this limited dentists, you can't outsource this. Everybody needs to see a doc, et cetera. All true, just as it was true about housing, but nothing justifies exorbitant valuations. And that's why it happened.

So, the money started pouring between 2013 and 2018. We saw multiples go from 3, 4, 5 EBITDA, up to high watermarks in 2018 of 15, 16 times. Critical distinction nobody speaks about.

Those were actual sales. Those were not 15 times EBITDA, but we give you 60% now. No, there was a cheque bought 15 times. Sure enough, more buyers than sellers, prices started to climb. Suddenly, a bunch of sellers, docs realizing, “Actually, maybe I can get out of this.”

However, by 2020, interest rates changed, COVID hits, private equities looking at this, saying, “Guys, we might be overpaying. Let's change the deal. Instead of 15 times, we’ll give you 12 times, but you're actually going to get 16% down.” What they really did is massively drop what they are paying, the rest is borrowed, which comes all the way back to the leveraged buyout nature.

It is not uncommon if individuals are astute enough to do this. And I advocate for the donors to look and demand the balance sheet of the company that you are reinvesting into.

I have seen balance sheets in the DSL private equity space that are 110% leverage. This means that you put your million dollars in, to even get out of it, you're going to need to bring a cheque for a hundred thousand dollars.

They're at 110% leverage. Why? Because they're trying to grow by session instead of grow by revenue which is a separate issue for us to discuss.

Well, the vast money then exited the dentistry, where else could it go? Into the veterinary space, into the private physical therapy space, the podiatry space, all of which are now themselves seem deflating as we go.

It is so formulaic to those that can actually stand back and see the macro and not be seduced. Our individual exceptionalism, the pattern could not be clearer. It could not be. There are serious danger signs.

David Phelps: You said that they're kicking the can down the road, which I agree. How far can private equity continue kicking the can down the road with the higher cost of capital, particularly when the corollary return on investment risk-free would-be treasuries today, short-term, five and a half percent today.

But when does this cycle out? Because we're still seeing or I'm hearing from various brokers, at least on the buyout multiple, which as you said, is a constructed number that has no real allowance, but still that the promise of this multiple and the recap, the joint venture, the equity and the holding company,

are still playing that incentive for the seller to have two sides, which as you said, you can't do it, certainly on side.

When does this run out? Because again, I'm seeing it in real estate right now. There's no more pushing the can down the road. It's stuck in front of these syndicators who have used the same kind of leverage, the same kind of short-term funding.

It's never been about the carry or the operational efficiency of actually holding an asset like Buffet does for the long-term. It's about the quick turn, so we just need to get in and then we get out. Who are you going to get out to at this point?

So, again, what do you see? When does it start to show up, when the reality of the situation becomes evident?

Alastair Macdonald: I think it is a lot of good examples, but you touch on something just to approach that in the reverse order.

This whole notion of recaps and we're going to … when we have a liquidity event. What they're saying is they're going to find somebody else to buy this, but they'll pay more for it. Every DSO is predicated on this today. They all have recaps, ReFis, is what real estate space fall in (refinancing), a recap, a liquidity event. Someone is going to buy these shares from us or someone is going to buy our debt. There's a critical flow here.

But let's just take it anecdotally and say, "Okay, so apparently, there is an army of future buyers for these assets that are available today and they're going to pay more in 3 or 4 or 5 years."

Is it a secret that they can't just buy them today at a discount? What is it that's going to suddenly animate? Where are these buyers? Where will they be for the next three years? As I say, is

it just a big secret that they can't know or they haven't spotted this frenzy in the industry? This is astoundingly foolish.

The idea that they're out there, who? Well, we'll get buyers, we'll get others. Why are they not just buying now at the same discounted price? How smart are they and is that the person you want to be owned by in the future?

So, what is the catalyst? The trap is already set. The fuse is already lit. Rising cost of capital fundamentally changes the nature of everything on the planet for which the borrowed money is used, everything.

Whether it's a car loan, which you see now — car loans, I saw just this week are now trading at a 40% interest rate to buy a new car in the United States. So, this is going to be devastating for many individuals.

So, how is it that private equity is going to? Well, the people at the top of the mountain didn't fall there. These structures are built perfectly to protect them. Historically, what an LBO does is this; step one, have some assets, which could be your own seed capital. We go out, we borrow lion asset, we borrow against that just as Buffet did with Berkshire Hathaway.

That asset becomes collateral for another. It's basically a giant shell gain of debt until eventually, we've got an upside-down balance sheet.

We purchased all of these assets, we either find someone else to sell it to, or in many cases, as was the case back in 1948, when the very first LBO deal went through, we take the debt ourselves, we borrow the capital, the aggregators, the LBO group, then sell it. Actually, take the debt and leave the company to pay the note.

This is how hospitals go bust. There was a rush of this in the 1990s and early 2000s. How, for example, could a hospital go bust? If anyone's ever had a hospital bill, you've got to ask yourself; “This is something we have no pricing power with. Who are we going to compete with? How does a hospital go broke?”

Private equity purchased them, leveraged them up, took the cash and left them to pay the note. That's what happens. That is how Carl Icahn has created the fortune that he has. How perfect that hubris is catching up with him.

David Phelps: You talked a little bit about the privilege of entitlement or actually the sense of privilege itself. Where does that fit into the conversation here?

Alastair Macdonald: It's a great point that the very idea of entitlement kicks in but what's funny is that us as practice owners and business owners, we're very wary of employees having sense of entitlement. We're given some benefits and then it'll become an entitlement very quickly.

But we are blind to our own sense of entitlement, including a sense of entitlement around the volatility of other industries. The beauty of dentistry is that we're afforded an incredible stability and low volatility of risk. Very low risk profile, very modest volatility relative to say biotech or what have you.

And that same notion is carried over into the assumptions about private equities role in DSOs. It changes radically. The moment that you take private equity and wrap the ownership around a practice, you do so with 110% leverage, in some cases. 35x leverage is not uncommon in the private equity space.

You've now taken this perfectly innocent, profitable business, burdened it with such debt that it cannot win, it cannot succeed. An example is Lehman. When Lehman Brothers went bust September 16th, 2008, they were leveraged at 33 to 1.

That meant that for every $1 that they had on the table, there was $33 dollars borrowed against it. We're going to ask ourselves, who would possibly lend to them? The same naive investors that thought Lehman Brothers was going to last forever. After all, Lehman Brothers was one of the oldest investment banks in the United States, actually in the world.

It had survived the Civil War, two presidential assassinations, two world wars, the inflationary period of the '70s and early 1980s, and survived the Cold War. It had survived the tech bubble, the housing crisis. It was taken down after what was it, a hundred odd years.

So, that same sense of entitlement, Lehman Brothers, will do it. To give me an idea of how risky that leverage is; if you are leveraged 33 to 1, if your investment falls by just 3%, your entire capital base is erased, your entire principle is gone. That's what happened to Lehman Brothers.

So, what individuals are blind to as somebody that has sat backstage, that has advised private equity, that has much done transactions, somebody that has sold to them, is we never really see the backstage how much leverage they have and what that is that you're actually signing up.

These individuals make money as fast as they can. It is about finding something, rolling it up, and setting it up. The speed of transaction matters the most. What is the one thing that trips everybody's plans of speed? Increased cost of capital, all comes back to interest rates.

We're now back at 7% mortgages in the United States. The housing market itself is an example, and we're speaking about recaps, we're going to get this big recapped. Refinancings in the United States are down about 77% over the last 12 months. Actually, this data goes through March, so it's a bit dated.

From March of last year to March of 2023, recap, ReFIs are down 77%. Makes perfect sense. Who would at a 2.8% mortgage go out and refinance at 7? You've got to hit your head. Isn't a recap just a ReFi? Why is it that it's different for anyone else? This is astounding.

David Phelps: It really is. On a more granular basis, Alastair, how much of a difference in terms of risk is there between the joint venture model where a seller in this case retains equity in their own practice versus retaining equity in the overall parent holding company? How much difference is there between the two?

Alastair Macdonald: The first thing is speaking about language betraying us. The moment that you find yourself using the word partner, don't forget to put minority before it. This is crucial. Many, many docs will say, "I'll sell a part to an associate ..." They will always insist on being majority owner, but for some reason the seduction of private equity looking across the bar at you and making you feel beautiful, you're so special.

There's an old saying, as you know in poker, if you wondering who the fool is at the table, it's you. I think in this case, if you're wondering where the growth is going to come from, where the yield is going to come from, you're it.

The piece to understand is that this growth by acquisition model only works so long as there is a future buyer. Equally, that future buyer is going to need to use debt and sell.

We are no different a spot than Warren Buffet pointed out three weeks ago at the Berkshire Hathaway meeting. He said we've entered an era where individuals have bought assets that they're borrowing 2.6%, and they're trying to sell assets, those same assets to others, then they're having to pay. How is that any different from these future acquisitions?

So, here we are completely convinced that we are special. And I say this with absolute love and affection. I have been seduced to buy this in the past. Nothing in dentistry has changed and this is the piece.

So, it works one of two ways. We find a buyer that is able to borrow money at a better rate (I don't know where they would get it) or we grow by standard business growth. We actually have to run a profitable business, which means we increase revenue and decrease overhead.

Well, translated into dental speak, we need to sell more things to more people and we need to squeeze the margins. No different than overpaying for a rental property. You're going to try to increase rent and you're going to not take care maintenance.

And the maintenance speaks exactly to the experience of the remaining docs who are handcuffed by expectations of the world. They are going to live in that environment, they're going to live in that home that is not getting the maintenance.

I cannot stress enough for individuals to go back and study the history of private equity in 1980s. Entire hospitals, destroyed; businesses, factories, the Sharon Steel Corporation purchased by a private equity group called DWG ended up in bankruptcy. So, many of these happen because they're not being maintained.

This means that unless … that's our only avenue of growth. There are two avenues. One is increase … of course, we've got to sell more dentistry to our current … standard rules of business, you've got to sell more widgets. You've got to sell widgets at a higher price or sell widgets more, more frequently.

Same principles in all business. So, if I'm going to grow this, I've got to start doing more dentistry, basically. I've got to get more dentistry on the ones I already have, which means I need more patients. Where are they going to come from? Well, I need more associates. Where are they going to come from?

Aren't these issues that we're already grappling with? Aren't these the issues that are driving docs to even think about tapping out and as you say, taking chips off the table? No, how are the overlords of New York great to help you with these things?

So, we say, where is this growth going to come from? Well, there's a finite supply of docs, but they've got recruiters. Really, we're at 3.4% unemployment. The only solution to low unemployment is to overpay for talent, to overpay.

So, we're taking individuals that have overpaid for the practice, but they assure you they've got recruiters who are going to go out there and buy those docs, find them — they'll have to buy them, they'll have to overpay to bring them in. All of this just reduces the profitability of the practice. Any business owner gets this.

But it is the very gross of the practice itself that your future earnout is predicated on. No one is paying attention to this. No one. Even if interest rates remain exactly the same today, these problems lie ahead from an operational standard.

They are so hard that docs themselves that have been doing business for 20 years cannot solve. But we're convinced that an HR department and a private equity firm that's new to this space has got some secrets that we've never heard of.

David Phelps: That is the inducement that I hear so often is, if you just want to do the dentistry you love to do and don't want it to deal with any of the other aspects of business operations or HR or profitability or dealing with insurance companies — “We’ll just take care of it,” that being the DSO.

But as you said, you are the minority partner, you no longer have the ability to make the calls or operate the business under the values and culture, which you built that set it up for the value that it had before you decided to “partner” with somebody else who was going to take you to this finish line but now, it's a finish line that is somewhere out there and may not even happen at some point.

Pre-COVID, this is a stat I heard, so I did look it up. But it was pre-COVID, there were 100 to 150 such DSOs in the dental space pre-COVID. And now, post-COVID, where we are today, there's over 250, so maybe a 2x increase.

And I heard from somebody who was in the space who was telling another doctor that if you really want to focus on the return, the recap, that you should go with a newer player to the field.

And I'm just thinking, again, my whole relationship to all this is back to real estate and seeing all the new kids on the block who have come up in the last two or three years because everybody's been doing it.

Everybody's been making money, of course, I've got to get in the game too and so, I'm newer, and be the last person I would put any money as someone who just started out in the last couple years, and has gone to a weekend course on how to be capital raiser or a syndicator.

Well, same here. You've got the new kids on the block in the DSO space that say, "Hey, just because everybody else has been doing it, well, I can do it too." And so, this thought that I can have a bigger profit potential in that case, it just goes against any kind of same thinking in this case.

Alastair Macdonald: It really does. This is a very, very much a late cycle phenomenon. This is where … no different than what I think of as I'm out here in Puerto Rico, the wave of crypto dudebros that washed onto the shores here. And I'd say that somewhat cynically, they just seemed to be a lot of young men that were previously baristas.

Now, in fact, I met one young woman who moved here from Chicago. She's probably 28. I live here on the beach and there's this very active … this is my crypto indicator.

There's a large volleyball net and stuff here on the beach and big scene on the weekends. Between three years ago when I first moved here and now, we've literally, I could see the size of the volleyball groups swell ebb and flow as Bitcoin did its thing. For what it's worth, the volleyball scene has all but died on the beach here in the last six months, which is quite fascinating.

But she was a hairdresser and she moved here because she figured out a trading system to get into crypto and of course, she was handling her family's money. Unfortunately, of course, she disappeared.

So, this late cycle Johnny-come-lately type thing, it shows up everywhere. It shows up in the mortgage industry. Many years ago, prior to that, the tech bubble. NFTs, I remember we were all selling JPEGs to each other. Wasn't that long ago? This is a late cycle red flag.

And then you put your really critical piece, which is the subordination of our reasoning when we say, “Well, if we get in early …” That is exactly what somebody says in a Ponzi system, in a multi-level marketing scheme.

In fact, isn't it fair to say that if I told you that I'll pay you … here's this thing, I'm going to give you a million dollars, but I'm actually going to give you 600,000 now and I'm going to give you the balance once I find someone else to buy the remaining piece from me. I'll then take their money and hand it to you and then promise them the same. This is the definition of a Ponzi scheme.

Can anybody with any sort of definition point out the difference between the claims being made by DSO aggregators today and a Ponzi scheme? It is after all selling you on future returns once we resell this thing, I’ve borrowed from you in a sense. This is a definition of a Ponzi scheme, but to say this is to just slaughter sacred cows.

There are entire industries of people that are so invested in this needing to be true, and so many docs, unfortunately, that are seduced by price fixing. This is a critical phenomenon. I'd like to use a mathematical example if I can.

We know that there's a technique called anchoring. When you're trying to control or manipulate somebody, you're going to anchor expectations of some seed that you planted earlier in the conversation.

We also know this as price anchoring. Was 99.99, locked down to 79, but you can get it today for $79. People say, “Wow, it was 99.” No, it is 39 but we have this associated value.

The same thing works in reverse. Here’s a civil mathematical example. Let's take one practice that does a million a year in gross collections. It's a reasonably well-run practice and it has a 15% margin.

This practice at a million spins up, let’s say, it's got an EBITDA of 150. We say, okay, good. Recently, I'm seeing quotes of 5 to 7 times for a practice like this.

Now, out of the gates, the deception begins. Well, if you went to private sale, you would (this is always the term) only get between 70 to 90% valuation. Let's take the middle of that. You would “only get 800,000 for this million-dollar practice.” Totally reasonable within the bounds of expectations.

But if you sell to my DSO, I'll get you eight times or seven times. Well, what is that? That is 1,000,050. I look at that or let's say eight times — at an EBITDA of 150, eight times, I'm at 1,200,000. So, now, I'm looking at it I say, “This is not hard at all. I can take just 800,000 or I can get 1.2 million.”

But wait, there is a certain little disclaimer here that I'm actually going to give you 650,000 or 60% now, again, 60% of 1.2 million, 640,000, and the balance will be over the course of the next three to five years. Remember, this doc was making a profit of 150,000.

So, we look at it and say, “But you've got to stick around for the next three to five years, bites of apples or these ridiculous terms and walking away albeit unexcited.” I've now pushed all

of my family's chips into this private equity group instead of only taking 800,000.

Now, this is to ignore the time value of money, which you're an expert on. I could have got 800,000, but I'm getting 650, but I'm going to get an extra whatever it is, 550,000.

Isn't that interesting that you'll retire for the next five years at $150,000 a year in profit that you would've received, you're going to get 550,000. Even if private equity does nothing, they're walking away with no risk and making returns.

You, however, will work for the next five years and pay yourself the very money you're so excited about getting. This is exactly what they do and they've been doing it for 45 years.

David Phelps: You're right, you run the map and see that that recap money that you would make based on the promises is three to five years out. And you just basically gave that up and you said, now it's out of your hands.

You knew how to make it, you have the track record, now it's in someone else's hands and it's based on a leverage buyout, which we've already brought out the fallacies at math.

So, the dangers there, Alastair, and I'm really pleased that you've really invested a lot of your time in communicating this in the industry. When there needs to be a counterbalance to all of the conversations pushing this as something that's the new wave of, as you said, dentistry.

This is the way. It's all about dentistry today and it has nothing to do with … go back and study history, as you said, go back to the eighties, and review the leveraged buyouts there. It's just short-term wave we have here but the fallout for so many docs

who get caught in the middle of this, I think is going to be a tough realization for many of them.

Alastair Macdonald: It's true and I'm saying this is as somebody that did myself sell in my case, a veterinary hospital at 15 times EBITDA. But that was an actual sell, I was done and I walked away because that was—

I could just as compellingly make a case that well vet is special because … there's no need. I'm unencumbered by that philosophy. It's a superstition and it's not going to serve me.

So, my concern is, as somebody that has been through it, I was confident that that was the high-water mark and I was better at taking an actual sale. My concern is a lot of good docs are being hoodwinked by professional investors.

If a doc does this well, they will sell once in their life. What they forget is that private equity does this 50 times a month. You are quite literally playing poker with a profession. You're playing blindfolded, they can see your cards. I mean they're designing the game and the rules and you see this individual say, “I'm going in, but I want 90% cash up front.” Okay, great, let's go and we do this haggle back and forth.

But over time, I really got a sense of their vision and I feel like I could really … these guys are going to be great and most beautifully, the seduction of being so special that we're chosen — I will be on their advisory panel. I'm going to be part of their clinical advisory board, I'm going to help them with et cetera, et cetera.

We are so susceptible to being treated as exceptional and next thing we know, we've accepted 60% and we're all invested with individuals, as I said, whose balance sheet we don’t know, track

record we cannot ever see, and whose returns are unknown to us — who have a very different version of success than we do, very different, including respectfully, brokers.

Brokers historically have been really useful. And let's assume they're all good, well-meaning people. The game has changed, which is distorted the incentives for them. When brokers would historically just say, "I'll help you sell a practice. You buy this million dollar practice, you pay a hundred thousand, I get my fee, great. And we'll go our separate ways." That's an actual skill.

In this case, because the structure of the deal was changing so much that you are essentially signing up for dental serfdom for the next three to five years, to an overlord, a new boss that's probably 32 and an MBA, that's their entire qualification to be your boss.

You are going to work for them, the broker gets paid for the deal, yet in a moment, an event, your actual compensation will be a process as a function of just the distortion of deal structure, brokers are now selling dentists, not just dental practices.

David Phelps: So true. Great breakdown in the discussion this afternoon Alastair, appreciate your time as always. Thank you for bringing your insights and your experience to this dilemma that I think we have across the board in our industry today.

Alastair I should probably do a better job of regulating my advocacy here, I just want it to be known it's advocacy. I really do as an honor of practices myself, I just want to remind individuals that we're dealing with professionals and adjust accordingly.

David Phelps: Well said. That concludes my conversation the last two weeks with Mr. Alastair MacDonald. If you missed the first week, last week, go back and catch it because it brings up everything that we talked about. This week, it'll make it more relevant in context for you.

Hope you enjoyed it and got something out of this. We'll see you again next week and let us know what you think with the comments on this particular last two weeks.

You've been listening to the Dentist Freedom Blueprint Podcast. If you're tired of trading time for dollars and you want to create more freedom in your life, I encourage you to visit my week blog, freedomfounders.com/blog. I post weekly hard-hitting videos about creating more freedom in your life. Check out my latest book on Amazon, *What's Your Next?: The Blueprint for Creating Your Freedom Lifestyle*, or visit freedomfounders.com to learn more about how we help high income earners create the freedom to buy back their time and create more impact.